



Towards consolidation

LANCO Infratech Limited ANNUAL REPORT

2011-12





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Lanco is a leading EPC player in India now with global footprints. 25 years ago, we started as a small construction company. Much has changed since then. Today, we have transformed ourselves and emerged as a large, integrated infrastructure enterprise. We have fortified our organisation to meet the most daunting challenges, and leverage opportunities that present themselves in the years to come.

However, a few things remain exactly how they were when we began. Our passion for progress and zest for evolution, for instance.

Also, our ability to imbibe sophisticated processes, operational abilities and skills.

Our fundamental approach remains simple. Combining the best technology and the greatest human talent to create world-class 'concept to commissioning' solutions that empower lives.

2011-12 represented another step towards our vision and ability to adapt in a dynamic environment and realign ourselves. We bagged our first international EPC order in the Middle East. We commenced the construction of the metro rail projects in Chennai and Delhi. We were awarded three projects to build transmission lines for Power Grid Corporation of India Limited (PGCIL). Our thermal power plants performed well. And, we commissioned 94 MW of capacity in the Solar Power segment.

**An eventful year.
A momentous journey.
A firm step towards
consolidation.**



A passionate start, a progressive transformation

Lanco's operations, in its initial years, were primarily focused on mere construction activities. However, the opening up of India's power sector gave a huge impetus to the infrastructure sector in India. Leveraging this opportunity, Lanco developed its capabilities across the EPC value chain – right from engineering to procurement and construction.

Pure passion for progress and evolution is what enabled us to gradually emerge as a large, integrated infrastructure enterprise. We now operate across a synergistic span of verticals across power, engineering and infrastructure projects. We have developed solid competencies, operational abilities and skills to execute large scale projects in the infrastructure sector.

Today, EPC is the backbone of Lanco. It combines the best technology and the greatest human effort to create world-class 'Concept to Commissioning' solutions for our customers.

Business Verticals



ENGINEERING
PROCUREMENT AND
CONSTRUCTION (EPC)



POWER



SOLAR



NATURAL
RESOURCES



INFRASTRUCTURE



EPC-thermal

Progress

Post the completion of Amarkantak I and II projects, Lanco's first successful EPC project, the Company became the successful bidder in many projects and executed many of them.

Strengths

- Fast-track execution
- Timely and quality deliverables in a cost-effective manner
- Strong in-house engineering team capable of conducting pre-award and review engineering with complete systems integration
- Best practices and process benchmarking, as per international standards
- Excellent relationships with vendors & equipment suppliers / agencies

Project Portfolio

Projects already executed

366 MW

Combined cycle gas based power plant (Kondapalli)

600 MW

Imported coal based thermal power plant (Udupi)

1200 MW

Coal based thermal power plant (Anpara)

Projects under execution

1320 MW

Coal based thermal power plant (Amarkantak)

1320 MW

Coal based thermal power plant (Babandh)

1320 MW

Coal based thermal power plant (Vidarbha)

1980 MW

Thermal power plant (Koradi)

1200 MW

Thermal power plant (Moserbaer)

600 MW

Imported coal based thermal power plant (Udupi)

732 MW

Gas based power plant (Kondapalli)

250 MW

Gas based power plant (Akaz, Iraq)



EPC-hydro

Progress

Lanco forayed into the vast and untapped potential of the hydro power sector. We emerged as a hydro-electric project company through the construction of small hydro projects. Gradually, we also moved into the construction of large hydro-electric power projects. Successfully completed four 5 MW hydro projects and one 70 MW Budhil hydro project.

Strengths

- Expertise in design and erection of large-sized radial gates, stop logs and other Hydro-Mechanical (HM) components of hydro projects
- Ability to execute hydro-power projects of any size and complexity across geographies
- Integrated team of Designers, Hydrologists, Geologists, Construction Managers, Project Managers, Business Development Managers, O&M experts, Innovation experts, HR & Finance experts

Project Portfolio

Projects already executed

4 X 5 MW

Small Hydro

70 MW

Hydro Power Plant (Budhil)

Projects under execution

76 MW

Hydro power plant (Phata)

500 MW

Hydro power plant (Teesta)



EPC- infrastructure

Progress

Construction projects being its base, infrastructure development emerged as a natural progression for Lanco. This involved the execution of large civil and urban infrastructure projects. Roads, highways, ports, airports, railway lines, institutional and commercial buildings are some of the projects falling under this domain. Lanco successfully completed two road projects near Bengaluru.

Project Portfolio

Projects already executed

82 km

Neelamangla Junction (Bangalore) – Devihalli (NH-48)

81 km

Bangalore – Hoskote – Mulbagal (NH-4)

Projects under implementation

238 km

Toll road between Kanpur and Aligarh (NH 91)

Milestone projects

- Chennai Metro
- Delhi Metro
- Power Grid Corporation of India Limited – 345 KM of 765 KV and 85 KM of 400 KV transmission line
- Toyo Engineering / Indian Oil Corporation Limited – Refinery works
- IL&FS Water Limited – 100 KM water pipeline along with water treatment system

Strengths

- Dedicated engineering design support teams across business verticals for value engineering and construction methods
- Extensive experience in civil and construction work using the latest technology in civil construction
- Technology tie-ups/joint venture relationships with international majors across businesses
- Shortlisted and bid for large projects such as Dedicated Freight Corridor Corporation, DMRC, Italcementi, SAIL etc.

Solar

Lanco has entered the sunrise industry of solar power generation. Lanco set up an integrated model in solar power generation starting from poly silicon manufacturing to solar power plant establishment. It successfully executed solar PV power projects of 94 MW as a Developer and a EPC contractor and is also in the process of executing 300 MW solar thermal and solar PV projects as a Developer and a EPC contractor.

Aiming higher!

With opportunities in the infrastructure segment growing by leaps and bounds, Lanco's EPC business is moving ahead with great zeal and passion.

As a first step towards this move, we recently integrated our existing businesses – EPC Thermal, EPC Hydro and Construction – into a single business. With this, we emerged as an integrated infrastructure enterprise engaged in EPC operating across a span of verticals. We have firm plans to expand each of these individual businesses further, and eventually, emerge as an ₹ 80,000 Crore infrastructure company by the end of this decade.

The consolidated entity enables us to leverage our inherent strengths and sophisticated processes in the EPC business in the energy sector. It propels us to efficiently tap the unprecedented potential in other infrastructure sectors as well, globally. Besides these, our solar and natural resources verticals also provide a further impetus to the overall growth of our Group's business.

Opportunities in sight

Government of India envisaged

\$1 trillion investment in
the infrastructure sector for the 12th Five Year Plan

India's expected energy demand of

1392 Terawatt hours
by 2016-17, with a peak demand of 218 GW, requires an additional capacity of 135 GW to satiate the projected demand.

35,000 km huge highway
development opportunity for private sector

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. S. C. Manocha
Deputy Managing Director



Dr. Pamidi Kotaiah
Director



Mr. P. Abraham
Director



Dr. Uddesh Kumar Kohli
Director



Dr. B. Vasanthan
Director



Mr. R. Krishnamoorthy
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. S. C. Manocha	- Deputy Managing Director
Dr. Pamidi Kotaiah	- Director
Mr. P. Abraham	- Director
Dr. Uddesh Kumar Kohli	- Director
Dr. B. Vasanthan	- Director
Mr. R. Krishnamoorthy	- Director

CHIEF OPERATING OFFICER FINANCE

Mr. T. Adi Babu

EXECUTIVE DIRECTOR & COMPANY SECRETARY

Mr. C. Krishnakumar

AUDITORS

S. R. Batliboi & Associates

Chartered Accountants
Golf View Corporate Tower-B
Sector-42, Sector Road
Gurgaon- 122 002
Haryana, India

Brahmayya & Co.

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, Andhra Pradesh, India
Phone: +91-40-4009 0400, Fax: +91-40-23116109
E-mail: complianceofficer.litl@lancogroup.com
Website: www.lancogroup.com

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

**BANKERS AND FINANCIAL
INSTITUTIONS OF THE COMPANY**

Allahabad Bank
Andhra Bank
Axis Bank Limited
Bank of Baroda
Bank of China
Bank of India
Bank of Maharashtra
Canara Bank
Central Bank of India
Corporation Bank
DBS Bank
Dena Bank
Deutsche Bank
HDFC Bank Limited
HSBC
ICICI Bank Limited
IDBI Bank Limited
Industrial & Commercial Bank of China
Indian Bank
Indian Overseas Bank
IndusInd Bank Limited
Infrastructure Development Finance Company Limited
ING Vysya Bank Limited
Kotak Mahindra Bank Limited
Lakshmi Vilas Bank
Life Insurance Corporation of India
National Bank of Iraq
Oriental Bank of Commerce
Punjab & Sind Bank
Punjab National Bank
Srei Infrastructure Finance Limited
Standard Chartered Bank
State Bank of Bikaner & Jaipur
State Bank of Hyderabad
State Bank of India
State Bank of Mysore
State Bank of Patiala
Syndicate Bank
Tamilnad Mercantile Bank Limited
Tata Capital Limited
The Catholic Syrian Bank Limited
The Jammu & Kashmir Bank
UCO Bank
Union Bank of India
United Bank of India
Vijaya Bank
Yes Bank Limited

**REGISTRARS & SHARE
TRANSFERS AGENT**

Link Intime India Private Limited
(Unit: Lanco Infratech Limited)
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (West), Mumbai 400 078, Maharashtra, India
Phone: +91-22-25946970, Fax: +91-22-25946969
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

Year at a Glance - Consolidated

₹ Lakhs

Particulars	2011-2012	2010-2011	Change (%)
Profit and Loss Account			
Gross Revenue	15,39,808	11,30,490	36
Less: Elimination of Inter Segment Revenue	5,11,151	3,26,078	57
Net Revenue	10,28,657	8,04,412	28
Profit Before Depreciation, Interest and Taxation (PBITDA)	1,84,860	2,15,199	(14)
Depreciation and Amortisation	56,280	35,373	59
Profit Before Interest and Taxation	1,28,580	1,79,826	(28)
Eliminated Profit on transactions with Subsidiaries	75,862	45,811	66
Profit Before Interest and Taxation Plus Elimination	2,04,442	2,25,637	(9)
Interest and Finance Charges	1,05,385	75,767	39
Profit Before Taxation, Exceptional Item Plus Elimination	99,057	1,49,870	(34)
Exceptional Item	11,643	-	100
Profit Before Taxation Plus Elimination	1,10,700	1,49,870	(26)
Provision for Taxation (Including Deferred Tax and MAT Credit Entitlement)	22,462	38,496	(42)
Profit After Tax (Before Minority Interest and Share of Profits from Associates)	88,238	1,11,374	(21)
Share of Minority Interest	13,428	17,033	(21)
Share of Profits / (Loss) from Associates	(6,022)	261	(2,406)
Profit After Tax (After Minority Interest and Share of Profits from Associates) Plus Elimination	68,788	94,602	(27)
Prior Period Items	360	111	226
Elimination of Profit on Transactions with Subsidiaries and Associates	79,631	49,884	60
Profit After Tax (After Minority Interest and Share of Profits from Associates)	(11,203)	44,607	(125)
Cash Profit	1,37,802	1,21,768	13
Balance Sheet			
Share Capital	23,896	23,872	-
Reserves & Surplus	4,46,709	4,38,441	2
Minority Interest	95,188	84,533	13
Net Worth Plus Minority Interest	5,65,793	5,46,845	3
Eliminated Profit on Transactions with Subsidiaries and Associates (Cumulative)	1,51,292	84,195	80
Net Worth Plus Minority & Elimination	7,17,085	6,31,040	14
Non Current Liabilities	26,96,692	15,59,249	73
Current Liabilities	15,78,885	8,13,580	94
Non Current Assets	37,48,421	21,49,698	74
Current Assets	10,92,950	7,69,977	42
Cash Flow Statement			
Cash from Operating Activities before Elimination	4,18,467	3,26,145	28
Key indicators			
Earning Per Share (in ₹)			
Basic	[0.48]	1.92	(125)
Diluted	[0.48]	1.90	(125)
No. of Employees	7,914	6,761	17



Directors' Report

To
The Members

Your Directors have pleasure in presenting the Nineteenth Annual Report on the Business and Operations of the Company together with the Audited Accounts for the year ended March 31, 2012.

FINANCIAL RESULTS		₹ Lakhs			
	CONSOLIDATED		STANDALONE		
	Year Ended March 31		Year Ended March 31		
	2012	2011	2012	2011	
INCOME					
Revenue from operations and other income	10,28,657.33	8,04,411.55	8,66,924.77	5,91,514.71	
Profit Before Taxation	34,838.31	1,04,058.43	10,626.40	42,031.59	
Provision for Taxation	22,462.24	38,495.90	(940.84)	14,200.00	
Net Profit after Taxation	12,376.07	65,562.53	11,567.24	27,831.59	
Less: Prior period items	360.34	110.67			
Add: Share of Profit/(Loss) of Associates	(6,021.81)	261.16			
Less: Elimination of Unrealised Profit on Transactions with Associate Companies	3,768.96	4,073.48			
Less: Share of Minority Interest	13,428.43	17,032.65			
Net Profit/ (Loss) after Taxation, Minority Interest and Share of Profit/ (Loss) of Associates (Balance Carried to Balance Sheet)	(11,203.47)	44,606.89	11,567.24	27,831.59	
Surplus brought forward	1,61,417.24	1,19,810.35	1,35,007.92	1,07,176.33	
Profit Available for Appropriation	1,50,213.77	1,64,417.24	1,46,575.16	1,35,007.92	
Transfer (from)/to Capital Redemption Reserve	1,677.32	0.00			
Transfer to General Reserve	2,803.75	3,000.00			
Premium paid on buy back of shares by a subsidiary	179.28	0.00			
Proposed Dividend and Dividend Distribution Tax	1.86	0.00			
Balance Carried to Balance Sheet	1,45,551.56	1,61,417.24	1,46,575.16	1,35,007.92	

DIVIDEND

As a measure of prudence and with a view to conserve resources for funding the business plans of the Company, no dividend on the Equity Shares for the year ended March 31, 2012 was recommended.

OPERATIONS REVIEW

On a Consolidated basis your Company has reported Gross Revenues of ₹ 10,28,657.33 Lakhs as against ₹ 8,04,411.55 Lakhs of Revenues registered in the Previous Year. Total Expenditure for the Year was ₹ 10,05,462.19 Lakhs as against ₹ 7,00,353.12 Lakhs in the Previous Year. The Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) amounted to ₹ 1,84,859.78 Lakhs

while the same was ₹ 2,15,198.62 Lakhs for the Previous Year i.e. a decrease of 14%. The Profit Before Taxation stood at ₹ 34,838.31 Lakhs, a decrease of 66% as compared to ₹ 1,04,058.43 Lakhs in the Previous Year.

The Net Profit/(Loss) after Tax after adjustment of Minority Interest and Share of Profits of Associates was ₹ (11,203.47) Lakhs as against ₹ 44,606.89 Lakhs for the Previous Year.

Gross Interest and Finance charges on consolidated basis amounted to ₹ 1,05,385.10 Lakhs in comparison to ₹ 75,766.78 Lakhs due to increase in loans and Working Capital Requirements for Project Execution.



A detailed discussion on the results of the operations and the financial condition is included in the Management Discussion and Analysis section placed at Annexure-IV to this report.

BUSINESS REVIEW

A detailed business review is being given in the Management Discussion and Analysis Section of the Annual Report placed at Annexure-IV to this report.

SUBSIDIARY COMPANIES

The following Companies have become Subsidiaries of the Company:

Emerald Orchids Private Limited, Helene Power Private Limited, Lanco Solar Power Projects Private Limited, Mahatamil Mining and Thermal Energy Limited, Nix Properties Private Limited, Omega Solar Projects Private Limited, Orion Solar Projects Private Limited, Pasiphae Power Private Limited, Sabitha Solar Projects Private Limited, Lanco Anpara Power Limited, Udupi Power Corporation Limited, Approve Choice Investments (Proprietary) Limited, Bar Mount Trading (Proprietary) Limited, Barrelake Investments (Proprietary) Limited, Belara Trading (Proprietary) Limited, Caelamen (Proprietary) Limited, Dupondius (Proprietary) Limited, Filten Trading (Proprietary) Limited, Gamblegreat Trading (Proprietary) Limited, K2011103835 (South Africa) (Proprietary) Limited, Lanco Infratech Nepal Private Limited, Lanco Solar Canada

Limited, Lanco Solar International GmbH, Lexton Trading (Proprietary) Limited, Solar Fi SP 06, Solar Fi SP 07, Tiper Solaire SAS.

The names of the following Subsidiaries have been changed: Diwakar Solar Projects Limited (earlier Diwakar Solar Projects Private Limited), Lanco Amarkantak Power Limited (earlier Lanco Power Limited), Lanco Power Limited (earlier Lanco Power Private Limited), Lanco Solar Power Projects Private Limited (Earlier Caliban Trading Private Limited), Mahatamil Mining and Thermal Energy Limited (Earlier Lanco Mining and Thermal Energy Limited), Lanco Thermal Power Limited (Earlier Vamshi Industrial Power Limited), Lanco Hydro Power Limited, (Earlier Lanco Hydro Power Private Limited), Lanco IT P.V. Investments B.V. (Earlier Lanco Italy PV1 Investment B.V.), Lanco Solar Holdings LLC (Earlier Lanco North Park Land Holding Two LLC), Lanco solar US EPC Branch LLC (Earlier Lanco North Park Land One LLC), Lanco SP P.V. Investments B.V. (Earlier Lanco Spain PV1 Investment B.V.), Lanco US P.V. Investments B.V. (Earlier Lanco Italy PV2 Investment B.V.).

NOTE ON PARTICULARS REQUIRED AS PER SECTION 212 OF THE COMPANIES ACT, 1956

In terms of the provisions of Section 212 of the Companies Act, 1956, the Company was required to attach the Annual Reports of the Subsidiary Companies and the related detailed information to the Balance Sheet of the Holding



Company. However, the Ministry of Corporate Affairs vide their General Circular No. 2/2011 dated February 8, 2011 granted general exemption to the Companies under Section 212(8) from the requirement to attach detailed financial statements of each Subsidiary. Accordingly, the Annual Report does not contain the financial statements of the subsidiaries. The detailed financial statements and audit reports of each Subsidiary are available for inspection at the Registered Office of the Company and upon written request from a Shareholder, your Company will arrange to send the financial statements of Subsidiary Companies to the said Shareholder.

HEALTH, SAFETY AND ENVIRONMENT

Our Group's journey in the perspective of Health, Safety & Environment (HSE) has been encouraging and on right path. Corporate HSE has been driving various initiatives like HSE Audit Management, Contractor HSE Management and 'Train the Trainer' Programme to propel awareness on HSE at sites. Apart from this, initiatives were taken to assist our contractors to partner with us to enhance our HSE performance. Towards these objectives separate workshops were conducted with Contractors and Site Directors to give a feel of our expectations.

The group has started its process of innovation to HSE processes through share and learn programme. Site personnel share the best HSE processes among themselves, which are of significant value to enhance HSE performance

and give a new image to the organisation.

Our HSE performance is realised with recognition of our efforts in HSE and towards their sustenance. The true reflection of our HSE culture is more evident at our Tanjore and Kondapalli sites, which have participated in various HSE awards and won them to make us proud. A brief description is below:

Site	Award
Lanco Tanjore Power Company Limited	Golden Peacock Award for Climate Security during the year 2011; Greentech Award for Environment Protection during the year 2011.
Lanco Kondapalli Power Limited	EHS Excellence Award 2011 from CII on best HSE practices.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. L. Sridhar, Dr. Uddesh Kumar Kohli and Dr. B. Vasanthan, Directors retire by rotation and being eligible, offer themselves for re-appointment.

We report with grief the demise of Mr. P. Narasimhamulu, Independent Director who passed away on April 13, 2012. The Board of Directors places on record its appreciation

towards the significant contribution and valuable services rendered by Late Mr. P. Narasimhamulu during his tenure as Independent Director.

The Board of Directors appointed Mr. R. Krishnamoorthy as an Additional Director with effect from May 29, 2012. In terms of Section 260 of the Companies Act, 1956 he shall hold office upto the date of the ensuing Annual General Meeting of the Company. The Company has received requisite Notice in writing from a Member proposing his candidature for the office of Director liable to retire by rotation.

DEPOSITS

Your Company has not accepted deposits falling within the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 during the year under review.

AUDITORS

S.R. Batliboi & Associates, Chartered Accountants and Brahmaya & Co., Chartered Accountants, Auditors of the Company, will retire at the conclusion of the Annual General Meeting. S.R. Batliboi & Associates, Chartered Accountants conveyed their inability to be considered for re-appointment as Auditors.

Special Notice under Section 225 read with Section 190 of the Companies Act, 1956 was received, proposing an Ordinary Resolution to appoint Brahmaya & Co., Chartered Accountants, as Auditors from the conclusion of the Annual General Meeting to the conclusion of the next Annual General Meeting, in place of the retiring Auditors.

Brahmayya & Co., Chartered Accountants, have conveyed their willingness to accept appointment and confirmed their eligibility under Section 224 (1B) of the Companies Act, 1956.

COST AUDITORS

Pursuant to Order from the Ministry of Corporate Affairs, DZR & Co., Cost Accountants have been appointed as Cost Auditors for the year 2011-12. They are required to submit the report to the Central Government within 180 days from the end of the accounting year.

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

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in

the Report of Board of Directors) Rules, 1988, is enclosed as Annexure-I.

DISCLOSURE ON COMPANY'S EMPLOYEES STOCK OPTION PLANS

The Employees Stock Option Plan - 2006 and the Employees Stock Option Plan - 2010 were approved by Shareholders by passing Special Resolutions in the Extraordinary General Meeting held on June 7, 2006 and Annual General Meeting held on July 31, 2010, respectively.

The required information relating to the said schemes pursuant to Clause 12 of the SEBI (ESOS/ESOP) Guidelines, 1999, are enclosed as Annexure-II.

PARTICULARS OF EMPLOYEES

The information required to be published under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended is enclosed as Annexure-III.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis as required under Clause 49(IV)(f) of the Listing Agreement is enclosed as Annexure-IV.

CORPORATE GOVERNANCE

The Report on Corporate Governance is given separately in this Annual Report. The Certificate of Practising Company Secretary certifying compliance in this regard is annexed to the said Report.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures are made from the same;
- ii) we have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for the period;
- iii) we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,

1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

- iv) we have prepared the annual accounts on a going concern basis.

INFORMATION ON AUDITORS' OBSERVATIONS

The observations of the Auditors in Paragraphs 4 & 5(v) in their Report on Standalone Financial Statements read with Note no. 38 of the Standalone Financial Statements provide fullest information and explanation and hence are not required to be reiterated.

Further, the observations of the Auditors in Paragraphs 4 and 5 in their Report on Consolidated Financial Statements read with Note Nos. 52 D (VI), 65, 42, 63, 64, 37, 54, 59, 38, 39 of the Consolidated Financial Statements provide fullest information and explanation and hence are not required to be reiterated.

ACKNOWLEDGEMENT AND APPRECIATION

Your Directors take this opportunity to thank all the stakeholders including Shareholders, Financial Institutions, Banks, Customers, Suppliers and Regulatory and Governmental Authorities for their continued support to the Company. Directors also wish to place on record their sincere appreciation of the hard work, dedication and commitment of Employees at all levels.

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 13, 2012.

Annexure - I

FORMING PART OF THE DIRECTORS' REPORT

Technology Absorption and Adaptation and Innovation

Lanco Infratech Limited is focused on both coal as well as gas based power projects. In coal based segment, the major thrust is on super critical plants with unit size configuration of 660 MW / 800 MW (which have better plant performance). Also, the Company is offering boilers based on Circulating fluidised bed combustion (CFBC) technology, as it can fire low-grade fuel or fuel with highly fluctuating fuel quality and also controls sulphur and NOx emission. In the gas based segment the Company is offering open as well as combined cycle power plants of varied capacities which ranges from 200 MW to 1200 MW.

Innovations and Technological Adaptation carried out –

- **Chemical Vapor Deposition (CVD) Design** - One of the most critical processes in Poly silicon manufacturing is Chemical Vapor Deposition (CVD) reactors where the operating temperature is around 900-1100 degree Centigrade. In order to avoid any mechanical distortion or damages to the reactors, this temperature needs to be brought down and continuously maintained below 140 degree Centigrade. The Company, with the guidance of its consultant, designed a system with 9 independent drives to provide a non-interrupted flow of cooling fluid. In an effort to optimise cost, the system was redesigned by using 6 drives with Rotary UPS and thus drastically reduced the cost.
- For safer and fast execution of the projects the Company uses the 'Construction Engineering' methodology and has Developed Method Statement for all the construction activities.
- With key objectives of retaining organisational knowledge, avoiding reinvention and facilitating innovation, the Company has launched knowledge management program with focus on people, processes, technologies and knowledge sharing culture. One of the examples is preparation of Commissioning manual by leveraging our experience in commissioning of power plants and to incorporate world class best practices into our commissioning activities.

Foreign Exchange Earnings and Outgo:

	(₹ Lakhs)
	Year Ended March 31, 2012
Foreign Exchange Earnings	3,646.26
Foreign Exchange outgo (including Capital imports)	3,11,724.09

Annexure - II

FORMING PART OF THE DIRECTORS' REPORT

Disclosure in compliance with Clause 12 of the SEBI (Employee Stock Option Scheme) and (Employee Stock Purchase Scheme) Guidelines, 1999 as amended

S. No.	Description	Employee Stock Options Plan 2006
1	Total Number of Options under the plan	111,180,960
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, 2012	53,673,122
5	Options Exercised during the year	7,106,557
6	The total number of shares arising as a result of exercise of option (As of March 31, 2012)	38,590,979
7	Options lapsed during the year	5,270,325
8	Variation of Terms of options upto March 31, 2012	Nil
9	Money realised by exercise of Options during the year (in ₹)	1,726,893
10	Total Number of options in force as on March 31, 2012	70,247,485
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	₹ 0.50
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 ₹ 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:	NA
	(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.	

Annexure - IV



Management Discussion and Analysis

ECONOMIC REVIEW

Global: The year under review was witness to unprecedented challenges across the globe. World economic growth was severely impacted by a number of events. The devastating Tsunami in Japan, increasing unemployment in U.S., Eurozone sovereign debt crisis and the political turmoil in Middle East and North Africa, to name a few.

The developing nations offered a ray of hope to the otherwise ailing global economic situation. But the economic growth of developing nations, too, hasn't been quite encouraging during FY 2011-12.

Faint signs of a revival in the US economy emerged at the beginning of 2012. However, a fresh set of challenges have now struck the Eurozone in the form of probable Greek exit and the worsening banking crisis in Spain. Faced with a new and difficult situations, the world's economic outlook appears challenging over the next 2-3 years.

Global GDP growth (%)			
Country	2010	2011	2012(E)
USA	3.0	1.7	2.1
UK	2.1	0.7	0.8
China	10.4	9.2	8.2
Japan	4.4	-0.7	2.0
European Union	2.0	1.6	0.0
World	4.2	2.8	2.7
<i>[Sources: World Economic Outlook, April 2012]</i>			

India: The global economic turmoil, coupled with several domestic issues, adversely impacted India's economic growth. During the year, the nation was confronted with many challenges, such as high interest rates, infrastructure constraints and liquidity crunch. Add to this, slow industrial growth, weakening rupee, rising fuel prices and lack of policy reforms, and economic growth stood severely stunted. The nation's GDP, during FY 2011-12, slumped to a 9-year low of 6.5%.

Manufacturing sector grew 2.5%, compared with 7.6% growth in the previous year. Services sector grew 8.9% vis-a-vis 9.3%. The agricultural growth was the most affected. It registered a meagre 2.8% growth during FY 2011-12, much lower than 7% clocked during FY 2010-11.

Annual GDP growth (%)			
Country	2009-10	2010-11	2011-12
USA	8.4	8.4	6.5

Going forward, the Indian Government expects the economy to clock at least 6.5%-7% growth during FY 2012-13.

Improving agricultural output owing to good monsoons and a manufacturing sector rebound have provided the much-needed confidence. India's manufacturing sector is envisaged to witness a turn-around on account of increasing investment and focus on reviving key sectors like mining and energy. Emphasis is laid on increasing/improving fuel and supplies.

COMPANY REVIEW

Lanco Infratech Limited (Lanco), one of India's leading business entities, is among the largest private independent power producers. We possess a 25-year experience in the fields of Engineering, Procurement and Construction (EPC), Power, Solar, Natural Resources and Infrastructure.

We believe in the 'concept to commissioning' EPC execution model. This enables us to deliver quality projects within the budgeted cost and timeframe, ensuring customer satisfaction. We have constructed various projects classifying in the small, medium, large and mega category. These projects are across sectors like power, road and port infrastructure. We have also carried out brownfield as well as Greenfield projects.

Our operations are spread across India and in various other countries. We carry out these operations through special purpose vehicles (SPV) created for developing various infrastructure development projects.

3330 MW

Power Capacities under Operation

6048 MW

Power Capacities under Construction

7113 MW

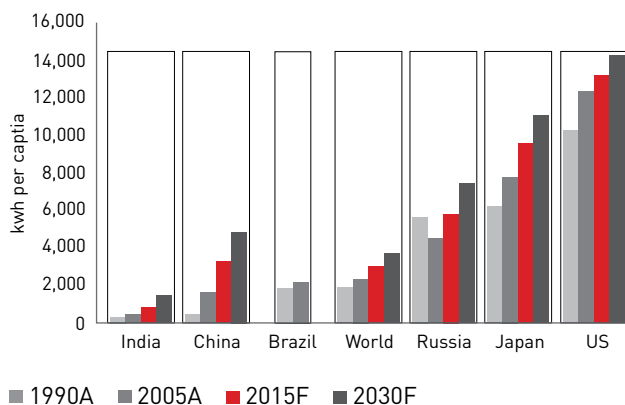
Power Capacities under Development

INDUSTRY REVIEW – DEVELOPMENTS AND OUTLOOK

Power

Power is essential for enabling economic growth, for improving the quality of life and for increasing the opportunities for development. It plays a key role in accelerating India's socio-economic progress. India ranks fifth – globally – in terms of capacity for energy generation and consumption. However, the per capita energy consumption in India is much low, when compared with high-growth developing economies, such as China, Brazil and Russia.

Electricity consumption per capita



(Source: IEA, Macquarie Research)

However, the demand for power is expected to witness a northward movement in India. This is owing to factors like increasing industrialisation, urbanisation, modernisation and high-growth prospects of the economy.

Over the past 20 years, India's annual power generation capacity has more than trebled to around 199.63 GW in 2012-end. This was 66 Giga Watt (GW) in 1991. The 11th Five Year Plan has witnessed a capacity addition of around 67 GW, the highest compared to earlier Plans. More encouragingly, 27% of the capacity addition was contributed by the private sector. Despite the addition, India continues to suffer a peak hour deficit of around 11% annually, indicating the huge demand potential.

Installed Power Generation Capacities as on March 31, 2012

	Thermal			Nuclear	Hydro	Others	TOTAL
	Coal	Gas	Oil				
Capacities (GW)	112.02	18.15	1.19	4.78	38.99	24.50	199.63
%	56.0	9.2	0.6	2.4	19.5	12.3	100

(Source: CEA)

On account of the increasing demand, the electricity generated during the year surpassed the targeted level of 855 billion units (bu).

Electricity Generation as on March 31, 2012

	Hydro	Thermal	Nuclear	Bhutan imports	TOTAL
Targeted(bu)	113	712	25	5	855
Achieved (bu)	131	709	32	5	877
Achievement rate (%)					103

(Source: CEA)

However, execution of planned targets gets severely impacted due to several challenges the power sector faces. Key issues affecting the power sector are coal availability, slow pace of reforms and delays in important clearances (environment, land and water). Aggregate technical and commercial losses (AT&C) as well as poor tariff structuring also contribute to the slower growth in the power sector.

FY 2011-12 witnessed the Government taking several initiatives to address the sector's concerns on an urgent basis. A number of reforms have been proposed to push growth. Once implemented, these reforms will positively impact the overall situation of the sector. Following are the highlights of these reforms:

Tariff Fixing Process

Steps taken by the electricity appellate tribunal towards the tariff-fixing process:

- Authorised the state electricity regulatory commissions (SERC) to raise tariffs on a suo-moto basis, if Discoms do not demand tariff revision.
- Fuel price-related hikes can be passed through on a quarterly basis.

Following this, several states have adopted revisions in power tariffs.

Shunglu Committee Recommendations

In December 2011, the Shunglu Committee recommended several measures. These were aimed at improving the financial health of state-owned power distribution companies. Some of these recommendations include:

- Increase in accountability of SERCs through independent decision-making
- Elimination of political influence on tariff-fixing
- Introduction of franchisee model in power distribution
- Charge on agricultural consumption to increase accountability
- Transfer of risks, to SPVs, which will purchase distressed loans of Discoms from banks, once they are restructured

Coal Supply Improvement

- Persuade Coal India Limited to enter into new fuel supply agreements (FSAs)
- Increase minimum supply quantity to 65%-70% (from current 50%) to ensure higher coal availability
- Add new coal linkages and proposing a dedicated coal block allocation for power plants

Environmental Norms

- Accelerating environmental clearance norms for faster execution
- Forming separate guidelines and timelines for issuing clearances
- Allowing 25% extra mining from same mine without additional clearance

Shift to Case II Bidding

- Indicated a proposed shift to Case II bidding
- Focusing on fuel escalation clause and changing bidding norms to base bidding only on capacity charges and standard heat rate (SHR)

Sector Outlook

However, despite the innumerable challenges, the outlook for the sector appears extremely encouraging. The prime reason being that the proposed reforms are seen getting implemented. According to the 17th Electric Power Survey of India, the electrical energy demand is seen rising. Demand is expected to touch 1392 Tera Watt hours by 2016-17, with a peak demand of 218 GW. This necessitates an additional capacity of 135 GW to satiate the projected demand.

The 12th Plan (2012-17) proposes to add around 76 GW of power capacity. The need of the hour is overall operational efficiency and building a long-term sustainability for the industry. And the private sector is expected to play an important role towards achieving this.

Solar

Over the past seven years, the global solar industry has experienced an unprecedented growth. The key reasons being increasing concerns over climatic change and the need for green and clean energy. Further, solar-PV module prices have significantly declined. Prices have fallen from more than \$4 per Wp in 2008 to just under \$1 per Wp by January 2012, encouraging the need for increasing investments in the sector.

Today, the global power generation capacity stands at 65 GW. And this is expected to grow 3.3-4.8 times by 2015, according to a May 2012 McKinsey Report on Sustainability & Resource Productivity.

The Government is keen to increase the share of renewable energy in the total generation capacity of power in the country. It has announced the National Action Plan for Climate Change (NAPCC) to achieve the objective. The Plan expects that by 2010, renewable energy will contribute 5% of the total energy procurement across the country. And its share will increase 1% year-on-year for the next 10 years.

Thus, renewable energy is seen contributing 10% of the total energy procurement by 2015, and 15% by 2020. The Ministry of New and Renewable Energy (MNRE) launched the Jawaharlal Nehru National Solar Mission (JNNSM). It provides preferential feed-in-tariffs to power produced from solar energy. Several states like Gujarat, Rajasthan and Karnataka have followed the JNNSM and implemented their own policies.

Further, the Electricity Act, 2003 has assigned the responsibility of promotion of renewable energy to respective state electricity commissions (SERCs). Thus, SERCs are empowered to ensure a certain pre-fixed percentage of renewable energy in the electricity mix in respective states. This is known as the renewable purchase obligation (RPO). India's solar RPO requirement currently ranges from nil to 0.5% of the total electricity consumed. And this is seen rising to 3% by 2022.

The MNRE has proposed the installation of 970 MW of power capacities across the two phases. States such as Gujarat

and Rajasthan have already been executing projects of 365 MW and 200 MW, respectively.

India's total installed capacity in power is 158.5 MW. However, there is increasing coal supply shortage as well as growing importance of renewable energy. Owing to this, India's installed power capacity is expected to increase to 6 GW in 2016; and will surpass 25 GW by 2022.

Resources

Coal is an essential source of fuel accounting for almost 83% of the total energy generated. There is an increasing growth in India's power generation capacities. Due to this, the demand for domestic coal has been growing 6% annually. Coal India is the third-largest producer of coal, globally. It is also the primary coal supplier. However, its total production has failed to keep pace with the rising coal demand. And this has led to a rise in coal prices.

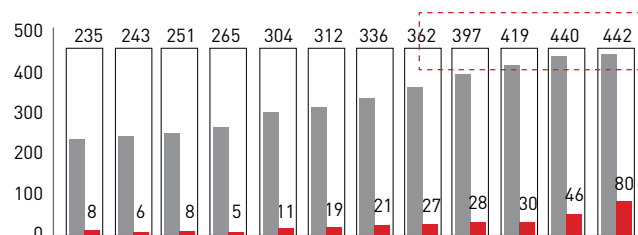
Coal Demand and Supply Scenario in India (Million Tonnes)

	FY07	FY08	FY09	FY10	FY11	FY12E
Coal production	431	457	493	532	533	534
Domestic demand	464	504	549	582	612	686
Shortfall in domestic supply met through imports	33	47	56	50	79	152
Imports as % of demand	7%	9%	10%	9%	13%	22%

(Source: India Ministry of Coal)

The sector has witnessed an increasing dependence on high-cost imports to meet consumption needs. However, the unfavourable policy changes on coal imports from Australia and Indonesia have posed several challenges. This, in turn, has impacted the feasibility of various projects. It has particularly affected projects that have entered into power off-take agreements at low prices without considering the fuel pass-through clauses. The depreciating Indian rupee against the U.S. Dollar has further increased India's coal import bill. The situation has impacted the plant operations and led to lower electricity generation.

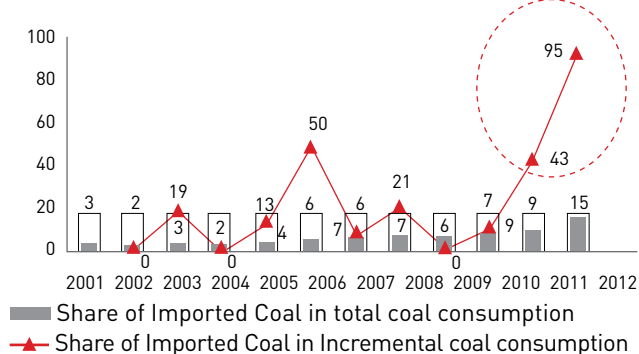
Indian coal scenario



■ Domestic Coal (MT): CAGR: 6%
■ Imported Coal (MT): CAGR: 24%

(Source: Ministry of Coal)

Share of imported coal (%)



(Source: CRISIL analysis)

Infrastructure

The Indian Government has laid out several initiatives to upgrade and strengthen National Highways. Prime among them is the National Highways Development Project (NHDP).

Interest from the private sector towards the development of these highway projects is on the rise. National Highway Authority of India (NHAI) has till date awarded around ~18,000 km of roads to private players. At least 70% of these or 12,500 km were awarded in the past three years.

The recent reforms implemented by NHAI have further led to a visible step-up in contract awards. Several states, too, have accelerated their highway development programs. Going ahead, the private sector opportunity for potential highway development is a whopping 35,000 km.

BUSINESS REVIEW

EPC*

Order book	Revenues	EBIDTA	EBIDTA margin
₹ 265,543 Mn	₹ 99,236 Mn	₹ 13,847 Mn	14%

** Including Solar*

We are an integrated infrastructure player. Our EPC business is the backbone for catering to power and non-power infrastructure projects. Our engineering capabilities have been benchmarked with national and international standards. And they meet all the statutory and regulatory requirements. Our continuous focus is on capability enhancement in the areas of project management, technology, planning, quality, safety, health and environment. And this is, precisely, what enables us to execute projects of varying challenges.

Competitive Factors

- Engineering expertise across thermal, hydro and construction projects, such as highways, airports, industrial structures, transmission and distribution, chimneys, cooling towers, water infrastructure and heavy civil structures
- Execution of over 4,334 MW of power projects
- Plant designing ability, including mechanical design, electrical design, control and instrumentation and civil works design
- Relevant technology and product mix
- Team of over 4,500 qualified and experienced professionals

Key Developments in FY 2011-12

- Acquired maiden international EPC order in Iraq worth ₹ 3,653 mn for AKAZ Power Plant of capacity 2 x 125 MW in Al-Anbar Province
- Entered into metro rail construction for Chennai and Delhi Metro
- Bagged three projects of ~350 kms of 765 KV S/C transmission line for Power Grid Corporation of India Limited (PGCIL)
- Completed construction of 1200 MW Anpara project and 600 MW of Unit 1 Udipi Power Project

MAJOR PROJECTS UNDER EXECUTION

External

- 2x660 MW for Thermal Power Project for Moser Baer
- 3x660 MW Koradi Thermal Power Project for Mahagenco
- 2x125 MW Akaz Gas Power Project for Govt of Iraq

Internal

- 2x660 MW Amarkantak Thermal Power Project
- 2x660 MW Vidarbha Thermal Power Project
- 2x660 MW Babandh Thermal Power Project
- 600 MW Unit – II of Udipi Thermal Power Project
- 732 MW Unit – III of Kondapalli Gas Power Project
- 500 MW of Teesta Hydro Power Project

Power*

Operating capacities	Revenues	EBIDTA	EBIDTA margin
3,330 MW	₹ 46,126 Mn	₹ 14,040 Mn	30%

** Including Solar*

Lanco Infratech leverages its proven expertise in developing power generating capacities. This is achieved through conventional and non-conventional sources of energy, such as coal, gas, hydro, solar and wind. The Company has operational capacities of 3,330 MW and 6,048 MW of capacities under various stages of construction. Around 74% of these capacities are based on coal, 17% on gas, while other renewable sources account for the rest.

Competitive Factors

- Proficiency in coal mining, project development, EPC (engineering, procurement and construction), O&M (operation and maintenance), and trading



- Strategically located power plants facilitating availability of crucial resources for regular operations
- Efficient resource optimisation resulting in higher Plant Load Factor (PLFs)
- Lanco Tanjore created a record of 133 days of uninterrupted operations
- NETS, the power trading arm of Lanco, signed a power trading contract with Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO). The contract is aimed at sourcing power from 100 MW Anpara Power Limited for a period of 5 years

Key Developments in FY 2011-12

- Power trading division traded 4991 million units
- Synchronised Unit II (1 x 600 MW) of Anpara 'C' and Unit I (1 x 35 MW) of Budhil
- COD (Commercial Operation Date) of Unit I and Unit II (2 x 600 MW) of Anpara 'C'
- Amarkantak Power Plant Unit II (1 x 300 MW) continued power supply to Haryana and Chhattisgarh, as per the Appellate Tribunal order
- Received MoEF clearances for Amarkantak Unit V and VI (2x660 MW each) and for the transmission lines at Udupi Power Plant Unit II (1x600 MW)
- Filed petition with CERC for tariff determination for power generation from Udupi Power Plant Unit I & II (2x600 MW)
- Kondapalli Unit 1 (1x366 MW) received full fixed charge under the PPA with APTransco
- Anpara Power Plant (2X600 MW) entered into a fuel supply agreement with Northern Coalfields Limited for coal linkage; Received UPPCL approval for coal import

Performance of the Projects under Operation

Plant	Fuel	Capacity (MW)	PLF (%)	Units generated (MUs)
Kondapalli I & II	Gas	734	67	4235
Amarkantak I & II	Coal	600	76	4013
Tanjore	Gas	120	76	803
Udupi	Imported Coal	600	60	3161
Anpara	Coal	1,200	37	973
Small Hydro	Hydro	20	39	67
Wind	Wind	13	21	25
Solar	Solar	43	12	17
TOTAL		3,330		13,294

Progress of the Projects under Construction

Plant	Capacity (MW)	Fuel	Progress
Amarkantak III & IV	1,320	Coal	Switchyard erection – Completed
			Control room – Completed
			Condenser erection – Nearing completion
			Boiler parts erection – In progress
Vidarbha	1,320	Coal	TG deck for Unit 1 – Completed
			6th tier boiler structural – In progress
Babandh	1,320	Coal	TG deck casting – Completed
			Boiler#1 structural erection–Nearing completion
			Chimney – In progress
Udupi	600	Imported Coal	Synchronised and ready for operation
Kondapalli III	742	Gas	480 MW simple cycle units – synchronised
			Combined cycle – Under commissioning
			Gas allocation – Awaited
Budhil	70	Hydro	Unit II - Under testing for synchronisation
Teesta	500	Hydro	Concreting in barrage work–Nearing completion
Phata	76	Hydro	Dam concreting – Nearing completion
			Power house excavation – Nearing completion
			HRT excavation completed – In progress
Diwakar	100	Solar	In progress

Solar*

Operating capacities	Revenues	EBIDTA	EBIDTA margin
43 MW	₹ 12,220 Mn	₹ 3,005 Mn	25%

* Including Solar Power Generation and EPC

Lanco Infratech has emerged as India's first company to have made its presence felt across the solar value chain. We have already installed 50 MW of modules production capacities. And 1,800 MT poly silicon and 100 MW wafer plant is currently under construction. Our focus is on project development, EPC and O&M services as well.

Till date, we have executed over 90 MW of solar projects. Currently, we are executing over 290 MW solar EPC contracts (PV and Solar Thermal).

Competitive Factors

- Integrated approach
- Leveraging EPC expertise

Key Developments in FY 2011-12

- Commissioned 38 MW generating capacities
- Commissioned 80 kwp solar photovoltaic rooftop power plant at Parliament House complex

- Completed construction of 56 MW solar photovoltaic power plants in Gujarat
- Commissioned four rooftop projects:
 - 1 MW solar farm for Punjab Energy Development Agency at Batinda, Punjab
 - 100 kW roof top system at Pushpa Gujral Science City, Kapurthala, Punjab
 - 40 kW rooftop across 16 primary health centres and tribal hostels in Chattisgarh
 - 25 kW rooftop system on RITES Building, Gurgaon

Resources

Lanco Infratech is fully committed towards strengthening its resources business. This is aimed towards ensuring fuel supplies and constantly exploring the opportunities in the coal trading market. It has acquired two key assets that enable execution of the mentioned objectives:

1. Mahatamil Project

Gare Palma Sector II Coal Block, jointly allocated to TNEB and MSMC awarded mines development and operations contract to Lanco. This is along with development of end-use thermal power plant. The potential sites for power plant have been identified and

due diligence is in progress and various approvals for the development of the project are under process.

2. Griffin Coal Mine

Located in Western Australia, Griffin Coal Mine is the largest operational thermal coal mine. Its thermal coal resources are in the range of 1.1 billion tonnes. Coal is produced and supplied to the domestic Australian market and also exported. We are currently planning a capacity enhancement program with capacity being raised from 4 MTPA to 18 MTPA.

Key Developments in FY 2011-12

Produced 3.16 mt of coal during the year. Of this, 0.59 mt was exported and 2.57 mt was sold in the domestic market.

Infrastructure

We have developed an expertise in constructing large civil and urban road infrastructure projects. We have signed a Concession Agreement with the National Highway Authority of India (NHAI) for developing 440 km of national highways.

Road Infrastructure Portfolio:

Project	Status
82 km Neelamangla Junction (Bangalore) – Devihalli (NH-48)	Completed
81 Km of Bangalore – Hoskote – Mulbagal (NH-4)	Completed
283 km - Aligarh- Kanpur (NH-91)	Achieved financial closure

FINANCIAL REVIEW

Segment Review

Revenues					₹ million
Particulars	FY 2011-12	Contribution to total revenues in FY 2011-12	FY 2010-11	Contribution to total revenues in FY 2010-11	YoY growth (%)
EPC *	99,236	65	59,617	53	66
Power *	46,126	30	49,474	44	(7)
Resources	6,903	4	1,337	1	416
Property development	753	0	1,673	1	(55)
Others	814	1	573	1	42
TOTAL	1,53,832	100	1,12,674	100	37
Less: Inter-segment revenue	51,115		32,608		57
Net sales	1,02,717		80,066		28
* Including Solar					

Lanco Infratech's total segmental revenue (post elimination of inter-segment revenue) increased 28% during FY 2011-12. Inter-segment elimination increased 57% owing to EPC division's increasing revenue from its subsidiaries. Prior to elimination, the revenue of the current year shows an increase of 37%.

This growth can be attributed to the development in EPC and Resources business. EPC revenue grew primarily on account of Babandh, Vidarbha, Anpara, Amarkantak (Unit III & IV) and Kondapalli (Unit III) power projects. On the other hand, the resource business witnessed a first full year of operation at Griffin after its acquisition.

Segment Profits			₹ million
Segment	FY 2011-12	FY 2010-11	YoY growth (%)
EPC *	12,952	8,084	60
Power *	11,112	14,209	(22)
Resources	(2,218)	349	(735)
Property development	(46)	(30)	(53)
Others	(340)	(424)	20
TOTAL	21,460	22,188	(3)
Less: Inter-segment profit on transactions with subsidiaries	7,586	4,581	66
Profits before interest and taxes	13,874	17,607	(21)

* Including Solar

Consolidated profit before interest and taxes (PBIT) decreased by 3% and 21%, respectively, this was before and after elimination of inter-segment profit on transaction with subsidiaries. The decrease in PBIT is mainly on account of the loss in resources segment. This was on account of various interruptions due to the back log of maintenance activities & availability of mechanical equipment impacted production. The reason for the back log was that the business was in administration for about 14 months. This was prior to the acquisition of Griffin Coal Mine.

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 unrealised 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. These are then 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 Company's share of book value of subsidiaries' net assets on the date of acquisition is recognised 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. In this case, 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.

Unrealised profits and losses resulting from transactions between the Company and its associates are eliminated to the extent of company's interest. 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.

Putting it simply, while consolidating the subsidiary company, the elimination takes place at the top line where the entire amount of revenue and expenditure is eliminated. 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. This adjustment is for the profit and loss account. For adjustment to the balance sheet in case of subsidiaries, the amount equal to profit or loss eliminated will be net off against fixed assets. In the case of associates, it will be net off against investments.

Primarily, it is an adjustment which does not impact the cash flow.

Analysis of Profit and Loss Account					₹ million
Particulars	FY 2011-12	% of total Income	FY 2010-11	% of total Income	YoY growth (%)
1 Income					
2 Revenue from Operations	1,01,690	99	77,020	96	32
3 Other Income	1,176	1	3,421	4	(66)
4 Total (2+3)	1,02,866	100	80,441	100	28
5 Expenditure					
6 Cost of Materials Consumed	50,125	48	29,844	36	68
7 Purchase of Traded Goods	10,044	10	16,171	20	(38)
8 Subcontract Cost	5,243	5	6,242	8	(16)
9 Construction, Transmission, Site and Mining Expenses	10,295	10	4,381	6	135
10 (Increase) / Decrease in inventories of Finished Goods and Construction / Development Work in Progress	(3,450)	(3)	(4,901)	(6)	30
11 Employee Benefits Expenses	7,117	7	4,868	6	46
12 Other Expenses	5,006	5	2,316	3	116
13 Total (6+7+8+9+10+11+12)	84,380	82	58,921	73	43
14 EBITDA (4-13)	18,486	18	21,520	27	(14)
15 Add: Eliminated profit on transaction with Subsidiaries	7,586	7	4,581	5	66
16 EBITDA before elimination (14+15)	26,072	25	26,101	32	-
17 Finance Cost	10,538	10	7,577	9	39
18 Depreciation / Amortisation	5,628	5	3,537	4	59
19 Profit before Exceptional, Prior Period Items, Minority Interest, Share of Profit of Associates and Tax (16-17-18)	9,906	10	14,987	19	(34)
20 Exceptional Items	1,164	1	-	-	100
21 Profit before Prior Period Items, Minority Interest, Share of Profit of Associates and Tax (19+20)	11,070	11	14,987	19	(26)
22 Provision for Taxation	2,246	2	3,850	5	(42)
23 Profit after Taxation but before Prior Period Items, Minority Interest and Share of Profit of Associates (21-22)	8,824	9	11,137	14	(21)
24 Prior Period Items	36	0	11	0	226
25 Net Profit after Taxation, before Minority Interest and Share of Profits of Associates (23-24)	8,788	9	11,126	14	(21)
26 Add : Share of Profit / (Loss) of Associates	(602)	(1)	26	0	
27 Less: Share of Minority Interest	1,343	1	1,703	2	(21)
28 Net Profit after Taxation, Minority Interest and Share of Profits of Associates (25+26-27)	6,843	7	9,449	12	(28)
29 Less: Elimination of Profit on Transactions with Subsidiaries and Associate Companies	7,963	8	4,988	6	60
30 Profit after Tax (28-29)	(1,120)	(1)	4,461	6	(125)

Revenues From Operations

The consolidated revenue from our operations increased 32% during FY 2011-12. This was primarily on account of an increase in income from contract operations and the sale of coal. This was the first full year of operation of Griffin Coal Mine after its acquisition.

Income from sale of electrical energy declined due to lower availability of coal and gas. While that from property development declined due to an ongoing legal matter. This is regarding the land title wherein LHTPPL was restricted from alienating the property. However, the Supreme Court has passed an order and given a go-ahead to LHTPPL to alienate the property. Hence, now the income from property development should be normal.

₹ million			
Particulars	FY 2011-12	FY 2010-11	YoY growth (%)
Contract Operations	50,541	26,894	88
Property Development	749	1,676	(55)
Sale of Electrical Energy	42,557	47,105	(10)
Sale of Coal	7,313	785	832
Sale of Other Goods	258	130	99
Management Consultancy Income	135	56	141
Operations and Maintenance Income	1	-	100
Income from Lease Rentals	1	-	100
Sale of Emission Reductions (CDM)	-	219	(100)
Other Operating Income	135	155	(13)
TOTAL	1,01,690	77,020	32

Other Income

During the previous fiscal year of 2010-11, Kondapalli and Amarkantak changed their depreciation policy. This was with retrospective effect from the date of capitalisation. The impact of depreciation (pertaining to previous year) was shown as a part of other income. During the previous year, other income includes the gain on foreign exchange.

₹ million			
Particulars	FY 2011-12	FY 2010-11	YoY growth (%)
Depreciation Written Back	-	1,415	(100)
Interest and Dividend Income	720	586	23
Liabilities and Provisions no Longer Required Written Back	16	206	(92)
Insurance Claims Received / Receivable	6	180	(97)
Rental Income	2	2	13
Net Gain on Foreign Exchange Fluctuations	-	843	(100)
Miscellaneous Income	375	100	275
Profit on sale of Investments	55	89	(37)
TOTAL	1,174	3,421	(66)

Expenditure					₹ million
Particulars	FY 2011-12	% of total expense in FY 2011-12	FY 2010-11	% of total expense in FY 2010-11	YoY growth (%)
Cost of Materials Consumed	50,125	60	29,844	51	68
Purchase of Traded Goods	10,044	12	16,171	27	(38)
Sub Contract Cost	5,243	6	6,242	11	(16)
Construction, Transmission, Site and Mining Expenses	10,295	12	4,381	7	135
(Increase) in inventories of Finished Goods and Construction / Development Work in Progress	(3,450)	(4)	(4,901)	(8)	30
Employee Benefits Expenses	7,117	8	4,868	8	46
Other Expenses	5,006	6	2,316	4	116
TOTAL	84,380	100	58,921	100	43

Cost Of Material Consumed

The total cost of material increased by 68% during FY 2011-12. This was due to increased operations and increased cost of construction material. Raw material for coal also increased, as this was the first full year of operation after the Griffin Coal Mine acquisition.

					₹ million
Particulars	FY 2011-12	% of total expense in FY 2011-12	FY 2010-11	% of total expense in FY 2010-11	YoY growth (%)
Construction Material Consumed	30,023	60	14,501	49	107
Property Development Cost	1,823	4	2,439	8	(25)
Material for Power Generation	14,223	28	12,762	43	11
Materials for Coal Mining	1,825	4	142	-	1,185
Materials for Solar Modules	2,231	4	-	-	100
TOTAL	50,125	100	29,844	100	68

Purchase of Traded Goods

Purchase of traded goods is mainly on account of power trading. During the year, purchase of power reduced on account of the reduction in trading activity by NETS.

Sub-Contract Cost

Sub-contract cost represents the construction work sub-contracted to other parties.

Construction, Transmission, Site And Mining Expenses

Expenses on construction, transmission, site and mining increased by 135% over the previous year. This was owing to an increase in mining cost and machinery hire charges. Griffin Coal Mine was acquired during the previous year and this was its first full year of operation. Other expenses also registered an increase due to the growth in business activities.

₹ million					
Particulars	FY 2011-12	% of total expense in FY 2011-12	FY 2010-11	% of total expense in FY 2010-11	YoY growth (%)
Equipment / Machinery Hire charges	1,934	19	683	16	183
Transmission Charges	1,462	14	1,336	31	9
Repairs, Operations and Maintenance	1,225	12	997	23	23
Consumption of Stores and Spares	406	4	336	8	21
Site Expenses	1,514	15	635	13	139
Coal Mining & Transportation Cost	3,754	36	394	9	856
TOTAL	10,295	100	4,381	100	135

Employee Benefits Expenses

During FY 2011-12, expenses on Employee Benefits increased by 46% over the previous year. The increase was on account of new recruits (domestic and foreign) to cater to the increased EPC, Solar and Griffin operations.

₹ million					
Particulars	FY 2011-12	% of total expense in FY 2011-12	FY 2010-11	% of total expense in FY 2010-11	YoY growth (%)
Salaries, Allowances and Benefits to Employees	5,860	79	3,903	76	50
Contribution to Provident Fund and other Funds	217	3	191	4	14
Employee Stock Option Charge	346	5	407	8	(15)
Managerial Remuneration	384	5	247	5	56
Recruitment and Training	193	3	124	2	56
Staff Welfare Expenses	363	5	234	5	54
	7,363	100	5,106	100	44
Less: Transferred to Development Cost	229		226		1
Less: Transferred to CWIP (Other Direct Cost)	17		12		53
TOTAL	7,117		4,868		46

Other Expenses

Other expenses increased by 116% compared with the previous year. Due to depreciation of Indian Rupee against U.S. Dollar, there was foreign exchange loss during the year. There was a foreign exchange gain reported in the previous year. Other expenses also increased with the growth of business activities.

₹ million					
Particulars	FY 2011-12	% of total Income	FY 2010-11	% of total Income	YoY growth (%)
Net Loss on Foreign Exchange Fluctuations	1,084	21	-	-	100
Consultancy & Professional Charges	775	15	280	10	177
Provision for Write off Advances / Claims / Debts	242	5	76	3	218
Travelling and Conveyance	917	18	604	22	52
Business Promotion and Advertisement	197	4	301	11	(35)
Repairs & Maintenance	81	2	49	2	65
Office Maintenance	265	5	160	6	66

₹ million					
Particulars	FY 2011-12	% of total Income	FY 2010-11	% of total Income	YoY growth (%)
Rent, Rates & Taxes	855	17	697	26	23
Miscellaneous Expenses	751	15	553	20	36
	5,167	100	2,720	100	90
Less: Recovery of Common Expenses	57		47		21
Less: Transferred to Development Cost	42		28		50
Less: Transferred to CWIP (Other Direct Cost)	3		1		200
Less: Elimination of Cost on Intercompany Management Consultancy Income	60		328		(82)
TOTAL	5,005		2,316		116

Finance Cost

Finance costs increased by 39% during the year on account of an increase in interest rates and loans.

Depreciation / Amortisation

The depreciation / amortisation cost increased by 59% over the previous year. The rise was mainly on account of depreciation on assets of Griffin Coal Mine acquired during the year.

Exceptional Items

Two of the subsidiaries – Lanco Vidharba Thermal Power Limited (LVTPL) and Himavat Power Private Limited (HPPL) – became associates. As a result, the Company recorded a gain of ₹ 489 million.

Further, consequent to structuring of power holding companies, one of the associate Lanco Babandh Power Limited sold its equity shares to Regulus Power Private Limited. This was an associate of the Thermal Holding Company (Lanco Thermal Power Limited). Due to this, Lanco Babandh Power Limited became an associate of an associate and recorded ₹ 675 million gain.

Provision For Taxation

The provision for taxation decreased 42% during the year. The current tax and deferred tax declined 38% and 59%, respectively. This was mainly on account of a decrease in profit before tax of Amarkantak and LITL and due to higher depreciation.

₹ million			
Particulars	FY 2011-12	FY 2010-11	YoY growth (%)
Current Tax	2,013	3,810	(47)
Less: Minimum Alternate Tax Credit Entitlement	49	628	(92)
Net Current Tax	1,964	3,182	(38)
Relating to Previous Years	8	6	33
Deferred Tax	274	662	(59)
Total Tax Expense	2,246	3,850	(42)

Prior Period Item

There was a subsequent review of the previous year's consolidated management accounts of LRIPL. Upon this, some expenses have been charged off to Statement of Profit & Loss and some have been capitalised in fixed assets.

Share of Profit / Loss Of Associates

The share of loss of associates stood at ₹ 602 million, as against a profit of ₹ 26 million in the previous year. During the year, one of the associate – Lanco Anpara Power Limited – commenced commercial operations and is under the stabilisation phase. Further, the share of loss of associates has increased. This can be attributed to low plant load factor (PLF) and foreign exchange loss reported in another associate – Udupi Power Corporation Limited.

Share Of Minority Interest

Share of minority interest represents the interest of minority shareholders in various companies. Share of minority interest decreased by 21% during the year. This was primarily due to a decrease in the profitability of Kondapalli and Tanjore.

Profit After Tax

Profit after Tax (PAT) before and after elimination of inter-segment profit on transaction with subsidiaries and associates declined. It declined by 28% and 125%, respectively, over the previous year.

Cash Profit

Cash profit relates to the profits the Company has earned after deducting non-cash expenditures. These can be depreciation, forex loss, deferred tax, profit elimination and MAT credit entitlement. Cash profit increased by 13% during the year. Cash EPS increased to ₹ 5.9 per share, as against ₹ 5.2 per share in the previous year. This resulted in a growth of 13% in cash EPS over the previous year.

₹ million			
Particulars	FY 2011-12	FY 2010-11	YoY growth (%)
Reported PAT	(1,120)	4,461	(125)
Add: Depreciation	5,628	3,537	59
Add: Deferred Tax	275	662	(58)
Less: MAT Credit	(49)	(628)	(92)
Add: Forex Loss / (Gain)	1,084	(843)	(229)
Add: Profit Eliminated	7,963	4,988	60
Cash Profit	13,781	12,177	13
Cash EPS (₹)	5.9	5.2	13

Analysis of Balance Sheet

₹ million			
Particulars	FY 2011-12	FY 2010-11	YoY growth (%)
Sources of Fund			
Shareholders' Funds	47,061	46,231	2
Minority Interest	9,519	8,453	13
Non-current Liabilities			
Long Term Borrowings	221,522	114,071	94
Deferred Tax Liabilities (Net)	7,172	5,482	31
Other Long Term Liabilities	37,729	34,787	8
Long Term Provisions	3,245	1,585	105
Sub-total	269,668	155,925	73
Current Liabilities			
Short Term Borrowings	58,841	32,721	80
Trade Payables	37,547	15,766	138
Other Current Liabilities	57,279	32,179	78
Short Term Provisions	4,222	692	510
Sub-total	157,889	81,358	94
TOTAL	484,137	291,967	66

Shareholder's Fund

The shareholder's fund increased 2% at ₹ 47,061 million during FY 2011-12. In the previous year, this was ₹ 46,231 million. The rise was mainly on account of an increase in foreign currency translation reserves.

Minority Interest

The minority interest increased by 13% during the year. This was mainly on account of its share in current year's profits of Kondapalli & Tanjore and buyback of shares in Tanjore.

Net Worth

The net worth of the Company, as at March 31, 2012 and as at March 30, 2011, is as under:

		₹ million	
Particulars	FY 2011-12	FY 2010-11	
1 Share Capital	2,390	2,387	
2 Reserves & Surplus	44,671	43,844	
3 Shareholders' Fund (1+2)	47,061	46,231	
4 Eliminated Profit on Transactions with Subsidiaries and Associates	15,129	8,420	
5 Shareholders' Fund plus Elimination (3+4)	62,190	54,651	
6 Minority Interest	9,519	8,453	
7 Networth plus Elimination (5+6)	71,709	63,104	

Borrowings

Borrowings imply Long Term, Short Term and Current Maturities of Long Term Borrowings. These increased by 88% during the year owing to two factors:

- Addition of ₹ 56,857 million due to Udupi and ₹ 35,992 million due to Anpara, on becoming subsidiaries
- Net drawal of additional / new loans of ₹ 52,920 in other group companies

During the year, project construction work at various sites increased:

		₹ million	
Particulars	FY 2011-12	FY 2010-11	YoY growth (%)
Long Term Borrowings	2,21,522	1,14,071	94
Current Maturities of Long Term Borrowings	31,936	19,738	62
Short Term Borrowings	58,841	32,721	80
TOTAL	3,12,299	1,66,530	88

Company-Wise Break-Up Of The Loan Funds:		₹ million	
	FY 2011-12	FY 2010-11	
Amarkantak	64,327	36,309	
Udupi	56,857	-	
Lanco Resources - Griffin	43,408	39,219	
LITL	38,273	37,971	
Anpara	35,992	-	
Kondapalli	27,916	17,849	
Teesta	14,152	10,042	
Hills	12,342	11,747	

Company-Wise Break-Up Of The Loan Funds:		₹ million	
	FY 2011-12	FY 2010-11	
LSPL	5,928	662	
Mandakini	3,058	2,058	
Budhil	2,395	2,576	
LSEPL	2,130	-	
Diwakar Solar	2,023	-	
Aban	1,067	1,311	
Kanpur	1,000	-	
Vidarbha	-	6,108	
Others	1,430	680	
TOTAL	3,12,299	1,66,530	

Current Liabilities (Excluding Borrowings)		₹ million	
Particulars	FY 2011-12	FY 2010-11	YoY growth (%)
Current Liabilities as per Balance Sheet	1,57,889	81,358	94
Less: Short Term Borrowings	58,841	32,721	80
Less: Current Maturities of Long Term Borrowings	31,936	19,738	62
TOTAL	67,111	28,900	132

Current liabilities (excluding borrowings) increased by 132% during the year. This was on account of an increase in the mobilisation advance from EPC customers and in trade payables.

Application of Funds		₹ million	
Particulars	FY 2011-12	FY 2010-11	YoY growth (%)
Non-Current Assets			
Fixed Assets	325,205	155,742	109
Non-Current Investments	27,269	30,928	(12)
Deferred Tax Assets (net)	275	114	141
Long Term Loans and Advances	16,824	21,749	(23)
Other Non-current Assets	5,269	6,437	(18)
Sub-total	374,842	214,970	74
Current Assets			
Current Investment	374	1,022	(63)
Inventories	27,889	21,430	30
Trade Receivables	37,642	14,585	158
Cash and Bank Balances	14,121	12,665	11
Short Term Loans and Advances	27,397	26,689	3
Other Current Assets	1,872	606	209
Sub-total	109,295	76,997	42
TOTAL	484,137	291,967	66

Fixed Assets

The total fixed assets of the Company increased by 109%. This was primarily on account of the conversion of Udupi and Anpara from associates into subsidiaries. The capital work-in-progress, included in fixed assets, also increased. This was synchronised with an increase in activities at various projects currently in development phase.

Investments

Total investments (current and non-current) decreased by 13% during the year. This was mainly due to the conversion of Udupi and Anpara into subsidiaries from associates.

₹ million			
Particulars	FY 2011-12	FY 2010-11	YoY growth (%)
Non-Current Investments	27,269	30,928	(12)
Current Investment	374	1,022	(63)
TOTAL	27,643	31,950	(13)

Investments Break-Up			₹ million
Particulars	FY 2011-12	FY 2010-11	
Preference Shares	26,069	29,907	
Equity Shares	1,192	1,019	
Mutual Funds	382	1,024	
TOTAL	27,643	31,950	

Current Assets (Excluding Investments)				₹ million
Particulars	FY 2011-12	FY 2010-11	YoY growth (%)	
Inventories	27,889	21,430	30	
Trade Receivables	37,642	14,585	158	
Cash and Bank Balances	14,121	12,665	11	
Short Term Loans and Advances	27,397	26,689	3	
Other Current Assets	1,872	607	208	
TOTAL	1,08,921	75,976	43	

Current assets (excluding current investments) increased by 43% during the year. Inventories increased by 30% mainly on account of:

- Conversion of Udupi and Anpara into subsidiaries from associates
- Increase in construction work in progress in LITL
- Development work in progress in Hills

Trade receivables increased by 158% during the year. The rise is attributed to the conversion of Udupi and Anpara into subsidiaries from associates. This was also due to delayed payment from various state electricity boards.

As on March 30, 2012 the group has receivables from various State Electricity Boards and other customers. The receivables are against the sale of power, aggregating to ₹ 23,693 Mn. Based on internal assessment and various discussions with customers, the management is fully confident of recovering the same during the year.

Cash and bank balances increased by 11% mainly on account of conversion of Udupi and Anpara into subsidiaries from associates. Cash balances at some of the major group companies are:

₹ million		
Project/ Company name	Cash and bank balance	% of TOTAL
Udupi Power	3,034	21
Lanco Kondapalli	2,155	15
Amarkantak	2,070	15
LIPL - Singapore	1,358	10
Anpara	1,273	9
Lanco Infratech	1,215	9
Others	3,016	21
TOTAL	14,121	100

Loans And Advances				₹ million
Particulars	FY 2011-12	FY 2010-11	YoY growth (%)	
Long Term	16,824	21,749	(23)	
Short Term	27,397	26,689	3	
TOTAL	44,221	48,438	(9)	

Loans and advances decreased by 9% during the year. This was mainly due to the allotment of shares against advance for investments. This was also due to a decrease in Cenvat credit receivables.

Net Current Assets				₹ million
Particulars	FY 2011-12	FY 2010-11	YoY growth (%)	
Current Assets (excluding investments)	108,921	75,976	43	
Current Liabilities (excluding borrowings)	67,111	28,899	132	
Net Current Assets	41,810	47,077	(11)	

Analysis of Cash Flow Statement			₹ million
Cash Flow	FY 2011-12	FY 2010-11	
Net Cash Flow from Operating Activities	41,846	32,614	
Net Cash Flow from Financing Activities	41,165	71,890	
Net Cash Flow (used in) Investing Activities (preliminary fixed assets)	(81,701)	(102,450)	
Net increase in Cash and Cash Equivalents	1,310	2,054	

Cash Flow From Operating Activities

Net cash generated from operating activities (before elimination) was ₹ 41,846 million during FY 2011-12. Cash generation from operations stood at ₹ 27,027 million. This was prior to working capital adjustment of ₹ 17,934 million and direct tax adjustment of ₹ 3,114 million.

Cash Flow From Financing Activities

Net cash addition from financing activities stood at ₹ 41,165 million during FY 2011-12. Inflows on net proceeds from long-term and short-term borrowings (₹ 69,988 million and

₹ 10,095 million, respectively) led to this. This cash addition was partially offset by repayment of long-term loans of ₹ 18,223 million and interest payments of ₹ 20,117 million.

Cash Flow (Used In) Investing Activities

Net cash used in investing activities was to the tune of ₹ 81,701 million during FY 2011-12. This was due to an addition of fixed assets worth ₹ 74,549 million and investment in non-current investments valued at ₹ 9,290 million.

Key Financial Data Of Major Operating Companies

₹ million

Particulars	LITL	Amarkantak	Kondapalli	Tanjore	Griffin	Hills	NETS
Income							
Income	86,050	13,272	16,088	2,449	6,805	751	19,481
Other Income	642	16	200	226	154	2	38
TOTAL	86,692	13,288	16,288	2,675	6,958	753	19,519
Expenditure							
Construction/ Development/ Generation Expenses	71,082	5,950	9,564	1,497	6,885	690	19,282
Administrative and Other Expenses	8,482	771	520	144	545	71	132
EBITDA	7,128	6,567	6,204	1,034	(471)	(8)	105
EBITDA to Total Income (%)	8	49	38	39	(7)	(1)	1
Interest and Finance Charges	5,051	2,619	1,501	214	581	1	75
Depreciation	1,014	1,451	968	185	1,777	26	8
Profit before Tax	1,063	2,497	3,735	635	(2,829)	(35)	22
Provision for Taxation							
- Current Tax	212	500	747	127	-	-	12
- Relating to prior years	-	-	-	2	-	-	(1)
- Minimum Alternate Tax Credit Entitlement	(212)	157	-	5	-	-	-
- Deferred Tax (Net)	(94)	295	135	-	-	-	(3)
- Fringe Benefit Tax	-	-	-	-	-	-	-
Net Profit	1,157	1,545	2,853	501	(2,829)	(35)	14

Total Income

Income from LITL witnessed a 47% growth during the year. The major revenue inflows came from EPC contracts of Amarkantak III & IV, Kondapalli III, Babandh, Vidarbha. Revenues also flowed in from external customers, mainly Moserbaer and Mahagenco (Koradi) Power Projects.

Income from Amarkantak increased by 5%. This jumped from ₹ 12,696 million in FY 2010-11 to ₹ 13,272 million in FY 2011-12. The rise was a result of an increase in plant load factor of both the units. Total generation stood at 4,013 million units, as against 3,706 million units in the previous year.

Income from Kondapalli increased by 5%. It went up from ₹ 15,291 million in FY 2010-11 to ₹ 16,088 million in

FY 2011-12. This was due to an increase in plant load factor, generating 4,234 million units, as against 4,196 million units.

Income from Tanjore decreased by 6%, from ₹ 2,600 million in previous year to ₹ 2,449 million in FY 2011-12. The plant generated 803 million units, as against 865 million units in the previous year. The income also includes a CER sale of ₹ Nil in FY 2011-12, as against ₹ 219 million in FY 2010-11.

Income from NETS decreased 23%, down from ₹ 25,198 million last year to ₹ 19,481 million in FY 2011-12. It traded 4,991 million units as against 6,043 million units in the last fiscal year.

During the previous year, LITL acquired Australia-based coal mining company, Griffin Coal Mine, through its

step-down subsidiary. Post acquisition, it consolidated its accounts only for one month. This was the first full year of operation after the acquisition.

PAT (Profit After Tax)		₹ million	
Company Name	FY 2011-12	FY 2010-11	YoY growth (%)
LITL	1,157	2,783	(58)
Amarkantak	1,545	3,751	(59)
Kondapalli	2,853	3,221	(11)
Tanjore	501	730	(31)
Griffin	(2,830)	283	(1,100)
NETS	14	145	(90)
Hills	(35)	(61)	43

The decline in PAT is mainly due to an increase in interest cost, employee cost and foreign exchange losses. Decrease in Griffin's PAT is owing to a number of interruptions to its operations. The interruptions were primarily due to lack of the availability of mechanical equipment. This was owing to the back log of maintenance activities when the mine was under administration.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Lanco Infratech believes in the growth of people through continuous learning. The Company's People Agenda is focussed on two major areas. This is aimed at transforming the Company into a learning organisation and developing the leadership capability of the Group.

Lanco LEO

Lanco's LEO framework is central to the people processes and is fundamental to the growth of all Lanconians. The LEO framework comprises of three dimensions:

- Leadership: the People Dimension
- Entrepreneurship: the Business Dimension
- Ownership: the Individual Dimension

The framework has evolved from a process of deep thinking and is being utilised in all people processes. These processes can be - Recruitment and Selection, Internal Promotions, Performance Appraisal, Learning and Development Interventions, Identification and Development of High Potential Employees, Succession Planning and Career Planning.

In order to accomplish the goals, the Company has embarked upon a major initiative for sustainable leadership development. This was a unique initiative and a first-of-its-kind in the Construction and EPC space.

Lanco Leadership Program (LLP)

Lanco Leadership Programme (LLP) is the Company's initiative to identify High Potential Growth Leaders across the Group. The programme aims to identify employees who

can be developed over a period of time. This will be achieved through a series of rigorous and structured process of identification.

The process involves classroom as well as on-the-job training to ensure developing Growth Leaders who can take up larger responsibilities within the Company. The entire process, right from concept to execution, has been supported by Ernst & Young.

The process of selection and identification included an aptitude test, group discussions, case study analysis, battery of tests, competency assessment based on LEO and personal interviews. This was done by the selection core committee comprising the Top Management. Employees in the cadre of Executive to Senior Vice Presidents were made eligible to participate in the selection process.

In the first batch, around 1,300 employees participated across cadres, right from Executive to Senior Vice Presidents. At each stage of selection, candidates who fulfilled the criteria moved to the next stage. The process finally concluded with the identification of 29 potential candidates. The next batch of the programme is set to commence in January 2013.

Lanco Academy

The Lanco Academy was set up to fulfil the people agenda through the above mentioned initiatives. Another reason to set up the academy was also to take charge of the learning and development needs of the Group.

The Lanco Academy has a state-of-the-art infrastructure and a tie-up with the best faculty and institutes for content development. University of Michigan, Ross School of Business, USA, is one such alliance the Academy has engaged itself with. The Academy endeavours to transform itself into a world class learning centre which Lanconians and other stakeholders will be extremely proud of.

Located at Gurgaon, the Lanco Academy is spread over a sprawling 30,000 square feet. Set up in July 2011, the Academy looks towards development of an Internal Leadership Pipeline, Building Business Capabilities and nurturing a unified culture.

In addition to this, there is an internalisation of the Company's mission, vision and values so as to meet Lanco's global aspirations. The facility will host the best-in-class learning infrastructure. It will be supported by Academicians, Thought Leaders, Business Leaders and a network of strategic alliances with leading institutes across the globe. The Academy has a total of 6 syndicate halls and 6 six break-away rooms, designed to enhance the effectiveness of the entire learning process.

The Academy's library provides a comprehensive repository of reference books, technical and professional periodicals. These are both general as well as specific to the functional areas. The library also houses several online journals and publications.

The Academy conducts various programs on Leadership and Culture, Business Capability Programs as well as Managerial & Behavioural Programs.

We are extremely proud to have internal talent which been a prime contributor to our success. The Academy aims to equip such dynamic professionals to make a transition from Functional Specialists to being Business Leaders.

The total employee strength of the Group, as on March 31, 2012, stands at 7,914. This is across all cadres and geographic locations, including the international employees.

The employees are the key to the Success & Growth of Lanco Infratech. The organisation faces various challenges at many fronts. In such situations, it is the quality of talent which helps us withstand these pressure.

RISKS AND MITIGATION

Lanco Infratech follows a stringent risk management model to ensure the Company's business operations are not affected. The following are the probable risks and the mitigation plan for each risk:

S. No.	Risk Description	Mitigation Plan
1.	Losses due to inaccurate estimates while tendering, on account of lack of knowledge of site conditions	<ol style="list-style-type: none"> 1. Conducting due diligence 2. Hiring of experts and engineers 3. Mandatory well-documented & Structured Site Survey
2.	Stiff competition from new and small sized players	<ol style="list-style-type: none"> 1. To leverage Brand Lanco 2. To execute projects within timelines to ensure customer referrals
3.	Land acquisition, resettlement and rehabilitation	Holding regular meetings with locals and taking Government's help, if needed. Adopting confidence building measures through CSR.
4.	Delays in obtaining Right of Way (Roads)	Follow-up with NHAI and Local Authorities for grant of Right of Way.
5.	Delay in Financial Closure	<ol style="list-style-type: none"> 1. Follow-up with financial institutions 2. Exploring alternate source of funds (bridge loans, buyers credit, etc) for interim funding 3. Funding through internal accruals
6.	Overshooting timelines and costs	<ol style="list-style-type: none"> 1. Orders to track proven vendors 2. Stringent review mechanisms 3. Appointing specialised agencies / consultants for estimates 4. Organising training on financial modelling for accurate estimates 5. Single window for offshore procurement
7.	Lack of accurate radiation and market data	<ol style="list-style-type: none"> 1. Strengthening the database to collect accurate radiation data 2. Strengthening market intelligence
8.	Uncertainty of selling / leasing out property	<ol style="list-style-type: none"> 1. Organising site visits for customers to sustain confidence and faith 2. Wider choices/options to be provided to customers 3. Using channel partners for marketing

S. No.	Risk Description	Mitigation Plan
9.	Not meeting with operating parameters	1. Scheduled maintenance 2. Training of personnel to handle equipment
10.	Non-availability/ allocation of fuel (coal/gas)	1. Pursuing with MoPNG / GAIL/CIL/Govt. of India for allocation/ supply of contracted quantity 2. Procurement of coal in e-auction 3. Procurement of coal from open market 4. Import of coal
11.	Transmission / Evacuation	1. Follow-up with MoFE for necessary clearances. 2. Follow-up with PGICL for setting up pooling stations within the stipulated time. 3. Exploitation of existing facilities and transmission lines for power evacuation till dedicated tie-lines are in place.
12.	Lower Tariff/Untied Capacities	1. Working on proper mix of PPA, short term PPA and merchants
13.	Higher Financial Cost	1. Availing cheaper source of funds, including buyer's and supplier's credit 2. Monitoring cash flows and margins
14.	Loss on account of foreign exchange fluctuation	1. Review of forex exposure on a regular basis 2. Hedging as per 'Lanco Group Forex Risk Management policy'
15.	Lower realisation (risk of having higher book debts)	1. Regular follow-up with SEBs 2. Charging interest for the delayed period

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Lanco Foundation is the CSR arm of the Lanco Group. The Foundation is currently operating in 13 locations across 12 states in India. Its programmes range across various sections of the society. Some of these are: Education, Health, Drinking Water, Disability, Community Development and Environment.

Around 250,000 people are clear beneficiaries of the services of the Foundation. These people reside in over 220 villages around Lanco's project areas and in other nearby sites. The Foundation runs with the help of over 130 full-time staff members and over 100 employee volunteers. These together contribute to the success of all initiatives undertaken by the Foundation.

The near-8,000-strong workforce of Lanco Infratech across all its locations is fully engaged and committed towards volunteering of the CSR activities. Various sessions are organised at the corporate office and plant sites. These are aimed at enhancing the employee awareness on health and social issues.

Some flagship programmes of this Foundation are:

1. Education

- Schools in and around the Lanco plant site are covered by way of basic and routine health checkup for all children up to primary education level
- Yearly merit scholarships to shortlisted and

selected students through a stringent selection process. This includes scholarships granted to students at the school level to professional courses, such as medical and engineering.

- A special School Development Grant is provided to schools with the aim of improving the academic and infrastructural facilities.

2. Health

- Customised mobile vans visit two villages every day to provide healthcare support at door steps. These vans move around with an entire team of medical and para-medical services.
- One special camp on any medical intervention is held each year, such as eye camps and TB detection camps.
- Special health and development-related awareness campaigns are held at project sites all round the year.

3. Safe Drinking Water

- Establishment of RO plants and supply of pure drinking water to project villages
- RO plants are maintained at village level through Gram Panchyats
- New plants added each year, as per community needs

4. Environment Protection

- Tree plantation
- Village green awards
- Community education and awareness

5. Disability Rehabilitation

- Dedicated workshop to produce artificial limbs has been established to provide support systems to the needy.
- Provision of a Physio Therapist to help in their quick rehabilitation.
- Special camps are held with the help of district administration to enlist the needy.

6. Employee Participation

- Employees are given orientation through regular plant meetings. They are also encouraged to participate in the social development work at their workplace.

7. New Initiatives

- Several new initiatives are planned and executed each year. The most recent one being the Home for the Aged in a district in Andhra Pradesh state. This houses about 200 inmates and ensures them a happy and peaceful living at this age.
- Support for emergency relief operation and humanitarian causes are held at several plants at regular intervals.

The Progress at a Glance FY 2011-12			₹ million
S. No.	Support services	Beneficiaries	Amount spent
1	Merit scholarships - students	966	9.01
2	School health checkup - students	25, 280	2.00
3	School development (no. of schools)	130	3.70
4	Mobile health screening Van (LMHS) - People	81,000	14.90
5	Special health screening camps- People	8,562	3.13
6	Drinking Water - People	53,160	18.43
7	Water plant established - units	21	16.54
8	Mass awareness drive camps	21	1.23
9	Disability - persons benefitted	2,080	

Lanco Foundation is registered under the Indian Trust Act, 2000, and enjoys tax exemption, under section 12 (A) and 80 (G) of Income Tax Act 1961.

- Lanco Group is also a privileged member of the World Economic Forum. It has been acknowledged as an elite member of the Top 200 Global Growth Companies
- Is a member of the UN Global Compact

AWARDS**Lanco Tanjore:**

- Received the Rashtriya Gaurav Award and Certificate of Excellence from IIFS for meritorious services and outstanding performance.
- Received Golden Peacock Award 2011 for climate security.
- Received Greentech Award 2011 for Environment Protection from Greentech Foundation

Lanco Infratech:

- Received Rajiv Gandhi National Award 2011 for reduction in pollution by Ministry of Environment & Forests, Government of India.

- Adjudged by Construction World as one of the most-admired (construction & engineering) companies in India.

- Wins Designomics Awards 2011; Partnered with Leaf Design for corporate office design.

Lanco Hills:

- Lanco Hills won Garden Festival Award from Government of Andhra Pradesh in the category of gardens maintained by private industries in a gated community and podium garden.

Lanco Kondapalli:

- Lanco Kondapalli has bagged EHS Excellence Award from CII for following best practices on Environment, Health and Safety (EHS) in Infrastructure / Power Sector for the year 2011.

Udupi Power:

- Bags Gold Shield award from Ministry of Power, Government of India for early completion of the project.
- Received outstanding concrete structure award from the Association of Consulting Civil Engineers (India).

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 Operating Officer Finance 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 March 31, 2012 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 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 or 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**

Place: Gurgaon
Date: May 29, 2012

T. Adi Babu
Chief Operating Officer Finance

G. Venkatesh Babu
Managing Director



Report on Corporate Governance

I. MANDATORY REQUIREMENTS

1. Company's Philosophy on Code of Governance

The Company has set for itself the-

Mission of "Development of Society through Entrepreneurship"

Vision of "Most Admired Integrated Infrastructure Enterprise"

The Company firmly believes that Mission and Vision can be realised 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')

(i) Composition of the Board

The Company is managed and controlled through a professional body of Board of Directors, which comprises of an optimum combination of Executive, Non-Executive and Independent Directors headed by the Executive-Chairman. The present strength of Board of Directors is 10 (Ten), including 4 (Four) Executive Directors (40% of the total strength) and 6 (Six) Non-Executive Directors (60% of the total strength). 5 (Five) (50% of total strength of the Board) out of 6 (Six) Non-Executive Directors are Independent Directors. All Independent Directors comply with the requirements of the Listing Agreement for being "Independent Director".

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	14	3	1
Mr. G. Bhaskara Rao Executive Vice-Chairman DIN: 00075034	Executive	14	2	5
Mr. L. Sridhar Vice-Chairman DIN: 00075809	Non-Executive	14	0	1
Mr. G. Venkatesh Babu Managing Director DIN: 00075079	Executive	14	0	9
Mr. S.C. Manocha Whole-Time Director DIN: 00007645	Executive	0	0	0
Dr. Pamidi Kotaiah Director DIN: 00038420	Non-Executive Independent	7	3	3
Mr. P. Abraham Director DIN: 00280426	Non-Executive Independent	11	0	4

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. Uddesh Kumar Kohli Director DIN: 00183409	Non-Executive Independent	5	2	6
Mr. P. Narasimharamulu Director DIN: 00064196	Non-Executive Independent	4	4	0
Dr. B. Vasanthan Director DIN: 01621698	Non-Executive Independent	4	2	0

Note: Mr. L. Madhusudhan Rao, Mr. G. Bhaskara Rao and Mr. L. Sridhar are related inter-se.

(ii) Meetings and attendance during the year.

Six Board Meetings were held during the year 2011-12. The dates on which the meetings were held are as follows:

May 29, 2011, July 29, 2011, August 13, 2011, November 11, 2011, February 13, 2012 and March 29, 2012.

The attendance of each Director at the Board Meetings during the year 2011-12 as well as at last Annual General Meeting is as under:

Name	Number of Board Meetings Held	Number of Board Meetings attended	Attendance at the last Annual General Meeting*
Mr. L. Madhusudhan Rao	6	6	Yes
Mr. G. Bhaskara Rao	6	5	Yes
Mr. L. Sridhar	6	5	Yes
Mr. G. Venkatesh Babu	6	6	Yes
Mr. S.C. Manocha	6	6	Yes
Dr. Pamidi Kotaiah	6	6	Yes
Mr. P. Abraham	6	4	No
Dr. Uddesh Kumar Kohli	6	6	No
Mr. P. Narasimharamulu	6	4	Yes
Dr. B. Vasanthan	6	5	No

*Last Annual General Meeting was held on September 30, 2011.

None of the Non-Executive Directors has any pecuniary relationship or transaction with the Company.

3. Committees of Board

(i) Audit Committee

a. Brief description of Terms of Reference

The Audit Committee shall have the following scope and responsibilities:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is true and fair, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of statutory auditors and cost auditors and fixation of their audit fees.
- Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing with the management the quarterly financial results before submission to the Board for approval.
- Reviewing with the management, the annual financial statements before submission to the Board for approval.
- Reviewing with the management, performance of Statutory Auditors, Cost Auditors and Internal Auditors, the adequacy of internal control systems.
- 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.
- Discussion with internal auditors regarding any significant findings and follow up thereon.
- 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.
- Discussion with statutory auditors and cost auditors before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern, with respect to the financial statements of the Company.
- 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.
- To review the Risk Assessment and Management measures.
- Reviewing, with the management, the statement of uses/application of funds raised through Public Issue, the statement of funds utilised for purposes other than those stated in the offer document/prospectus and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing of Financial Statements of the Subsidiaries and Investments made by them.
- Reviewing of Management Discussion and Analysis of Financial Condition and Results of Operations.
- Reviewing of Status Reports on Projects under implementation by the Company and its Subsidiaries.
- Reviewing of Status Reports on Projects under implementation through Special Purpose Vehicles (SPVs).
- Reviewing of Reports on Treasury Management of the Company.
- Reviewing of statement of significant related party transactions.
- Reviewing of Internal Audit Reports relating to Internal Control Weaknesses.
- Any other item considered appropriate or necessary to have effective oversight of financial reporting.
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience & background, etc. of the candidate.

b. Composition

The Audit Committee comprises of 4 (four) Directors, including 3 (three) Independent Directors and 1 (one) Executive Director, the Chairman being the Independent Director.

Dr. Pamidi Kotaiah	Chairman
Dr. Uddesh Kumar Kohli	Member
Mr. P. Narasimharamulu	Member
Mr. G. Bhaskara Rao	Member

c. Meetings and Attendance during the year

Twelve Audit Committee Meetings were held during the year 2011-12. The dates on which the Meetings were held are as follows:

May 29, 2011, July 14, 2011, July 29, 2011, August 8, 2011, August 13, 2011, October 20, 2011, November 11, 2011, December 27, 2011, February 6, 2012, February 13, 2012, March 22, 2012 and March 29, 2012.

The attendance of the Members during the year 2011-12 is given below:

Name	Number of Meetings held	Number of Meetings attended
Dr. Pamidi Kotaiah	12	12
Dr. Uddesh Kumar Kohli	12	12
Mr. P. Narasimharamulu	12	10
Mr. G. Bhaskara Rao	12	10

(ii) Remuneration Committee**a. Brief description of Terms of Reference**

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

b. Composition

The Remuneration Committee comprises of 3 (three) Non-Executive Independent Directors.

Mr. P. Narasimharamulu	Chairman
Dr. Pamidi Kotaiah	Member
Dr. B. Vasanthan	Member

c. Meetings and Attendance during the year

No Meeting of the Remuneration Committee was held during the year 2011-12.

Remuneration Policy

Remuneration Committee recommends the remuneration for the Executive Directors of the Company. Such recommendation is then approved by the Board and Shareholders. Prior approval of shareholders is also obtained in case of remuneration to Non-Executive Directors.

The remuneration paid to Executive Directors is determined keeping in view the industry benchmark, the relative performance of the Company to the industry performance, and macro economic review on

remuneration packages of CEOs of other organisations. Perquisites and other allowances are paid according to the policy of the Company as applicable to employees.

Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as Independent Professionals / Business Executives. Independent Non-Executive Directors receive sitting fees for attending the meeting of the Board and Board Committees.

d. Details of Remuneration to all Directors for the Financial year 2011-12

₹ in lakhs						
Name	Salary	Perquisites and Allowances	Commission/ Performance Bonus	Sitting Fees	Number of Stock Options granted*	Term upto
Mr. L. Madhusudhan Rao	316.25	64.67	NIL	NIL	NIL	31.03.2016
Mr. G. Bhaskara Rao	316.25	61.13	NIL	NIL	NIL	31.03.2016
Mr. G. Venkatesh Babu	437.50	84.38	62.50	NIL	NIL	23.06.2016
Mr. S.C. Manocha	330.12	18.99	52.50	NIL	NIL	13.08.2015
Mr. L. Sridhar	NIL	NIL	NIL	1.60	NIL	NA
Dr. Pamidi Kotaiah	NIL	NIL	NIL	4.60	NIL	NA
Mr. P. Abraham	NIL	NIL	NIL	0.80	NIL	NA
Dr. Uddesh Kumar Kohli	NIL	NIL	NIL	3.60	NIL	NA
Mr. P. Narasimharamulu	NIL	NIL	NIL	3.80	NIL	NA
Dr. B. Vasanthan	NIL	NIL	NIL	2.00	NIL	NA

e. Shareholding of Non-Executive Directors as on 31st March, 2012:

S. No.	Name of Director	Number of shares held
1.	Mr. L. Sridhar	4,51,43,587
2.	Dr. Pamidi Kotaiah	72,289
3.	Mr. P. Abraham	5,170
4.	Dr. Uddesh Kumar Kohli	1,45,880
5.	Mr. P. Narasimharamulu	25,389
6.	Dr. B. Vasanthan	19,000

(iii) Shareholders/Investors Grievance Committee

a. Composition

The Shareholders/Investors Grievance Committee is headed by Mr. L. Sridhar, Non- Executive Director.

The Committee comprises of 3 (three) Directors consisting of 2 (two) Non-Executive Directors and 1 (one) Executive Director, the Chairman being a Non-Executive Director.

Mr. L. Sridhar	Chairman
Mr. G. Venkatesh Babu	Member
Dr. B. Vasanthan	Member

b. Meetings and Attendance during the year.

Four Meetings of the Shareholders/Investors Grievance Committee were held during the year 2011-12 on May 29, 2011, August 13, 2011, November 11, 2011 and February 13, 2012.

The attendance of the Members during the year 2011-12 is given below:

Name	Number of Meetings held	Number of Meetings attended
Mr. L. Sridhar	4	3
Mr. G. Venkatesh Babu	4	4
Dr. B. Vasanthan	4	4

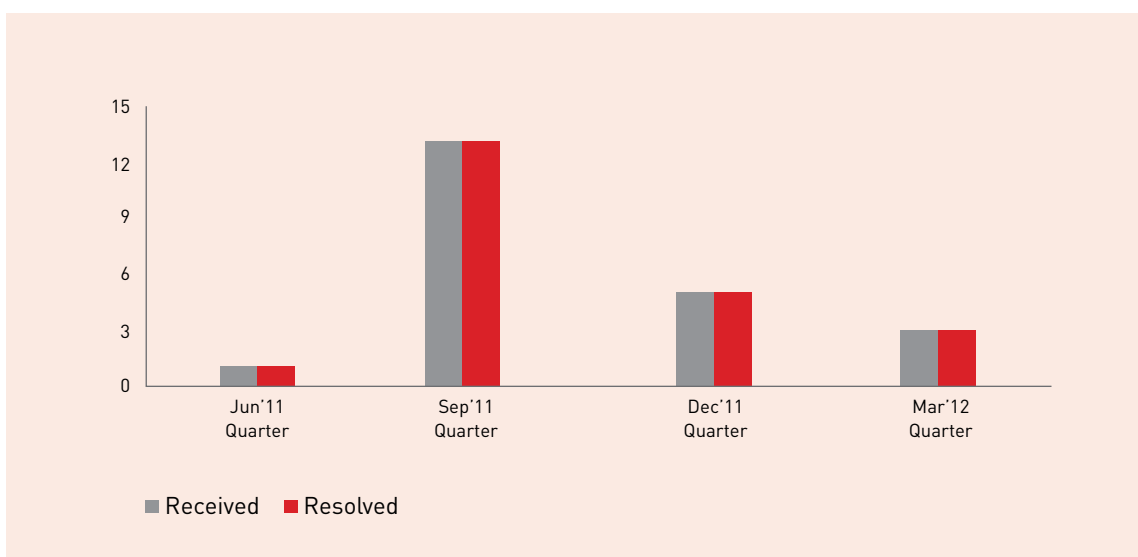
c. Name and Designation of Compliance Officer

Mr. C. Krishnakumar, Executive Director & Company Secretary is the Compliance Officer of the Company.

d. Details of Complaints/ Requests received, resolved and pending during the Year 2011-12

Total Shareholders Complaints/ Requests

Quarter	Received	Resolved	Pending
01.04.2011 - 30.06.2011	1	1	0
01.07.2011 - 30.09.2011	13	13	0
01.10.2011 - 31.12.2011	5	5	0
01.01.2012 - 31.03.2012	3	3	0
TOTAL	22	22	0

Quarterly Statement of Investor Complaints

4. General Body Meetings

(i) Location, Date and Time of Last three AGMs and Special Resolutions passed thereat:

Year	Location	Date & Time	Special Resolutions passed
2010-11	Green Park Hotel, Greenlands, Begumpet, Hyderabad – 500 016, Andhra Pradesh, India.	September 30, 2011 3.30 P.M.	No Special Resolution passed
2009-10	Green Park Hotel, Greenlands, Begumpet, Hyderabad – 500 016, Andhra Pradesh, India.	July 31, 2010 3.00 P.M.	<ol style="list-style-type: none"> 1. Modification of Employees Stock Option Plan, 2006 to fix the price of options (each option having a right to convert the same into one equity share of ₹ 1/- of the Company) at a price of ₹ 0.243 per option. Further, authorisation to Board to utilise in the new scheme "Employee Stock Option Scheme – 2010" and/ or any other new employee stock option scheme, the unutilised shares lying with LCL Foundation (Trust). 2. Resolution u/s 81(1A) - for authorisation to the Board to create, grant, offer, issue and allot to permanent employees and Directors of the Company, Options exercisable by the Employees under a Scheme titled "Employee Stock Option Scheme – 2010" to subscribe to such number of equity shares and/ or equity linked instruments which could result in employees in getting equity shares from the Trust of the Company in aggregate 3,80,76,445 equity shares of ₹ 1/- each. 3. Resolution u/s 81(1A) - for authorisation to the Board to extend the benefits of the "Employee Stock Option Scheme-2010" to the permanent employees and Directors of Subsidiary Companies.
2008-09	MR 1.4 to 1.6, 1st Floor, NOVOTEL & HICC Complex (Near HITEC City), Hyderabad International Convention Centre, Cyberabad Post Office, Hyderabad – 500 081, Andhra Pradesh, India.	September 25, 2009 3.30 P.M.	No Special Resolution passed

(ii) Passing of Special Resolution by Postal Ballot

No Special Resolution was passed by postal ballot during the year 2011-12.

No Special Resolution is proposed to be conducted through Postal Ballot.

5. Disclosures

(i) Materially Significant Related Party Transactions

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

(ii) Compliances

There has not been any non-compliance by the Company and there are no penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

(iii) Whistle Blower Mechanism

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman 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.

(iv) 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.

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 such as Business Standard, Financial Express, Mint, The Economic Times, The Hindu and Vaartha. The official news releases and presentations made to investors and analysts are also made available on the website of the Company.

Green Initiative in corporate governance

Ministry of Corporate Affairs (MCA) vide its Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, have enabled the paperless compliances by allowing service of documents by Companies through electronic mode. With a view to support the

green initiatives taken by MCA, ensuring speedy delivery of documents to members and avoiding instances of loss in transit of documents sent to members, the Company, like last year, this year too has sent and proposes to send in future the Annual Report and other documents to the e-mail ID's of the members registered with the Depository Participants, other than to 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

(i) Annual General Meeting

Date and Time	September 27, 2012 at 3.30 P. M.
Venue	Marigold Hotel By Greenpark, Greenlands, Begumpet, Hyderabad – 500 016, Andhra Pradesh, India.

(ii) Financial Calendar for the Year 2012-13 (Tentative)

Particulars	Tentative Schedule
Financial reporting for the quarter ending June 30, 2012	On or before August 14, 2012
Financial reporting for the half-year ending September 30, 2012	On or before November 14, 2012
Financial reporting for the quarter ending December 31, 2012	On or before February 14, 2013
Financial reporting for the year ending March 31, 2013	On or before May 30, 2013.
Annual General Meeting for the year ending March 31, 2013	Before end September, 2013

(iii) Book Closure Dates

September 20, 2012 to September 27, 2012 (both days inclusive)

(iv) Dividend Payment Date

Not Applicable.

(v) Listing on Stock Exchanges

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

The Company has paid the listing fees for the year 2012-13 to both the stock exchanges. There are no arrears of listing fees with any of the said stock exchanges till date.

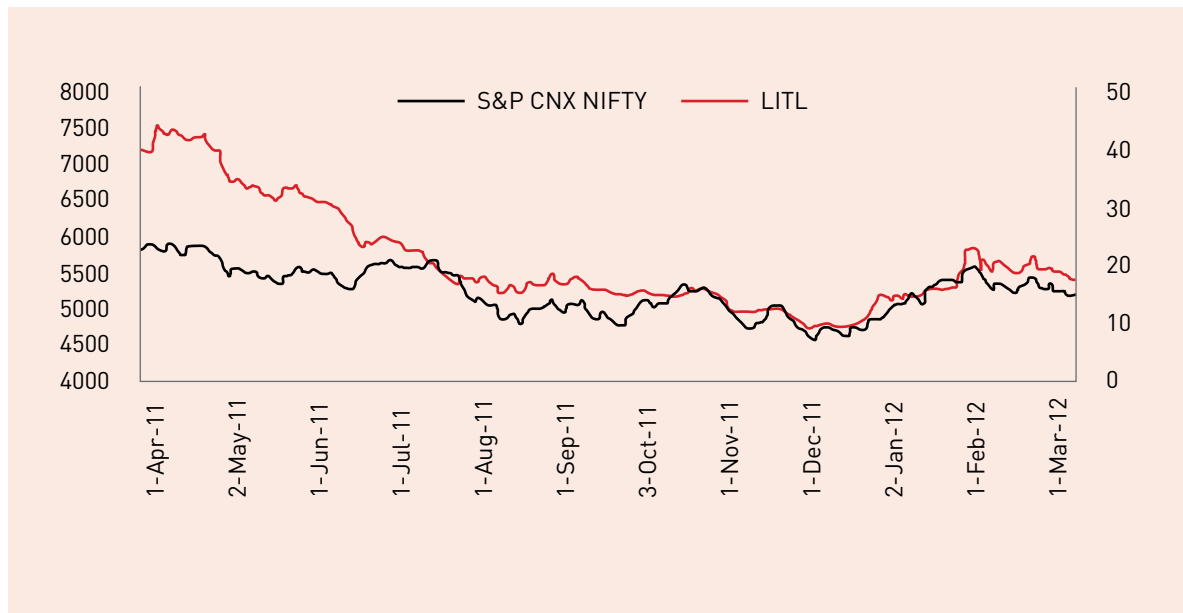
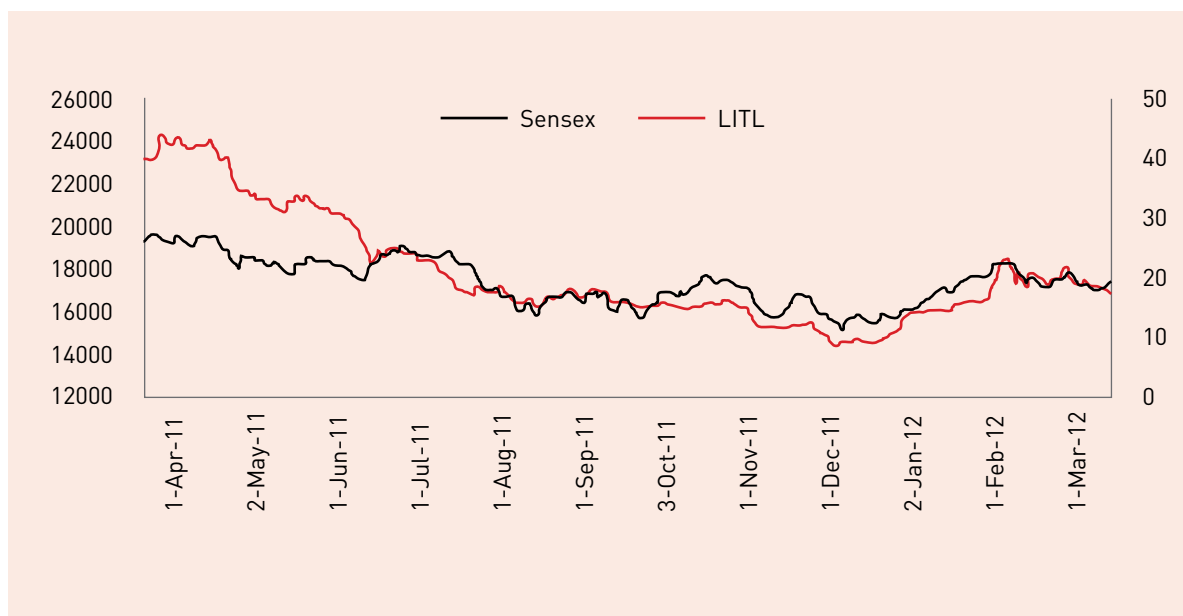
(vi) Stock Code

Exchange	Code
National Stock Exchange of India Limited	Stock Code: LITL
Bombay Stock Exchange Limited	Stock Code: LITL Scrip Code: 532778
Demat ISIN Number – for NSDL / CDSL	INE785C01048.

(vii) Stock Market Price Data relating to Equity Shares listed in National Stock Exchange of India Limited (NSE), and Bombay Stock Exchange Limited (BSE).

The Monthly high and low stock quotations of Equity Shares of the Company on NSE and BSE during the year 2011-12 was as under:

Month	NSE		BSE	
	HIGH	LOW	HIGH	LOW
April, 2011	45.20	39.15	45.10	39.40
May, 2011	40.80	31.10	40.90	31.10
June, 2011	34.65	21.10	34.70	21.35
July, 2011	28.75	17.75	25.60	17.65
August, 2011	19.65	15.00	19.70	15.10
September, 2011	19.15	15.35	19.15	15.35
October, 2011	17.15	14.55	17.15	14.65
November, 2011	18.20	11.50	16.75	11.50
December, 2011	13.20	8.45	13.70	8.50
January, 2012	15.95	8.90	16.50	8.95
February, 2012	25.10	14.05	25.10	14.90
March, 2012	22.85	16.95	23.10	16.95

(viii) Stock Performance in comparison to NSE S&P CNX NIFTY**Stock Performance in comparison to BSE Sensex****(ix) Registrars & Share Transfer Agents**

Link Intime India Private Limited
 (Unit: Lanco Infratech Limited)
 Regd. Office: C-13, Pannalal Silk Mills Compound, LBS Marg,
 Bhandup (West), Mumbai – 400 078, Maharashtra, India
 Phone: +91-22-25946970, Fax: +91-22-25946969
 Email: rnt.helpdesk@linkintime.co.in
 Website: www.linkintime.co.in

(x) Share Transfer System

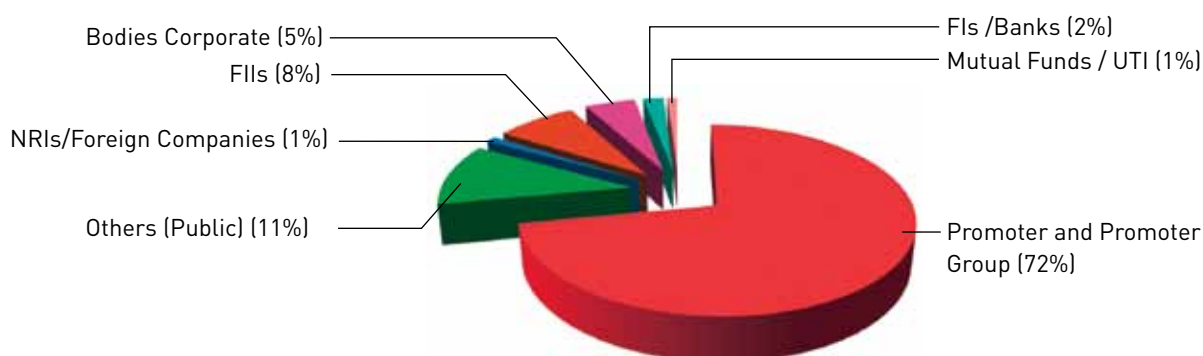
The shareholders are advised to contact the Registrar and Share Transfer Agents at their address for effecting transfer of shares.

(xi) Distribution of Shareholding as on March 31, 2012

Nominal Value of Shareholding (in ₹)	No. of Members	Percentage	No. of Shares	Percentage of total
Up to 500	1,56,544	66.68	3,33,70,609	1.39
501 -- 1000	39,093	16.65	3,29,38,658	1.37
1001 -- 2000	20,535	8.75	3,26,34,205	1.35
2001 -- 3000	6,078	2.59	1,58,95,878	0.66
3001 -- 4000	2,892	1.23	1,05,45,847	0.44
4001 -- 5000	2,659	1.13	1,27,06,440	0.53
5001 -- 10000	3,681	1.57	2,79,26,964	1.16
10001 and above	3,288	1.40	224,17,86,319	93.10
TOTAL	2,34,770	100.00	240,78,04,920	100.00

Shareholding Pattern of the Company as on March 31, 2012

Category of Shareholder	Number of Shares held	Percentage of Shareholding
Promoter and Promoter Group	173,90,26,324	72.23
Mutual Funds/UTI	3,15,86,172	1.31
Financial Institutions (FIs)/Banks	4,53,01,782	1.88
Bodies Corporate	12,13,85,144	5.04
Foreign Institutional Investors (FIIs)	18,06,10,638	7.50
Non-Resident Indians (NRIs)/Foreign Companies	2,01,84,785	0.84
Others (Public)	26,97,10,075	11.20
TOTAL	240,78,04,920	100.00

Shareholding Pattern of the Company as on March 31, 2012

(xii) Dematerialisation of Shares and Liquidity

About 99.99% of the outstanding equity has been in dematerialised form as on March 31, 2012.

(xiii) Outstanding Convertible Instruments

As of March 31, 2012, there are no outstanding convertible instruments.

(xiv) Equity Shares in Suspense Account

The disclosure as required under Clause 5A of the Listing Agreement is given below:

- a. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: 43 shareholders and outstanding Equity Shares 31,900.
- b. Number of shareholders who approached issuer for transfer of shares from suspense account during the year: Nil.
- c. Number of shareholders to whom shares were transferred from suspense account during the year: Nil.
- d. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: 43 shareholders and outstanding Equity Shares 31,900.

The voting rights on these equity shares shall remain frozen till the rightful owner of such shares claims the shares.

(xv) Plant Locations of Lanco Infratech Limited

- a. Wind Energy Project at Chikkasidavanahalli Village, Chitradurga District, Karnataka;
- b. Wind Energy Project at Devarkulam and Uthumalai, Tirunelveli District, Tamilnadu;
- c. Solar Energy Project at Bhadrada Village, Tehsil Sami, Patan District, Gujarat;
- d. Solar Energy Project at Chadiyana Village, Tehsil Sami, Patan District, Gujarat;
- e. Solar Energy Project at Charanka Village, Tehsil Saltanpur, Patan District, Gujarat;

Plant Locations of Subsidiary Companies

- a. Lanco Kondapalli Power Limited
Kondapalli IDA, Ibrahimpatnam Mandal, Krishna District, Andhra Pradesh.
- b. Lanco Tanjore Power Company Limited
Karuppur Village, Thiruvudaimaruthur Taluk, Tanjore District, Tamil Nadu.
- c. Lanco Amarkantak Power Limited
Pathadi Village, P.O-Tilkeja, Korba District, Chattisgarh.

- d. Lanco Mandakini Hydro Energy Private Limited.
Phata Byung H.E. Project, Phata, Uttarakhand.
- e. Lanco Teesta Hydro Power Private Limited
Teesta VI HEP, Subin Khor, South Sikkim.
- f. Lanco Budhil Hydro Power Private Limited
Thalla Village, P.O. Ghared, Tehsil Bharmour, Chamba District, Himachal Pradesh.
- g. Vamshi Hydro Energies Private Limited

IKUII	:	Saleg Village, Tehsil Dharamshala, Kangra District, Himachal Pradesh
Baner III	:	Jia Village, Tehsil Palampur Kangra District, Himachal Pradesh.
- h. Vamshi Industrial Power Limited

Upper Khauli	:	Salli Village, Tehsil Shahpur, Kangra District, Himachal Pradesh.
Drinidhar	:	Bhiora Village, Tehsil Sihunta Chamba District, Himachal Pradesh.
- i. Lanco Anpara Power Limited

Phase I	:	Anpara Village, Sonbhadra District, Uttar Pradesh.
Phase II	:	Bhognipur, Rambhai Nagar District, Uttar Pradesh.
- j. Udupi Power Corporation Limited
Yelluru Village, Pilara Post, Padubidri Udupi Taluk, Udupi District, Karnataka.
- k. Lanco Solar Private Limited
Mahrumkurd & Chhawardhal Village, Rajnandgaon, Raipur, Chhattisgarh
- l. Khaya Solar Projects Private Limited
Askandra Village, Tehsil Nachna, Jaisalmer District, Rajasthan

(xvi) Address for Correspondence

Registered Office:

Plot No. 4, Software Units Layout, HITEC City, Madhapur, Hyderabad – 500 081, Andhra Pradesh, India.

Phone: +91-40-40090400, Fax: +91-40-23116109

Email: complianceofficer.litl@lancogroup.com

Annual Declaration by CEO

Pursuant to Clause 49(I)(D)(ii) of the Listing Agreement

As the Managing Director of Lanco Infratech Limited, as required by Clause 49(I)(D)(ii) of the Listing Agreement executed with the National Stock Exchange of India Limited and Bombay Stock Exchange Limited, 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 2011-12.

For **Lanco Infratech Limited**

Place: Gurgaon
Date: April 1, 2012

G. Venkatesh Babu
Managing Director

II. NON-MANDATORY REQUIREMENTS

The Chairman of the Board

The Chairman of the Company is an Executive Chairman and hence the provisions for Non-Executive Chairman are not applicable. All other requirements of the Board during the year have been complied with.

Remuneration Committee

All the requirements of the Remuneration Committee during the year have been complied with.

Whistle Blower Policy

The Company has established a Whistle Blower mechanism and has adopted a Whistle Blower Policy, the details of which are given elsewhere in this Report.

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 Financial Year ended March 31, 2012. We have obtained all the information and explanations which to the best of my 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 as stipulated in the said Listing Agreement(s).

For **C. V. Reddy K & Associates**
Company Secretaries

K. Ch. Venkat Reddy
Company Secretary in Practice
PCS No.8998

Place: Gurgaon
Date: August 13, 2012

Auditors' Report

To The Members of Lanco Infratech Limited

1. We have audited the attached Balance Sheet of Lanco Infratech Limited ('the Company') as at March 31, 2012 and also the statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. *Attention is invited to Note 38 of financial statements, which explains the restructuring undertaken by the Company during the year. The Company's investment in various subsidiaries and associates have been transferred to wholly owned step down subsidiaries and an associate of wholly owned step down subsidiary aggregating to ₹ 6,81,550.87 lakhs. Management is confident of receiving the approvals from various lenders and customer in near future and has recorded these transfers in these financial statements. In case of any of these approvals are not granted, the management will have to revisit the structure and the consequential impact would then be recorded in these financial statements. Pending the final outcome of lenders and customer approvals, we are unable to comment on the consequential effects of the foregoing should such approval not be received on these financial statements.*
5. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge

and belief were necessary for the purposes of our audit;

- ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- iii. The Balance Sheet, statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet, statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- v. On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, *except for Mr. P. Narasimharamulu who has deceased prior to furnishing the representation*, we report that none of the other directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi. *Subject to the matters referred to in paragraph 4 above, the consequential effects of which are currently not ascertainable*, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - b) in the case of the statement of Profit and Loss, of the profit for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For S. R. Batliboi & Associates

Firm registration number: 101049W
Chartered Accountants

per Sanjay Vij

Partner
Membership No.: 95169

Place: Gurgaon
Date: May 29, 2012

For Brahmayya & Co.

Firm registration number: 000511S
Chartered Accountants

per N. Sri Krishna

Partner
Membership No.: 26575

Place: Gurgaon
Date: May 29, 2012

Annexure

referred to in paragraph 3 of our report of even date

Re: Lanco Infratech Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (a) to (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.
- (b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (e) to (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In respect of transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs entered into during the financial year, because of the unique and specialised nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) 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 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

Annexure

referred to in paragraph 3 of our report of even date

- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education

and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount ₹ Lakhs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	294.7	Assessment year 2002-03	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	222.2	Assessment year 2003-04	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	20.6	Assessment year 2004-05	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	221.7	Assessment year 2005-06	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1.7	Assessment year 2006-07	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	193.2	Assessment year 2007-08	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	373.6	Assessment year 2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	10.7	Assessment year 2010-11	Commissioner of Income Tax (Appeals)
Andhra Pradesh General Sales Tax Act, 1956	Sales Tax	8.5	Financial Year 2000-01	High court of Andhra Pradesh
Andhra Pradesh Tax on Entry of Goods Act, 2001	Entry Tax	1.8	Financial Year 2007-08	Commercial Tax Officer, Begumpet
Andhra Pradesh General Sales Tax Act, 1956	Sales Tax	2.7	Financial Year 2001-02	The Sales Tax Appellate Tribunal, Hyderabad
Andhra Pradesh Value Added Tax Act, 2005	Sales Tax	1.3	Financial Year 2009-10	The Appellate Deputy Commissioner CT, Panjagutta-Hyderabad
Tamil Nadu Value Added Tax, 2006	Sales Tax (including penalty)	38.3	Financial Year 2007-08	The Appellate Deputy Commissioner CT, Chennai

Annexure

referred to in paragraph 3 of our report of even date

Name of the statute	Nature of dues	Amount ₹ Lakhs	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Service Tax	13.8	April 2005-March 2008	Customs, Central Excise and Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	15.9	June 2005-August 2008	Customs, Central Excise and Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	1,292.4	June 2007-March 2008	Customs, Central Excise and Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	385.9	June 2007-July 2008	Customs, Central Excise and Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	1,547.4	April 2005-March 2008	Customs, Central Excise and Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	37.8	July 2008-September 2009	Commissioner of Central Excise (Appeals)
The Finance Act, 1994	Service Tax	657.8	April 2008-June 2009	Customs, Central Excise and Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	897.9	July 2009-March 2010	Commissioner of Central Excise
The Finance Act, 1994	Service Tax	65	October 2009- February 2011	Commissioner of Central Excise
The Finance Act, 1994	Service Tax	6,442.5	April 2010- March 2011	Commissioner of Central Excise

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank or financial institutions, the terms

Annexure

referred to in paragraph 3 of our report of even date

and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.

(xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money by public issues and accordingly, provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S. R. Battliboi & Associates

Firm registration number: 101049W
Chartered Accountants

per Sanjay Vij

Partner
Membership No.: 95169

Place: Gurgaon
Date: May 29, 2012

For Brahmayya & Co.

Firm registration number: 000511S
Chartered Accountants

per N. Sri Krishna

Partner
Membership No.: 26575

Place: Gurgaon
Date: May 29, 2012

Balance Sheet

as at March 31, 2012

		(₹ in Lakhs)	
	Notes	March 31, 2012	March 31, 2011
EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	3	23,896.51	23,871.93
Reserves and Surplus	4	3,35,653.15	3,20,072.82
		3,59,549.66	3,43,944.75
Non Current Liabilities			
Long Term Borrowings	5	68,791.36	1,17,318.24
Other Long Term Liabilities	7	5,96,513.70	5,30,549.47
Long Term Provisions	8	4,996.94	3,856.88
		6,70,302.00	6,51,724.59
Current Liabilities			
Short Term Borrowings	9	2,70,492.90	2,42,146.32
Trade Payables	10	2,76,242.82	1,35,595.12
Other Current Liabilities	11	3,84,340.65	2,00,979.21
Short Term Provisions	8	4,751.66	3,334.80
		9,35,828.03	5,82,055.45
TOTAL		19,65,679.69	15,77,724.79
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	12	1,14,307.41	55,393.65
Intangible Assets	13	958.00	1,224.21
Capital Work in Progress	14	2,438.52	9,574.28
		1,17,703.93	66,192.14
Non Current Investments	15	6,55,026.79	5,40,062.66
Deferred Tax Assets (net)	6	1,464.15	523.32
Long Term Loans and Advances	16	1,98,790.62	3,66,280.17
Other Non Current Assets	17	39,260.29	77,543.41
		10,12,245.78	10,50,601.70
Current Assets			
Inventories	18	99,902.49	76,188.21
Trade Receivables	17.1	2,54,385.49	2,02,215.85
Cash and Bank Balance	19	12,154.08	31,574.66
Short Term Loans and Advances	16	5,84,706.90	2,16,466.52
Other Current Assets	17.2	2,284.95	677.85
		9,53,433.91	5,27,123.09
TOTAL		19,65,679.69	15,77,724.79
Summary of Significant Accounting Policies	2.1		

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date.

For S. R. Batliboi & Associates

Firm Reg. No 101049W
Chartered Accountants

per Sanjay Vij

Partner
M. No.95169

Place: Gurgaon
Date: May 29, 2012

For Brahmayya & Co

Firm Reg. No. 000511S
Chartered Accountants

per N. Sri Krishna

Partner
M.No. 26575

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

L. Madhusudhan Rao

Executive Chairman
DIN - 00074790

T. Adi Babu

COO - Finance

Place: Gurgaon
Date: May 29, 2012

G. Venkatesh Babu

Managing Director
DIN - 00075079

C. Krishna Kumar

Executive Director &
Company Secretary

Statement of Profit and Loss

for the Year Ended March 31, 2012

		(₹ in Lakhs)	
	Notes	Year Ended on March 31, 2012	Year Ended on March 31, 2011
INCOME			
Revenue from Operations	20	8,60,498.88	5,80,875.56
Other Income	21	6,425.89	10,639.15
Total Revenue (I)		8,66,924.77	5,91,514.71
EXPENSES			
Cost of Materials Consumed	22	5,46,375.99	3,16,725.25
Subcontract Cost		1,62,628.17	1,54,108.90
Other Site and Construction Expenses	23	22,593.36	13,057.55
Change in Construction Work in Progress	24	(20,772.93)	(34,115.00)
Employee Benefits Expense	25	50,791.26	41,646.50
Other Expenses	26	34,026.42	17,079.46
Total Expenses (II)		79,5,642.27	50,8,502.66
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (I-II)		71,282.50	83,012.05
Finance Cost	27	50,512.43	33,774.16
Depreciation and Amortisation Expense	28	10,143.67	7,206.30
Profit before Tax (III)		10,626.40	42,031.59
Tax Expense			
Current Tax		2,118.80	15,203.01
Less:- Minimum Alternate Tax Credit Entitlement		2,118.80	-
Net Current Tax		-	15,203.01
Relating to Previous Years		-	58.88
Deferred Tax		(940.84)	(1,061.89)
Total Tax Expense (IV)		(940.84)	14,200.00
Profit after Tax for the Period (III - IV)		11,567.24	27,831.59
(Balance Carried to Balance Sheet)			
Earnings Per Equity Share - (Face value of share ₹ 1/-)	29		
(March 31, 2011: ₹ 1/-)			
Basic (₹)		0.50	1.20
Diluted (₹)		0.50	1.19
Summary of Significant Accounting Policies	2.1		

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date.

For S. R. Batliboi & Associates

Firm Reg. No 101049W
Chartered Accountants

per Sanjay Vij

Partner
M. No.95169

Place: Gurgaon
Date: May 29, 2012

For Brahmayya & Co

Firm Reg. No. 000511S
Chartered Accountants

per N. Sri Krishna

Partner
M.No. 26575

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

L. Madhusudhan Rao

Executive Chairman
DIN - 00074790

T. Adi Babu

COO - Finance

Place: Gurgaon
Date: May 29, 2012

G. Venkatesh Babu

Managing Director
DIN - 00075079

C. Krishna Kumar

Executive Director &
Company Secretary

Cash Flow Statement

for the Year Ended March 31, 2012

	(₹ in Lakhs)	
	Year Ended on March 31, 2012	Year Ended on March 31, 2011
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	10,626.40	42,031.59
Adjustments for:		
Depreciation and Amortisation	10,143.67	7,206.30
Profit on Sale of Current Investments	-	(0.35)
Profit on Sale of Non - Current Investments	-	(123.03)
Loss on Sale of Fixed Assets	541.34	578.79
Loss/(Gain) on Foreign Exchange Fluctuations (Net)	13,265.41	(5,424.13)
Liabilities and Provisions no longer required written back	(71.41)	(92.04)
Provision for Advances / Claims / Debts	-	318.50
Employee Stock Option Charge during the year	2,810.27	3,971.43
Interest Income	(2,666.69)	(1,702.30)
Dividend Income	(36.50)	(239.07)
Interest Expenses	50,512.43	33,774.16
Cash Generated Before Working Capital Changes	85,124.92	80,299.85
Movement In Working Capital		
Increase in Trade Payables	86,780.73	53,309.64
Increase in Provisions(Short Term & Long Term)	2,598.12	2,255.35
Increase in Other Current Liabilities	48,362.08	2,077.68
(Decrease)/Increase in Other Long Term Liabilities	(1,003.34)	1,137.98
Increase in Advance from Customers	1,54,792.44	4,67,034.56
Decrease/(Increase) in Trade Receivables	1,403.82	(58,549.22)
(Increase) in Inventories	(23,714.28)	(31,466.77)
Decrease/(Increase) in Long Term Loan and Advances	10,941.41	(56,075.48)
Decrease/(Increase) in Short Term Loan and Advances	46,247.16	(73,515.41)
Decrease/(Increase) in Other Current Assets	(773.13)	3,680.66
Cash Generated From Operations	4,10,759.93	3,90,188.84
Direct Taxes Paid	(14,228.21)	(18,517.36)
Net Cash Flow from Operating Activities	(A) 3,96,531.72	3,71,671.48
CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of Fixed Assets	(57,192.37)	(24,055.17)
Proceeds from Sale of Fixed Assets	551.68	579.99
Capital Work in Progress	-	(6,423.26)
Capital Advances Given	-	(440.91)
Proceeds from Sale of Non- Current Investments - Subsidiaries	(20,725.01)	20,723.03
Proceeds from Sale of Non - Current Investments - Others	4,33,766.35	1.48
Purchase of Non - Current Investments - Subsidiaries	(5,42,293.34)	(49,282.35)
Purchase of Non - Current Investments- Others	(83,673.64)	(1,02,692.60)
Sale of Current Investments (Net)	777.46	35,097.00
Inter Corporate Deposits given	(1,11,049.57)	(56,255.30)
Advance for investment given to Subsidiaries (Net)	(29,915.00)	(1,13,419.60)
Advance for investment given to Others (Net)	(80.02)	(1,53,695.74)
Dividend Income received from others	36.50	239.07
Interest Income Received	1,832.72	1,104.82
Net Cash Flow used in Investing Activities	(B) (4,07,964.24)	(4,48,519.54)

Cash Flow Statement

for the Year Ended March 31, 2012

		(₹ in Lakhs)	
		Year Ended on March 31, 2012	Year Ended on March 31, 2011
CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES			
Proceeds from Short - Term Borrowings (Net)		33,165.69	1,03,969.03
Proceeds from Short Term Foreign Currency Loan		1,51,056.19	67,248.41
Repayment of Short Term Foreign Currency Loan		(1,35,281.30)	(20,787.54)
Proceeds from Long Term Rupee Loan		18,081.48	12,621.44
Proceeds from Short Term Rupee Loan		-	30,000.00
Repayment of Long Term Rupee Loan		(14,003.41)	(27,220.71)
Repayment of Short Term Rupee Loan		(30,000.00)	(54,996.82)
Proceeds on account of exercise of ESOP shares		24.58	17.21
Inter Corporate Deposits received/(repaid)		19,400.00	(4,500.00)
Interest Paid		(50,375.82)	(33,589.85)
Net Cash Flow from / (used in) Financing Activities	(C)	(7,932.59)	72,761.17
Net Decrease in Cash and Cash Equivalents	(A+B+C)	(19,365.11)	(4,086.89)
Cash and Cash Equivalents at the beginning of the Period		30,482.08	34,568.97
Cash and Cash Equivalents at the end of the Period		11,116.97	30,482.08
Components of Cash and Cash Equivalents			
Cash in Hand		18.45	17.19
Balances with Banks			
-On Current Accounts		10,521.95	13,339.89
-On Deposit Accounts		576.57	17,125.00
Cash and cash Equivalent as per Note 19		11,116.97	30,482.08

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 as notified under Section 211(3C) of the Companies Act, 1956.
- Previous year's figures have been regrouped and reclassified to conform to those of the current year.

As per our report of even date.

For S. R. Batliboi & Associates

Firm Reg. No 101049W
Chartered Accountants

per Sanjay Vij

Partner
M. No.95169

Place: Gurgaon
Date: May 29, 2012

For Brahmayya & Co

Firm Reg. No. 000511S
Chartered Accountants

per N. Sri Krishna

Partner
M.No. 26575

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

L. Madhusudhan Rao

Executive Chairman
DIN - 00074790

T. Adi Babu

COO - Finance

Place: Gurgaon
Date: May 29, 2012

G. Venkatesh Babu

Managing Director
DIN - 00075079

C. Krishna Kumar

Executive Director &
Company Secretary

Notes

to financial statements for the year ended March 31, 2012

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 notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. 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 except for the changes in accounting policy discussed below, are consistent with those used in the previous year.

2.1 Summary of significant accounting policies

i. Change in Accounting Policy

Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirement applicable in the current year.

ii. 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.

iii. Revenue Recognition

Revenue is recognised 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.

Amounts due in respect of price escalation claims and/or variation in contract work are recognised 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.

Sale of Power

Revenue from sale of energy is recognised 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 Coal

Revenue from the sale of coal is recognised 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 recognised on sale of eligible credits.

Insurance Claims

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

Notes

to financial statements for the year ended March 31, 2012

Management Consultancy

Income from project management / technical consultancy is recognised 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.

iv. 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 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.

v. Intangible Fixed Assets

Intangible assets are recognised 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.

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 recognised 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.

vii. Depreciation / Amortisation:

Tangible Assets:-

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher. Assets costing ₹ 5,000 or less are fully depreciated in the year of acquisition.

Leasehold land is amortised over the period of the lease.

Leasehold improvements included in "furniture and fixtures" are amortised 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' is provided at 100%, and Metal Scaffoldings' is written off over a period of 3 years, 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.

The Company has used the following rates to provide depreciation on its fixed assets.

	Rates (SLM)
Buildings	3.34%
Plant and Equipment	4.75% to 11.31%
Furniture and Fixtures	6.33%
Vehicles	9.50%
Office Equipment	4.75%, 16.21%
Lease hold land	Over the period of lease
Lease hold improvements	Over the period of lease or estimated useful life, whichever is shorter
Temporary Structures	
- Wooden Scaffoldings	100%
- Metal Scaffoldings	33.33%
- Other Temporary structures	Over the respective estimated project period

Notes

to financial statements for the year ended March 31, 2012

Intangible Assets:-

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

viii. Investments

Investments, that 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.

ix. Inventories

Construction materials, raw materials, Consumables, Stores and Spares and project / construction work-in-progress are valued at lower of cost and net realisable value.

Cost is determined on weighted average cost method.

Net realisable 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.

Construction Work-in-progress related to project works is valued at cost or estimated net realisable 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 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 capitalised 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. 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.

xii. 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 is other defined long term employee benefit obligation and its liability is provided for on the basis of an actuarial valuation on projected unit credit method at the end of each financial year.
- iv. The Company provides short term compensated absences based on estimates. Long term 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, retention bonus and compensated absences 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 the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Notes

to financial statements for the year ended March 31, 2012

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 capitalised 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 recognised 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.

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 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 capitalised 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 Company will obtain the ownership by the end of the lease term, capitalised 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 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 amortised over the vesting period. ESOP has been accounted as per the SEBI guidelines and guidance note issued by ICAI.

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.

Notes

to financial statements for the year ended March 31, 2012

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.

xviii. Minimum Alternate Tax

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 Minimum Alternative tax (MAT) credit becomes eligible to be recognised 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.

xix. Provisions, Contingent Liabilities and Contingent Assets

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

- The Company has a present obligation as a result of past event,
- A probable outflow of resources is expected to settle the obligation; and
- 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 recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- 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 recognised, nor disclosed.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

xx. 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.

xxi. Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortisation (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 amortisation expense, finance costs and tax expense.

Notes

to financial statements for the year ended March 31, 2012

3 SHARE CAPITAL

		(₹ in Lakhs)	
		March 31, 2012	March 31, 2011
Authorised	No. Lakhs		
50,000 (March 31, 2011: 50,000 of ₹ 1/- each) Equity Shares of ₹ 1/- each		50,000.00	50,000.00
		50,000.00	50,000.00
Issued, Subscribed and Paid Up	No. Lakhs		
Equity Shares			
24,078.05 (March 31, 2011: 24,078.05 of ₹ 1/- each) Equity Shares of ₹ 1/- each, Fully Paid Up		24,078.05	24,078.05
Less: Amount recoverable from LCL - Foundation (ESOP Trust)		181.54	206.12
		23,896.51	23,871.93

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

	March 31, 2012		March 31, 2011	
	No. Lakhs	₹ Lakhs	No. Lakhs	₹ Lakhs
Equity Shares of ₹ 1/- Each, Fully paid up				
At the Beginning	24,078.05	24,078.05	24,078.05	24,078.05
At the end	24,078.05	24,078.05	24,078.05	24,078.05

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 Share held by holding / ultimate holding and / or their subsidiary / associates

	March 31, 2012		March 31, 2011	
	No. Lakhs	₹ Lakhs	No. Lakhs	₹ Lakhs
Equity Shares of ₹ 1/- each fully paid up held by				
Lanco Group Limited, the holding Company*	13,537.12	13,537.12	3,191.14	3,191.14
*Lanco Group Limited was not the holding Company in the previous year.				

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

	March 31, 2012		March 31, 2011	
	No. Lakhs	% Holding in the Class	No. Lakhs	% Holding in the Class
Equity Shares of ₹ 1/- each fully paid up held by				
Prince Stone Investments Limited	-	-	10,178.31	42.27
Lanco Group Limited, the holding Company	13,537.12	56.22	3,191.14	13.25
Government Pension Fund Global	443.08	1.84	1,876.09	7.79

The above information represents ownership of shares as per register of share holders / members.

Notes

to financial statements for the year ended March 31, 2012

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 No. 32.

3.6 Aggregate number of Bonus Share Issued, Share issued for consideration other than Cash and Shares bought back during the period of five years immediately preceding the reporting date

	(₹ in Lakhs)	
	March 31, 2012	March 31, 2011
Shares allotted as fully paid bonus equity shares of ₹ 1/- each*	-	7,468.10

*153.84 lakhs shares of ₹ 10/- each and 1,185.93 lakhs shares of ₹ 5/- each were allotted as fully paid bonus shares in the earlier years and the same were split into 7,468.10 lakhs shares of ₹ 1/- each

4 RESERVES AND SURPLUS

	(₹ in Lakhs)	
	March 31, 2012	March 31, 2011
Capital Reserve		
As at the commencement of the year	429.04	429.04
	429.04	429.04
Securities Premium Account		
As at the commencement of the year	179,827.28	176,997.59
Add : Premium on account of ESOPs exercised	2,287.79	2,829.69
	182,115.07	179,827.28
Share Option Outstanding Account		
Employee Stock Options (ESOP) Outstanding (net of ESOP Suspense) at the commencement of the year	4,662.71	7,460.09
Add: ESOP Costs recognised during the year (Refer Note no. 25)	2,810.27	3,971.43
Add: ESOP Costs recovered from subsidiaries	1,202.82	(3,939.12)
Less: Transfer to Security Premium on account of ESOPs exercised	2,287.79	2,829.69
	6,388.01	4,662.71
General Reserve		
As at the commencement of the year	145.87	145.87
	145.87	145.87
Surplus		
As at the commencement of the year	135,007.92	107,176.33
Add :- Profit for the Year	11,567.24	27,831.59
	146,575.16	135,007.92
	335,653.15	320,072.82

5 LONG TERM BORROWINGS

	(₹ in Lakhs)			
	Non Current Portion		Current Maturities	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Rupee Term Loans				
Secured				
From Banks (refer (b) below)	10,639.12	30,590.89	2,202.82	14,814.50
From Financial Institutions (refer a(1) & a(2) below)	6,428.57	38,571.43	2,142.86	2,142.86
Unsecured				
From Banks (refer (d) below)	26,645.42	44,946.85	44,431.49	-

Notes

to financial statements for the year ended March 31, 2012

	(₹ in Lakhs)			
	Non Current Portion		Current Maturities	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
From Financial Institutions (refer a(3) below)	-	-	30,000.00	-
Hypothecation Loans				
Secured				
From Banks (refer (c) below)	1,084.68	2,749.46	1,664.79	2,824.13
From Others (refer (c) below)	3,993.57	459.61	2,400.28	461.83
Other Loans and Advances				
Unsecured				
From Related Parties (refer (e) below)	20,000.00	-	-	-
	68,791.36	1,17,318.24	82,842.24	20,243.32
Amount disclosed under the head "Other Current Liabilities" (Note No.11)			(82,842.24)	(20,243.32)
Net Amount	68,791.36	1,17,318.24	-	-

a) Rupee term loan from financial institution

- ₹ 8,571.43 lakhs, out of which ₹ 2,142.86 lakhs is Current (March 31, 2011: ₹ 10,714.29 lakhs, out of which ₹ 2,142.86 lakhs is Current) is secured by way of hypothecation of certain plant and machinery amounting to ₹ 5,003.60 lakhs on first charge basis and collateral security of land belonging to some of its subsidiaries. Rate of interest being 11.00 % (fixed) p.a. Repayable in 14 half yearly installments ending on Jan 5, 2016.
- ₹ Nil (March 31, 2011: ₹ 30,000 lakhs out of which all is Non-Current) is secured by way of pledge of shares of a subsidiary held by the Company and also by pledge of shares of the Company held by one of the promoters. Rate of interest being 11.50 % p.a. (fixed). Repayable in a single bullet payment after expiry of 3 years from the date of Disbursement, i.e., Jan 29, 2013.
- ₹ 30,000 lakhs, all Current (March 31, 2011: ₹ Nil) is 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 loan is same as referred in point no. 2 above. It has become unsecured loan in the current year.

b) Rupee term loan from banks

- ₹ 1,643.63 lakhs, out of which ₹ 330 lakhs is Current (March 31, 2011: ₹ 1,816.09 lakhs, out of which ₹ 166.09 is Current) is secured by way of mortgage on the immovable assets pertaining to the wind turbine generator project and hypothecation of movable assets both present and future of the Company on first charge basis. Rate of interest being PLR-1.50% p.a. Repayable in 40 quarterly installments ending on March 31, 2017.
- ₹ 2,530.14 lakhs, out of which ₹ 523.67 lakhs (March 31, 2011: ₹ 3,066.47 lakhs, out of which ₹ 216.47 lakhs 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 Company on first charge basis. Rate of interest being PLR-5.90% p.a. Repayable in 48 quarterly installments after moratorium period of one year ending on Sep 30, 2023.
- ₹ Nil (March 31, 2011: ₹ 40,522.83 lakhs, out of which ₹ 14,431.94 lakhs is Current) are secured by way of pledge of shares of a subsidiary held by the Company and also by pledge of shares of the Company held by the promoters. Out of these, ₹ Nil (March 31, 2011: ₹ 14,978.89 lakhs) bearing interest @ 11.75 % p.a. is repayable in a single bullet payment by November 30, 2012 and another ₹ Nil (March 31, 2011: ₹ 9,987.94 lakhs) bearing interest @ 12.00 % p.a. is repayable in a single bullet payment by Feb 14, 2012. Remaining loan of ₹ Nil (March 31, 2011: 15,556 lakhs) bearing interest rate of BMPLR -1% is repayable in 18 quarterly installments with moratorium of 6 months ending on Dec 30, 2014.
- ₹ 8,668.17 lakhs, out of which 1,349.15 lakhs is current (March 31, 2011: ₹ Nil) are secured by way of mortgage on the immovable assets pertaining to the Solar Power Projects and hypothecation of movable assets of those projects on first charge basis. Rate of interest being PLR+ 3.25% to 4 %. Repayable in 55 structured quarterly installments ending on March 31, 2026.

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- c) Hypothecation Loans of ₹ 9,143.32 lakhs, out of which ₹ 4,065.07 lakhs is Current (March 31, 2011: ₹ 6,495.03 lakhs, out of which ₹ 3,285.96 lakhs is Current) are secured by hypothecation of specific construction equipment/ vehicles acquired out of such loans. Rate of interest of these loans ranges from 9.00 % p.a. to 14.00 % p.a. These loans are repaid on agreed monthly installments.
- d) All the unsecured loans from banks are guaranteed by way of pledge of shares of the Company held by the promoters and/or shares of a subsidiary held by another subsidiary. Out of these, 14,989.57 lakhs (March 31, 2011: Nil) bearing interest @ 11.75% p.a. is repayable in a single bullet payment by November 30, 2012; ₹ 19,977.42 lakhs (March 31, 2011: 19,973.29 lakhs) bearing interest @ IOB BR + 3.50% is repayable in a single bullet payment by October 31, 2013; ₹ 24,997.92 lakhs (March 31, 2011: 24,973.56 lakhs) bearing interest @ 9.25 % is repayable within 36 Months in a single bullet payment from the date of first disbursement, i.e. by October 24, 2012 and remaining loan of ₹ 11,112 lakhs (March 31, 2011: Nil) bearing interest rate of BMPLR -1% is repayable in 18 quarterly installments with moratorium of 6 months ending on Dec 30, 2014.
- e) Other Loans and Advances are inter corporate deposits bearing interest rate of 15 % received from one of the subsidiary Company to be repayable on or before March 31, 2014.

6 DEFERRED TAX LIABILITY / (ASSET) - NET

		(₹ in Lakhs)	
		March 31, 2012	March 31, 2011
Deferred Tax Liabilities			
Differences in Written Down Value in Block of Fixed Assets as per Tax Books and Financial Books		2,914.81	1,788.54
Gross Deferred Tax Liabilities	(A)	2,914.81	1,788.54
Deferred Tax Assets			
Provision for Gratuity and Compensated Absences		1,516.35	1,550.74
Provision for Doubtful Debts		206.51	211.43
Provision for Lease Equalisation Reserve		141.05	199.05
Provision for Incentives and Exgratia		908.64	350.64
Carry Forward Losses as per Income Tax Act'1961 *		1,606.41	-
Gross Deferred Tax Assets	(B)	4,378.96	2,311.86
Deferred Tax Liability / (Asset) - Net	(A) - (B)	(1,464.15)	(523.32)

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

7 OTHER LONG TERM LIABILITIES

		(₹ in Lakhs)	
		March 31, 2012	March 31, 2011
Trade Payables (including acceptances) (Refer Note No. 46 for details of dues to Micro and Small Enterprises)		42,889.86	63,693.78
Others			
Advance from Customers (Refer Note No. 11.2)		5,53,519.41	4,65,747.92
Other Liabilities		104.43	1,107.77
		5,96,513.70	5,30,549.47

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8 PROVISIONS

	(₹ in Lakhs)			
	Non Current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Provision for Gratuity/Compensated Absences/ Retention Bonus	4,562.20	3,257.65	2,928.65	1,470.59
Provision for Taxation (Net of Advance taxes)	-	-	1,823.01	1,864.21
Provision for Lease Equalisation	434.74	599.23	-	-
	4,996.94	3,856.88	4,751.66	3,334.80

9 SHORT TERM BORROWINGS

	(₹ in Lakhs)	
	March 31, 2012	March 31, 2011
Cash Credits and Working Capital Demand Loan from Banks		
Secured (refer (a) below)	1,88,051.48	1,54,885.79
Rupee Loans and Advances		
Secured		
From Banks (refer b(1) & b(2) below)	-	19,993.99
Foreign Currency Loans and Advances		
Secured		
From Banks (refer (c) below)	63,041.42	47,266.54
Other Loans and Advances		
Unsecured		
From Related Parties (refer (d) below)	19,400.00	20,000.00
	2,70,492.90	2,42,146.32

a) Cash Credit and working capital loans from banks

₹ 1,88,051.48 lakhs (March 31, 2011 : ₹ 1,54,885.79 lakhs) from Banks are secured by a first charge by way of hypothecation of stock / work-in-progress and entire current assets of the Company both present and future, on pari passu basis with a term loan lender of ₹ Nil (March 31, 2011: ₹ 10,000 lakhs) and other working capital lenders under multiple banking arrangement. Rate of interest ranges from 13 % p.a to 18.00 %.

b) Rupee term loan from banks

1. of ₹ Nil (March 31, 2011: ₹ 9,993.99 lakhs) bearing interest @ 11.00 % p.a., repaid in a single bullet payment after 12 months from first disbursement, i.e., by June 29, 2011 were secured by way of pledge of shares of a subsidiary held by the Company and also by pledge of shares of the Company held by the promoters.
2. of ₹ Nil (March 31, 2011: ₹ 10,000 lakhs) bearing interest @ 11.50 % p.a, repaid in a single bullet payment by June 29, 2011 were secured by a first charge on entire current assets of the Company both present and future, on pari passu basis, with other working capital lenders, under multiple banking arrangements.

c) Foreign currency loans (Buyers Credit) from banks of ₹ 63,041.42 lakhs (March 31, 2011: ₹ 47,266.54 lakhs) are secured as part of working capital limits from banks by way of first charge of hypothecation of stock/work in progress and entire current assets of the Company both present and future, on pari passu basis, with a term loan lender of ₹ 100 Crores and other working capital lenders, under multiple banking arrangements. Rate of interest ranges from 1.00 % p.a. to 4.00 % p.a.

d) Unsecured Loans and Advances include:-

- i. Interest free inter corporate deposits of ₹ 19,400 lakhs (March 31, 2011: Nil) from one of its subsidiary companies repayable on or before March 31, 2013.
- ii. Inter corporate deposits of ₹ Nil (March 31, 2011: ₹ 20,000 lakhs) bearing interest rate @ 15 % from one of its subsidiary companies, repayable on or before March 31, 2012.

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10 TRADE PAYABLES

	(₹ in Lakhs)	
	March 31, 2012	March 31, 2011
Trade Payables (including acceptances) (Refer Note No. 46 for details of dues to Micro and Small Enterprises)	2,76,242.82	1,35,595.12
	2,76,242.82	1,35,595.12

11 OTHER CURRENT LIABILITIES

	(₹ in Lakhs)	
	March 31, 2012	March 31, 2011
Current maturities of long term borrowings (Refer Note No. 5)	82,842.24	20,243.32
Interest accrued but not due on borrowings	831.91	695.30
Advance from Customers (Refer Note No. 11.2 below)	2,39,088.39	1,72,067.44
Taxes Payable	3,110.68	4,039.26
Amount payable in respect of purchase of Fixed Assets	6,280.79	1,037.91
Salaries & Other Employee benefits Payable	5,069.81	2,650.55
Other Payables (Refer Note No. 11.1 below)	47,116.83	245.43
	3,84,340.65	2,00,979.21
11.1 Includes amount of ₹ 44,000 lakhs payable to one of its subsidiaries pursuant to novation of EPC agreement and ₹ 2,847.95 lakhs payable for purchase of shares.		
11.2 During the year, a subsidiary and an associate of the Company has provided further mobilisation advance of ₹ 43,630.77 lakhs to the Company, as part of execution of Engineering, Procurement & Construction (EPC) contract for these subsidiary and associate, which requires approval by their respective lenders. The process of lenders approval is in progress.		

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to financial statements for the year ended March 31, 2012

Particulars	(₹ in Lakhs)							Total (A)
	Leasehold Land	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures*	Vehicles	Office Equipment	
Gross Block								
As at April 1, 2010	18.13	809.73	3,583.23	38,131.97	4,261.68	2,486.81	2,648.68	51,940.23
Additions	-	1,715.64	875.46	16,806.48	1,251.76	1,331.75	1,538.63	23,519.72
Disposals	-	174.77	244.78	358.77	443.93	129.75	176.16	1,528.16
As at March 31, 2011	18.13	2,350.60	4,213.91	54,579.68	5,069.51	3,688.81	4,011.15	73,931.79
Additions	930.90	73.55	2,895.51	56,172.13	5,531.39	775.98	2,338.63	68,718.09
Disposals	-	-	4.07	326.80	155.73	792.31	308.04	1,586.95
Adjustments	-	-	-	764.07	-	-	-	764.07
- Borrowing Cost(Refer Note no. 33)	-	-	-	[103.13]	[29.91]	7.22	[34.74]	[123.65]
- Reclassification	-	-	36.91	-	-	-	-	-
As at March 31, 2012	949.03	2,424.15	7,142.26	1,11,085.95	10,415.26	3,679.70	6,007.00	1,41,703.35
Depreciation								
As at April 1, 2010	0.07	-	1,179.91	9,303.43	660.17	422.38	576.81	12,142.77
For the Year	0.18	-	946.05	4,655.57	467.48	281.61	413.86	6,764.75
On Disposals	-	-	172.11	62.52	63.64	24.15	46.96	369.38
As at March 31, 2011	0.25	-	1,953.85	13,896.48	1,064.01	679.84	943.71	18,538.14
For the Year	10.70	-	1,223.65	5,878.42	1,307.40	377.51	615.48	9,413.16
On Disposals	-	-	4.06	145.72	41.40	211.80	91.42	494.40
Adjustments	-	-	-	-	-	-	-	-
- Reclassification	-	-	0.79	[12.00]	[1.52]	1.77	[50.00]	[60.96]
As at March 31, 2012	10.95	-	3,174.23	19,617.18	2,328.49	847.32	1,417.77	27,395.94
Net Block								
As at March 31, 2011	17.88	2,350.60	2,260.06	40,483.20	4,005.50	3,008.97	3,067.44	55,393.65
As at March 31, 2012	938.08	2,424.15	3,968.03	91,468.77	8,086.77	2,832.38	4,589.23	1,14,307.41

* Includes Leasehold Improvements of Gross Block as on April 1, 2010 - ₹ 1,015 lakhs, as on March 31, 2011 - ₹ 1,317.55 lakhs, as on March 31, 2012 - ₹ 5,613.66 lakhs and Accumulated Depreciation as on April 1, 2010 - ₹ 66.97 lakhs, as on March 31, 2011 - ₹ 201.87 lakhs, as on March 31, 2012 - ₹ 781.89 lakhs.

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13 INTANGIBLE ASSETS

(₹ in Lakhs)		
Particulars	Computer Software	Total
Gross Block		
As at April 1, 2010	192.97	192.97
Additions	1,573.36	1,573.36
As at March 31, 2011	1,766.33	1,766.33
Additions	402.08	402.08
Disposals	1.05	1.05
Adjustments		
- Reclassification	123.65	123.65
As at March 31, 2012	2,291.01	2,291.01
Depreciation		
As at April 1, 2010	100.57	100.57
For the Year	441.55	441.55
As at March 31, 2011	542.12	542.12
For the Year	730.51	730.51
On Disposals	0.58	0.58
Adjustments		
- Reclassification	60.96	60.96
As at March 31, 2012	1,333.01	1,333.01
Net Block		
As at March 31, 2011	1,224.21	1,224.21
As at March 31, 2012	958.00	958.00

14 CAPITAL WORK IN PROGRESS

(₹ in Lakhs)			
	As at and up to March 31, 2012	For the Year Ended March 31, 2012	As at and up to March 31, 2011
Asset Under Construction	2,438.52	(7,135.76)	9,574.28
	2,438.52	(7,135.76)	9,574.28

	As at and up to March 31, 2011	For the Year Ended March 31, 2011	As at and up to March 31, 2010
Asset Under Construction	9,574.28	6,423.26	3,151.02
	9,574.28	6,423.26	3,151.02

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15 NON CURRENT INVESTMENTS

(At Cost unless otherwise stated)

	March 31, 2012 No. Lakhs	March 31, 2011 No. Lakhs	March 31, 2012 ₹ Lakhs	March 31, 2011 ₹ Lakhs
I Investment in Subsidiary Companies (Unquoted)				
(a) Equity Shares of ₹ 10/- each, fully paid up				
Lanco Kondapalli Power Limited *	-	2,006.00	-	27,423.43
Lanco Tanjore Power Company Limited*	-	672.49	-	8,474.87
Lanco Amarkantak Power Limited*	-	5,488.23	-	64,546.44
Lanco Vidarbha Thermal Power Limited* ^^	-	20.05	-	200.49
Himavat Power Private Limited* ^^	-	0.10	-	1.00
Regulus Power Private Limited ^^	-	5.00	-	50.00
Lanco Teesta Hydro Power Private Limited*	-	239.50	-	2,395.00
Lanco Budhil Hydro Power Private Limited*	-	877.60	-	8,776.00
Lanco Power Limited (Formerly Lanco Hydro Power Venture Private Limited)	45,431.35	3,698.00	4,54,579.01	37,245.47
Arneb Power Private Limited	-	1.50	-	15.00
Mahatamil Mining and Thermal Energy Limited	5.00	-	50.00	-
Diwakar Solar Projects Limited	2,216.70	2,216.70	22,167.02	22,167.02
Lanco Solar Energy Private Limited	150.00	150.00	1,500.00	1,500.00
Bhanu Solar Projects Private Limited	-	0.10	-	1.00
Lanco Wind Power Private Limited	406.21	400.00	4,062.05	4,000.00
National Energy Trading and Services Limited	364.67	364.67	3,117.36	3,117.36
Mercury Projects Private Limited	0.10	0.10	1.00	1.00
Lanco Hills Technology Park Private Limited	2,220.00	2,220.00	22,199.99	22,199.99
Uranus Projects Private Limited	6.85	6.85	68.47	68.47
Cordelia Properties Private Limited	-	17.91	-	179.07
Deimos Properties Private Limited	-	34.89	-	348.90
Dione Properties Private Limited	-	42.65	-	426.47
Neptune Projects Private Limited	-	18.82	-	188.20
Pearl Farms Private Limited	-	34.57	-	345.70
Telesto Properties Private Limited	-	16.65	-	166.46
Lanco International Pte Limited #	99.50	99.50	4,527.36	4,527.37
Lanco Resources International Pte Limited #	556.00	1.00	26,050.25	46.17
Lanco Infratech (Mauritius) Limited #	10.00	10.00	401.55	401.55
Lanco Kanpur Highways Limited	99.99	0.49	999.94	4.94
Sub Total			5,39,724.00	2,08,817.37
# Face Value of USD 1/-				
(b) Preference Shares				
0.01% Redeemable Convertible Cumulative Preference Shares @ ₹ 100 each, fully paid up				
Lanco Hills Technology Park Private Limited	200.00	200.00	20,000.00	20,000.00
0.001% Optionally Convertible Cumulative Redeemable Preference Shares @ ₹ 10 each, fully paid up				
Mercury Projects Private Limited	2,084.21	1,787.12	20,842.13	17,871.21
Regulus Power Private Limited* ^^	-	11.00	-	110.00
Arneb Power Private Limited	19.00	19.00	190.00	190.00
Pearl Farms Private Limited	22.10	7.60	220.98	75.98

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	March 31, 2012 No. Lakhs	March 31, 2011 No. Lakhs	March 31, 2012 ₹ Lakhs	March 31, 2011 ₹ Lakhs
Uranus Projects Private Limited	169.00	-	1,690.00	-
Coral Orchids Private Limited	4.10	-	41.00	-
Cordelia Properties Private Limited	1.40	-	14.00	-
Cressida Properties Private Limited	0.50	-	5.00	-
Deimos Properties Private Limited	0.10	-	1.00	-
Telesto Properties Private Limited	39.50	-	395.00	-
Lanco Kanpur Highways Limited	1,865.00	-	18,650.00	-
0.1% Optionally Convertible Preference Shares @ ₹ 10/- each, fully paid up				
Mahatamil Mining and Thermal Energy Limited	555.52	-	5,555.20	-
0.01% Cumulative Redeemable Preference shares @ ₹ 10 each, fully paid up				
Lanco Solar Energy Private Limited	1,600.00	1,600.00	16,000.00	16,000.00
Sub Total			83,604.31	54,247.19
Total Investment in Subsidiary Companies			6,23,328.31	2,63,064.56
II Trade Investments				
(a) Investment in Equity shares of ` 10/- each				
(i) Investment in Associate Company (Unquoted)				
Genting Lanco Power (India) Private Limited	4.87	4.87	210.50	210.50
Udupi Power Corporation Limited* ^	-	225.00	-	1,960.94
Lanco Anpara Power Limited* ^	-	3.40	-	34.00
Lanco Babandh Power Limited	-	2.60	-	26.00
Pragdisa Power Private Limited	0.03	0.03	0.26	0.26
Vainateya Power Private Limited*	-	0.03	-	0.26
Avior Power Private Limited	0.03	0.03	0.26	0.26
Mirach Power Private Limited	0.03	0.03	0.26	0.26
Lanco Hoskote Highway Limited	502.83	502.83	5,028.26	5,028.26
Lanco Devihalli Highways Limited	459.13	459.13	4,591.26	4,591.26
Bay of Bengal Gateway Terminal Private Limited	0.13	0.13	1.26	1.26
Portia Properties Private Limited*	-	3.40	-	34.00
Charon Trading Private Limited*	-	3.40	-	34.00
Mimas Trading Private Limited*	-	5.00	-	50.00
Ananke Properties Private Limited	10.41	10.41	104.12	104.12
Tethys Properties Private Limited	10.41	10.41	104.12	104.12
Bianca Properties Private Limited	10.41	10.41	104.12	104.12
Belinda Properties Private Limited	10.41	10.41	104.12	104.12
Phoebe Trading Private Limited*	-	3.40	-	34.00
(ii) Investment in Other Company (Unquoted)				
Indian Energy Exchange	12.50	12.50	125.00	125.00
Sub Total			10,373.54	12,546.74
(b) Investment in Preference Shares				
(i) Investment in Associate Company (Unquoted)				
1% Cumulative Compulsory Convertible Preference Shares @ ₹ 10 each				

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	March 31, 2012 No. Lakhs	March 31, 2011 No. Lakhs	March 31, 2012 ₹ Lakhs	March 31, 2011 ₹ Lakhs
Udupi Power Corporation Limited* ^	-	12,281.52	-	122,815.25
Lanco Anpara Power Private Limited* ^	-	7,709.60	-	77,096.00
Portia Properties Private Limited*	-	20.00	-	200.00
0.001% Cumulative Compulsory Convertible Preference Shares @ ₹ 10 each				
Lanco Babandh Power Limited	-	3,784.29	-	37,842.87
Mirach Power Private Limited	3.00	3.00	30.00	30.00
0.001% Optionally Convertible Cumulative Redeemable Preference shares @ ₹ 10 each				
Portia Properties Private Limited*	-	447.50	-	4,474.99
Belinda Properties Private Limited	327.84	327.84	3,278.38	3,278.38
Ananke Properties Private Limited	327.84	327.84	3,278.38	3,278.38
Tethys Properties Private Limited	327.84	327.84	3,278.38	3,278.38
Bianca Properties Private Limited	327.84	327.84	3,278.38	3,278.38
Charon Trading Private Limited*	-	108.50	-	1,085.00
Mimas Trading Private Limited*	-	26.50	-	264.95
Phoebe Trading Private Limited*	-	0.30	-	3.00
(ii) Investment in Other Company (Unquoted)				
6% Optionally Convertible Redeemable Cumulative Preference shares @ ₹ 1 each				
Clarion Power Corporation Limited	25.00	25.00	25.00	25.00
Rithwik Energy Systems Limited	13.52	13.52	13.52	13.52
0.01% Redeemable Cumulative Convertible Preference Shares @ ₹ 10 each				
Lanco Horizon Properties Private Limited	721.92	721.92	7,219.17	7,219.17
Sub Total			20,401.21	264,183.27
Total Trade Investments			30,774.75	276,730.01
III Non Trade Investments				
(a) Investment in Equity Instruments of ` 10/- each, fully paid up				
Investment in Other Company (Quoted)				
Power Finance Corporation Limited	2.49	0.02	502.10	2.08
Rural Electrification Corporation Limited	0.49	0.49	98.92	98.92
Indian Bank	0.07	0.07	6.36	6.36
Andhra Bank	0.31	0.31	21.15	21.15
Bank of Baroda	0.07	0.07	16.57	16.57
Central Bank of India	0.02	0.02	1.55	1.55
Sub Total			646.65	146.63
(b) Investment in Mutual Funds/ULIPs/Insurances (Unquoted)				
Birla Sunlife Insurance Platinum Premier Plan	3.84	1.83	42.58	21.46
MetLife-Met Smart One	0.48	-	5.00	-
MetLife-Met Suvidha Non Par Single	-	-	29.50	-
Sub Total			77.08	21.46

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	March 31, 2012 No. Lakhs	March 31, 2011 No. Lakhs	March 31, 2012 ₹ Lakhs	March 31, 2011 ₹ Lakhs
(c) Investment in Debentures or Bonds (Unquoted) of ` 10 lakhs each, fully paid up				
Central Bank of India	-	-	100.00	100.00
Yes Bank	-	-	100.00	-
Sub Total			200.00	100.00
Total Non Trade investment			923.73	268.09
Total Non Current Investments			655,026.79	540,062.66
Aggregate amount of Quoted Investments			646.65	146.63
Market Value of Quoted Investments			672.13	264.44
Aggregate amount of Non - Quoted Investments			654,380.14	539,916.03

Details of Shares pledged with Banks and Financial Institutions

	March 31, 2012 No. Lakhs	March 31, 2011 No. Lakhs
Non Current Investment #		
Lanco Tanjore Power Company Limited – Equity Shares	-	194.30
Lanco Amarkantak Power Limited– Equity Shares	-	5,428.12
Lanco Budhil Hydro Power Private Limited– Equity Shares	-	252.50
Lanco Kondapalli Power Limited– Equity Shares	-	1,275.77
Lanco Teesta Hydro Power Private Limited– Equity Shares	-	71.88
Udupi Power Corporation Limited – Equity Shares ^	-	225.00
Udupi Power Corporation Limited – Preference Shares ^	-	5,521.52
Lanco Anpara Power Limited – Equity Shares ^	-	0.08
Lanco Anpara Power Limited – Preference Shares ^	-	4,200.00
Lanco Hoskote Highways Private Limited– Equity Shares	502.83	502.83
Lanco Devihalli Highways Private Limited– Equity Shares	459.13	459.13
Lanco Babandh Power Limited– Equity Shares	-	2.60
Lanco Babandh Power Limited–Preference Shares	-	1,000.00
Diwakar Solar Projects Limited- Equity Shares	665.01	-
Lanco Kanpur Highways Limited- Equity Shares	29.00	-
Lanco Kanpur Highways Limited- Preference Shares	540.85	-
Lanco Vidharbha Thermal Power Limited- Preference Shares ^^	-	-
Lanco Vidharbha Thermal Power Limited- Equity Shares ^^	-	10.25

The above Shares were pledged with Banks and Financial Institutions who have extended Loan & Credit Facilities to the respective investee companies except Nil (March 31, 2011: 123.17 lakhs) equity shares of Lanco Kondapalli Power Limited pledged for the purpose of availing loan facilities by the Company.

^ These companies are subsidiary companies as on March 31, 2012.

^^ These companies are associate companies as on March 31, 2012.

* Refer Note No. 38

Notes

to financial statements for the year ended March 31, 2012

16 LOANS AND ADVANCES\$

	(₹ in Lakhs)			
	Non Current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Capital Advances				
Unsecured, Considered Good	320.12	633.35		
	320.12	633.35		
Security Deposit				
Unsecured, Considered Good	2,133.92	2,221.28	551.13	1,531.33
Doubtful	–	–	38.09	38.09
	2,133.92	2,221.28	589.22	1,569.42
Less: Provision for Bad & doubtful Security Deposit	–	–	38.09	38.09
	2,133.92	2,221.28	551.13	1,531.33
Loans & Advances to Related Party				
(Refer Note No. 36)				
Unsecured, Considered Good				
Advances for Investment *	94,654.47	2,37,744.09	–	–
Loans Receivable #	5,627.21	19,683.50	1,78,350.19	53,244.33
Advances Recoverable in Cash or in kind #	61,102.54	66,586.04	2,99,744.39	53,878.84
	1,61,384.22	3,24,013.63	4,78,094.58	1,07,123.17
Other Loans & Advances (Unsecured, Considered good otherwise stated)				
Advance Tax (Net of Provision for Tax)	–	–	13,891.20	1,905.42
Minimum Alternate Tax Credit Entitlement	–	–	2,118.80	–
Loans and Advances to Employees	0.11	9.02	638.18	515.21
Advances for Investment *	30,300.16	29,389.16	–	–
Prepaid Expense	–	–	1,936.97	637.31
Cenvat / Vat / Service Tax Credit Receivable	3,236.01	1,081.86	13,032.10	45,349.46
Advances Recoverable in Cash or in kind				
Unsecured, Considered Good	1,416.08	8,931.87	74,443.94	59,404.62
Doubtful	–	–	156.98	156.98
	34,952.36	39,411.91	1,06,218.17	1,07,969.00
Less: Provision for Bad & doubtful Other Loans and Advances	–	–	156.98	156.98
	34,952.36	39,411.91	1,06,061.19	1,07,812.02
	1,98,790.62	3,66,280.17	5,84,706.90	2,16,466.52

* 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. Also, refer note no. 39

Refer Note No. 38

Notes

to financial statements for the year ended March 31, 2012

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

	(₹ in Lakhs)			
	Non Current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Himachal Hydro Power Private Limited	-	-	12.00	12.00
Ravi Hydro Electric Private Limited	-	-	34.00	34.00
Vainateya Power Private Limited	30,529.10	30,526.00	138.97	128.31
Lanco Bay Technology Park Pvt. Limited	-	-	33.25	33.25
Pragdisa Power Private Limited	30,444.50	31,394.00	-	141.37
Cygnus Solar Projects Private Limited	-	-	0.13	-
Lanco Kerala Seaports Private Limited	-	-	0.03	0.03
Lanco Transport Network Company Private Limited	-	-	0.12	0.12
Chatari Hydro Power Private Limited	3.00	3.00	-	-
Lanco Horizon Properties Private Limited	31.87	16.50	1.84	1.73
Avior Power Private Limited	30.00	30.00	-	64.04
Basava Power Private Limited	10.00	10.00	-	27.29
Siddheswara Power Private Limited	15.00	15.00	-	14.89
Lanco Teesta Hydro Power Private Limited	-	33,350.00	47.29	-
Lanco Solar Private Limited	-	-	325.65	235.04
Lanco Hills Technology Park Private Limited	-	1,600.00	1,436.35	758.11
Mercury Projects Private Limited	-	290.00	3.89	-
Lanco Solar Energy Private Limited	28,162.98	1,987.74	70.02	-
Charon Trading Private Limited	-	0.13	-	-
Mimas Trading Private Limited	-	0.13	-	-
Lanco Property Management Company Private Limited	-	58.00	-	-
Himavat Power Private Limited	-	32,357.00	112.05	-
Regulus Power Private Limited	22.37	2.38	-	-
Arneb Power Private Limited	1.00	1.00	-	-
Nekkar Power Private Limited	10.00	10.00	-	-
	89,259.82	1,31,650.88	2,215.59	1,450.18

17 TRADE RECEIVABLES AND OTHER ASSETS

	(₹ in Lakhs)			
	Non Current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
17.1 Trade Receivables \$				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, Considered Good			29,584.26	12,633.73
Doubtful			443.22	443.22
			30,027.48	13,076.95
Less : Allowance for bad & doubtful debts			443.22	443.22
			29,584.26	12,633.73
Other Receivable				
Unsecured, Considered Good	38,987.42	76,548.55	2,24,801.23	1,89,582.12
	38,987.42	76,548.55	2,24,801.23	1,89,582.12

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to financial statements for the year ended March 31, 2012

	(₹ in Lakhs)			
	Non Current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Sub Total (A)	38,987.42	76,548.55	2,54,385.49	2,02,215.85
17.2 Other Assets				
Non Current Bank Deposits (as per Note 19)	272.87	994.86		
Unamortised Premium on Forward Contract	-	-	489.47	-
Interest Accrued on Deposits	-	-	1,511.49	677.52
Others	-	-	283.99	0.33
Sub Total (B)	272.87	994.86	2,284.95	677.85
Total (A + B)	39,260.29	77,543.41	2,56,670.44	2,02,893.70

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

	(₹ in Lakhs)			
	Non Current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Lanco Teesta Hydro Power Private Limited	-	-	16,828.47	15,992.64
Lanco Solar Private Limited	-	-	89.78	554.56
Lanco Hills Technology Park Private Limited	-	-	2,017.60	1,807.31
Lanco Solar Energy Private Limited	-	-	120.14	-
	-	-	19,055.99	18,354.51

18 INVENTORIES (at lower of cost and net realisable value unless otherwise stated)

	(₹ in Lakhs)	
	March 31, 2012	March 31, 2011
Raw Materials	14,321.97	11,921.38
Construction Work In Progress (WIP)	83,657.28	62,884.35
Consumables, Stores and Spares	1,923.24	1,382.48
	99,902.49	76,188.21
Details of Closing Inventory		
Raw Materials		
Steel	9,748.95	6,759.01
Materials	3,780.10	3,789.60
Semi Finished Goods	238.62	749.58
Others	554.30	623.19
	14,321.97	11,921.38
Construction Work in Progress (WIP)		
Construction Work in Progress	83,657.28	62,884.35
	83,657.28	62,884.35

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to financial statements for the year ended March 31, 2012

19 CASH AND BANK BALANCE

(₹ in Lakhs)				
	Non Current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Cash and Cash Equivalents				
Balances with Banks				
-On Current Accounts			10,521.95	13,339.89
-On Deposit Accounts (Having Maturity less than 3 Months from date of deposit)			576.57	17,125.00
Cash on Hand			18.45	17.19
			11,116.97	30,482.08
Other Bank Balances				
On Deposit Accounts				
Having Maturity more than 3 Months but less than or equal to 12 months from date of deposit			-	175.00
Having Maturity more than 12 Months from date of deposit	272.23	159.76	-	351.05
On Margin Money Deposit Accounts	0.64	835.10	1,037.11	566.53
	272.87	994.86	1,037.11	1,092.58
Amount disclosed under non Current assets (Note 17.2)	(272.87)	(994.86)	-	-
	-	-	12,154.08	31,574.66

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

20 REVENUE FROM OPERATIONS

(₹ in Lakhs)		
	Year Ended on March 31, 2012	Year Ended on March 31, 2011
Contract Operations	8,47,258.64	5,72,103.61
Sub Total (A)	8,47,258.64	5,72,103.61
Sale of Services		
Management Consultancy	3,612.18	4,972.20
Sub Total (B)	3,612.18	4,972.20
Sale of Products		
Electrical Energy	3,111.90	981.45
Coal	5,081.64	-
Others	113.69	1,298.35
Sub Total (C)	8,307.23	2,279.80
Other Operating Revenue		
Scrap Sales	1,320.83	1,519.95
Sub Total (D)	1,320.83	1,519.95
Revenue from Operations (A+B+C+D)	8,60,498.88	5,80,875.56

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to financial statements for the year ended March 31, 2012

21 OTHER INCOME

	(₹ in Lakhs)	
	Year Ended on March 31, 2012	Year Ended on March 31, 2011
Interest Income on		
Deposits and Margin money	199.97	162.46
Loans Receivable and Inter Corporate Deposits	2,650.34	1,693.10
Long Term Investments	16.35	9.20
Others	571.05	1,035.37
Dividend Income on		
Long Term Investments	36.50	239.07
Net Gain on sale of		
Current Investments	–	0.35
Long Term Investments	–	123.03
Other Non-Operating Income		
Net Gain on Foreign Exchange Fluctuations	–	6,356.38
Insurance Claims Received / Receivable	42.59	103.59
Liabilities and Provisions no longer required written back	71.41	92.04
Rental Income	40.10	36.21
Miscellaneous Income	2,797.58	788.35
	6,425.89	10,639.15

22 COST OF MATERIALS CONSUMED

	(₹ in Lakhs)	
	Year Ended on March 31, 2012	Year Ended on March 31, 2011
Construction Material Consumed	5,46,375.99	3,16,725.25
	5,46,375.99	3,16,725.25
Details of Material Consumed		
Equipments	4,39,601.69	2,15,891.28
Materials	32,716.16	46,016.62
Steel	53,818.08	43,369.81
Others	20,240.06	11,447.54
	5,46,375.99	3,16,725.25

23 OTHER SITE AND CONSTRUCTION EXPENSES

	(₹ in Lakhs)	
	Year Ended on March 31, 2012	Year Ended on March 31, 2011
Equipment / Machinery Hire charges	6,219.82	5,938.19
Repairs, Operations and Maintenance	792.12	574.44
Consumption of Stores and Spares	2,271.62	1,892.28
Insurance	4,354.83	1,027.86
Electricity	4,428.84	952.87
Security charges	1,874.33	1,043.62
Miscellaneous Expenses	2,651.80	1,628.29
	22,593.36	13,057.55

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to financial statements for the year ended March 31, 2012

24 CHANGE IN CONSTRUCTION WORK IN PROGRESS (WIP)

	(₹ in Lakhs)	
	Year Ended on March 31, 2012	Year Ended on March 31, 2011
Construction Work in Progress (WIP)		
WIP at the beginning of the year	62,884.35	28,769.35
Less : WIP at the end of the year *	83,657.28	62,884.35
(Increase) / Decrease in WIP	(20,772.93)	(34,115.00)

* For details refer note no. 18

25 EMPLOYEE BENEFITS EXPENSE

	(₹ in Lakhs)	
	Year Ended on March 31, 2012	Year Ended on March 31, 2011
Salaries, allowances and benefits to employees	42,716.13	33,352.61
Contribution to provident fund and other funds	1,457.37	1,510.55
Employee Stock Option Charge	2,810.27	3,971.43
Recruitment and training	1,097.67	830.63
Staff welfare expenses	2,709.82	1,981.28
	50,791.26	41,646.50

26 OTHER EXPENSES

	(₹ in Lakhs)	
	Year Ended on March 31, 2012	Year Ended on March 31, 2011
Rent	3,439.68	3,455.40
Rates and taxes	2,164.18	1,945.16
Donations	408.86	254.55
Repairs and Maintenance:		
Office Building	66.49	143.80
Others	322.52	288.68
Office maintenance	1,201.63	839.57
Insurance	61.03	50.97
Printing and stationery	431.76	322.49
Consultancy and other professional charges	2,166.24	1,022.26
Directors sitting fee	16.40	18.40
Electricity charges	245.80	187.21
Net Loss on Foreign Exchange Fluctuations	14,901.99	-
Remuneration to auditors (As Auditor):		
Audit Fee	118.00	76.00
Tax audit fees	9.11	20.00
Remuneration to auditors (In other capacity):		
Other Services (Certification)	13.28	5.65
Reimbursement of expenses to Auditors	33.26	27.99
Travelling and conveyance	6,176.80	4,530.85
Communication expenses	873.19	722.43
Net Loss on Sale of fixed assets	541.34	578.79
Provision for Advances / claims / debts	-	318.50
Business Promotion & Advertisement	1,131.77	2,559.25
Miscellaneous expenses	273.62	184.65
	34,596.95	17,552.60
Less: Recovery of Common Expenses	570.53	473.14
	34,026.42	17,079.46

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to financial statements for the year ended March 31, 2012

27 FINANCE COST

	(₹ in Lakhs)	
	Year Ended on March 31, 2012	Year Ended on March 31, 2011
Interest	48,047.90	31,621.96
Other Borrowing Cost (Upfront Fees, Commitment Charges etc.)	2,622.47	2,152.20
Exchange Difference to the extent considered as an adjustment to borrowing costs	606.13	-
	51,276.50	33,774.16
Less: Transferred to Capital Work In Progress(CWIP)	764.07	-
	50,512.43	33,774.16

28 DEPRECIATION AND AMORTISATION EXPENSE

	(₹ in Lakhs)	
	Year Ended on March 31, 2012	Year Ended on March 31, 2011
Depreciation on Tangible Assets	9,413.16	6,764.75
Amortization on Intangible Assets	730.51	441.55
	10,143.67	7,206.30

29 EARNING PER SHARE (EPS)

	(₹ in Lakhs)	
	March 31, 2012	March 31, 2011
Total Operations for the year		
Net Profit/(Loss) for calculation of Basic and diluted EPS (A)	11,567.24	27,831.59
Weighted average number of Equity Shares for Basic EPS (B)	23,309.00	23,224.70
Effect of dilution :		
Stock options under ESOP	58.35	240.09
Weighted Average number of Equity shares for Diluted EPS (C)	23,367.35	23,464.79
Basic EPS (A) / (B)	0.50	1.20
Diluted EPS (A) / (C)	0.50	1.19

30 DISCLOSURE PURSUANT TO ACCOUNTING STANDARD 7 (REVISED)–“CONSTRUCTION CONTRACTS”

	(₹ in Lakhs)	
	March 31, 2012	March 31, 2011
Amount of contract revenue recognised as revenue during the period	8,47,258.64	5,72,103.61
The aggregate amount of costs incurred and recognised profits (less recognised losses) upto the reporting date	24,59,044.85	16,59,614.13
Amount of customer advances outstanding for contracts in progress	7,92,607.80	6,37,263.06
Retention amount due from customers for contracts in progress	90,561.70	98,178.42
Gross amount due from customers for contract works as an asset	78,451.02	56,225.44
Gross amount due from customers for contract works as an liability	34,795.65	17,316.41

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to financial statements for the year ended March 31, 2012

31 EMPLOYEE BENEFITS

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 maximum of ₹ 15 lakhs. The plan for the same is unfunded.

(₹ in Lakhs)		
	Gratuity	
	March 31, 2012	March 31, 2011
Defined Benefit Plans		
Net Employee benefit expense recognised in the employee cost		
Current service cost	467.76	511.15
Interest cost on benefit obligation	92.02	54.79
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in the year	(452.15)	(94.50)
Net benefit expense	107.63	471.44
Balance Sheet		
Benefit asset/liability		
Present value of defined benefit obligation	1,195.04	1,193.90
Fair value of plan assets	-	-
Plan asset / (liability)	(1,195.04)	(1,193.90)
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation	1,193.90	738.65
Current service cost	467.76	511.15
Interest cost	92.02	54.79
Actuarial (gain) / loss on obligation	(452.15)	(94.50)
Benefits paid	(28.05)	(16.19)
Benefit transferred in	25.61	-
Benefit transferred Out	(104.05)	-
Closing defined benefit obligation	1,195.04	1,193.90
Assumptions		
Discount Rate (%)	8.54	8.07
Attrition Rate	19.00	19.00
Expected rate of salary increase (%)	6.00	12.00
Expected Average Remaining Service (years)	4.06	4.05

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

(₹ in Lakhs)				
	Present value of Defined benefit obligation	Surplus / (deficit)	Experience adjustments on plan liabilities	Experience adjustments on plan assets
March 31, 2012	1,195.03	(1,195.03)	111.01	-
March 31, 2011	1,193.85	(1,193.85)	27.61	-
March 31, 2010	738.65	(738.65)	144.16	-
March 31, 2009	283.60	(283.60)	-	-
March 31, 2008	187.90	(187.90)	-	-

Information is furnished to the extent available out of earlier actuarial certificates.

Defined Contribution Plans

In respect of the defined contribution plan (Provident fund), an amount of 1,334.16 lakhs (Previous year : 1,042.26 lakhs) has been recognised as expenditure in the Statement of Profit and Loss.

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to financial statements for the year ended March 31, 2012

In respect of the State Plans (Employee State Insurance), an amount of 1.70 lakhs (Previous year : 3.35 lakhs) has been recognised as expenditure in the Statement of Profit and Loss

Other Employee Benefits

During the year the Company has provided retention bonus of ₹ 2,509.36 lakhs (Previous Year: ₹ 1,055.59 lakhs). The provision for compensated absences as per actuarial valuation as at March 31, 2012 is ₹ 3,478.57 lakhs (March 31, 2011 is ₹ 3,474.53 lakhs)

32 EMPLOYEE STOCK OPTION SCHEME

The Company has till March 31, 2012 allotted 111.18 lakhs (March 31, 2011: 111.18 lakhs) 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 six 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:

Particulars	March 31, 2012		March 31, 2011	
	No. Lakhs	Weighted Average Exercise Price (₹)	No. Lakhs	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	489.83	0.243	533.40	0.243
Granted during the year	–	0.243	116.96	0.243
Forfeited during the year	(52.70)	–	(51.18)	–
Exercised during the year	(71.07)	0.243	(109.35)	0.243
Expired during the year	–	–	–	–
Outstanding at the end of the year	366.06	0.243	489.83	0.243
Exercisable at the end of the year	156.06	0.243	84.73	0.243

The weighted average share price for the period over which stock options were exercised was ₹ 20.97 (Previous Year: ₹ 59.91)

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

Grant No. (Grant Date)	Range of Exercise Price	March 31, 2012		
		Number of Options outstanding (Lakhs)	Weighted average remaining contractual life of options (in years)	Weighted average exercise price
Grant 1 (24.06.2006)	0.24	1.10	0.23	0.24
Grant 2 (02.07.2007)	0.24	172.18	1.25	0.24
Grant 3 (26.09.2007)	0.24	6.54	1.49	0.24
Grant 4 (24.04.2008)	0.24	22.08	2.07	0.24
Grant 5 (04.07.2008)	0.24	37.65	2.26	0.24
Grant 6 (01.11.2008)	0.24	3.88	2.59	0.24
Grant 7 (19.02.2009)	0.24	2.00	2.89	0.24
Grant 8 (29.07.2009)	0.24	34.50	3.33	0.24

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					(₹ in Lakhs)
March 31, 2012					
Grant No. (Grant Date)	Range of Exercise Price	Number of Options outstanding (Lakhs)	Weighted average remaining contractual life of options (in years)	Weighted average exercise price	
Grant 9 (27.01.2010)	0.24	10.96	3.83	0.24	
Grant 10 (30.04.2010)	0.24	7.62	4.08	0.24	
Grant 11 (13.08.2010)	0.24	61.41	4.37	0.24	
Grant 12 (12.11.2010)	0.24	6.14	4.62	0.24	
366.06					

					(₹ in Lakhs)
March 31, 2011					
Grant No. (Grant Date)	Range of Exercise Price	Number of Options outstanding (Lakhs)	Weighted average remaining contractual life of options (in years)	Weighted average exercise price	
Grant 1 (24.06.2006)	0.24	2.12	1.23	0.24	
Grant 2 (02.07.2007)	0.24	208.16	2.25	0.24	
Grant 3 (26.09.2007)	0.24	11.03	2.49	0.24	
Grant 4 (24.04.2008)	0.24	31.67	3.07	0.24	
Grant 5 (04.07.2008)	0.24	57.45	3.26	0.24	
Grant 6 (01.11.2008)	0.24	6.11	3.59	0.24	
Grant 7 (19.02.2009)	0.24	4.40	3.89	0.24	
Grant 8 (29.07.2009)	0.24	52.36	4.33	0.24	
Grant 9 (27.01.2010)	0.24	15.00	4.83	0.24	
Grant 10 (30.04.2010)	0.24	11.10	5.08	0.24	
Grant 11 (13.08.2010)	0.24	82.28	5.37	0.24	
Grant 12 (12.11.2010)	0.24	8.15	5.62	0.24	
489.83					

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:

				(₹ in Lakhs)
Particulars		March 31, 2012	March 31, 2011	
Net Income - As reported	₹ Lakhs	11,567.24	27,831.59	
Add: ESOP Cost under Intrinsic Value Method	₹ Lakhs	2,810.27	3,971.43	
Less : ESOP Cost under Fair Value Method (Block Sholes)	₹ Lakhs	2,834.91	3,993.89	
Net Income – Proforma	₹ Lakhs	11,542.60	27,809.13	
Basic Earnings per Share:				
As reported		0.50	1.20	
Proforma		0.50	1.20	
Diluted Earnings per Share:				
As reported		0.50	1.19	
Proforma		0.49	1.19	

Notes

to financial statements for the year ended March 31, 2012

The weighted average fair value of stock options granted during the year was N/A (Previous Year ₹ 66.08) of share of ₹ 1 each.

	(₹ in Lakhs)	
Assumptions:-	March 31, 2012	March 31, 2011
Weighted average share price (in ₹)	NA	59.91
Exercise Price (in ₹)	NA	0.24
Expected Volatility	NA	30%
Historical Volatility	NA	30%
Life of the options granted (Vesting and exercise period) in years	NA	6.00
Expected dividends (in ₹)	NA	Nil
Average risk-free interest rate	NA	8%
Expected dividend rate	NA	Nil

33 BORROWING COSTS

Detail of borrowing costs incurred which are directly attributable to the acquisition/ construction of a qualifying asset and capitalised during the year to be disclosed.

	(₹ in Lakhs)	
	March 31, 2012	March 31, 2011
Plant and Equipment	764.07	–

34 LEASES

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 :

	(₹ in Lakhs)	
	March 31, 2012	March 31, 2011
Operating Lease : Company as lessee		
Lease rentals charged during the year		
Under Cancellable Leases	1,006.56	1,370.66
Under Non-Cancellable Leases	1,861.17	1,611.61
Future minimum lease payments under Non Cancellable Leases		
Not later than one year	1,219.47	1,946.51
Later than one year and not later than five years	18.19	2,194.42
Later than five years	–	–

35 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.

36 RELATED PARTY TRANSACTIONS

a) Names of Related Parties and description of relationship

i. Names of related parties over which control exists

S.No. Holding Company

- 1 Lanco Group Limited (LGL) (From October 25, 2011)

S.No. Subsidiary Companies

- 1 Amrutha Power Private Limited (APPL)
- 2 Apricus S.R.L
- 3 Arneb Power Private Limited (ArPPL)
- 4 Bhanu Solar Projects Private Limited (BSPPL)

Notes

to financial statements for the year ended March 31, 2012

- 5 Carpenter Mine management Pty Ltd
- 6 Coral Orchids Private Limited (COPL)
- 7 Cordelia Properties Private Limited (CPCL)
- 8 Cressida Properties Private Limited (CrPPL)
- 9 Deimos Properties Private Limited (DePPL)
- 10 Dione Properties Private Limited (DPPL)
- 11 Diwakar Solar Projects Limited (DSPL)
(Formerly Diwakar Solar Projects Private Limited)
- 12 Emerold 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 (Formerly Lanco Power Limited) (LAPL)
- 19 Lanco Anpara Power Limited (LANPL) (From 28 March, 2012)
- 20 Lanco Budhil Hydro Power Private Limited (LBHPPL)
- 21 Lanco Energy Africa (Proprietary) Limited (LEAL)
- 22 Lanco Enterprise Pte. Limited China(LEPL)
- 23 Lanco Hills Technology Park Private Limited (LHTPPL)
- 24 Lanco Holding Netherlands BV
- 25 Lanco Infratech (Mauritius) Limited (LIML)
- 26 Lanco Infratech Nepal Private Limited
- 27 Lanco International Pte Limited (LInPL)
- 28 Lanco IT P.V Investments B.V.(Formerly Lanco Italy PV1 Investment B.V Utrecht)
- 29 Lanco Kanpur Highways Limited (LKHL)
- 30 Lanco Kondapalli Power Limited (Formerly Lanco Kondapalli Power Private Limited) (LKPL)
- 31 Lanco Mandakini Hydro Energy Private Limited (LMHEPL)
- 32 Lanco Power International Pte. Limited
- 33 Lanco Power Limited(LPL) (Formerly Lanco Hydro Power Ventures Pvt. Limited)
- 34 Lanco Resources Australia PTY Ltd(LRAPL)
- 35 Lanco Resources International Pte Limited (LRIPPL)
- 36 Lanco Rocky Face Land Holding LLC
- 37 Lanco Solar Canada Limited
- 38 Lanco Solar Energy Private Limited (LSEPL)
- 39 Lanco Solar Holding Netherland B.V Utrecht
- 40 Lanco Solar Holdings, Newly Incorporated LLC (USA) (Formerly Lanco North Park Land Holding two LLC)
- 41 Lanco Solar International GMBH
- 42 Lanco Solar International Limited (LSIL)
- 43 Lanco Solar International Pte Limited
- 44 Lanco Solar International US Inc.
- 45 Lanco Solar Power Projects Private Limited (Formerly Caliban Trading Private Limited)(Lsppl)
- 46 Lanco Solar Private Limited (LSPL)
- 47 Lanco Solar Project Development S.L.U, Spain
- 48 Lanco Solar Services Private Limited(LSSPL)
- 49 Lanco SP PV 1 Investments B.V (Formerly Lanco Spain PV1 Investment B.V Utrecht)
- 50 Lanco Tanjore Power Company Limited (LTPCL) (Formerly Aban Power Company Limited)
- 51 Lanco Teesta Hydro Power Private Limited (LTHPPL)
- 52 Lanco Tracy City Land Holdings LLC
- 53 Lanco US EPC Branch LLC (Formerly Lanco North Park Land Holdings One LLC)
- 54 Lanco US PV Investments B.V.(Formerly Lanco Italy PV2 Investments B.V.)
- 55 Lanco Wind Power Private Limited (LWPPL)
- 56 LE New York - LLC

Notes

to financial statements for the year ended March 31, 2012

- 57 Leda Properties Private Limited (LPPL)
- 58 Mahatamil Mining and Thermal Energy Limited
(Formerly Lanco Mining and Thermal Energy Limited) (MMTEL)
- 59 Mercury Projects Private Limited (MPPL)
- 60 National Energy Trading and Services Limited (NETS)
- 61 Neptune Projects Private Limited (NPPL)
- 62 Nix Properties Private Limited
- 63 Omega Solar Projects Private Limited
- 64 Orion Solar Projects Private Limited
- 65 Pasiphae Power Private Limited
- 66 Pearl Farms Private Limited (PFPL)
- 67 PT Lanco Indonesia Energy (LInE)
- 68 Sabitha Solar Projects Private Limited
- 69 SolarFi SP06
- 70 SolarFi SP07
- 71 Spire Rotor Private Ltd (SRPL)
- 72 Telesto Properties Private Limited (TePPL)
- 73 The Griffin Coal Mining Company Pty Ltd (GCMCPL)
- 74 Thebe Properties Private Limited (ThPPL)
- 75 Udupi Power Corporation Limited (UPCL) (From March 29, 2012)
- 76 Uranus Infratech Private Limited (UIPL)
- 77 Uranus Projects Private Limited (UPPL)
- 78 Lanco Hydro Power Private Limited (LHPPL)
(Formerly Vamshi Hydro Energies Private Limited)
- 79 Lanco Thermal Power Limited (LTPL)
(Formerly Vamshi Industrial Power Limited)
- 80 Approve Choice Investments (Pty.) Limited
- 81 Bar Mount Trading (Pty.) Limited
- 82 Barrelake Investments (Pty.) Limited
- 83 Belara Trading (Pty.) Limited
- 84 Caelamen (Pty.) Limited
- 85 Dupondius (Pty.) Limited
- 86 Filten Trading (Pty.) Limited
- 87 Gamblegreat Trading (Pty.) Limited
- 88 K2011103835 (Pty.) Limited
- 89 Lexton Trading (Pty.) Limited
- 90 TIPER SOLAIRE SAS
- 91 Himavat Power Private Limited (HPPL) (Upto December 1, 2011)
- 92 Regulus Power Private Limited (RPPL) (Upto March 29, 2012)
- 93 Lanco Vidarbha Thermal Power Limited (LVTPL) (Upto September 20, 2011)

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

S.No. Fellow Subsidiary

- 1 Lanco Babandh Power Limited (LBPL) (From March 31, 2012) (Also, refer Note No. 38)

S.No. 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)
- 8 Genting Lanco Power (India) Limited (GLPIL)
(Formerly Genting Lanco Power (India) Private Limited (GLPIPL))

Notes

to financial statements for the year ended March 31, 2012

- 9 Himavat Power Private Limited (HPPL) (From December 2, 2011)
- 10 KVK Energy Ventures Private Limited (KEVPL)
- 11 Lanco Devihalli Highways Limited (LDHL)
(Formerly Lanco Devihali Highways Private Limited)
- 12 Lanco Hoskote Highway Limited (LHHL)
(Formerly Lanco Hoskote Highway Private Limited)
- 13 Lanco Vidarbha Thermal Power Limited (LVTPL) (From September 21, 2011)
- 14 Mimas Trading Private Limited (MTPL)
- 15 Mirach Power Limited (MiPL)
(Formerly Mirach Power Private Limited)
- 16 Phoebe Trading Private Limited (PTPL)
- 17 Portia Properties Private Limited (PPPL)
- 18 Pragdisa Power Private Limited (PrPPL)
- 19 Regulus Power Private Limited (RPPL) (From March 30, 2012)
- 20 Siddheswara Power Private Limited (SiPPL)
- 21 Tethys Properties Private Limited (TPPL)
- 22 Vainateya Power Private Limited (VPPL)
- 23 Lanco Babandh Power Limited (LBPL) (Upto March 30, 2012) (Also, refer Note No. 38)
- 24 Lanco Anpara Power Limited (LANPL) (Upto March 27, 2012)
- 25 Udupi Power Corporation Limited (UPCL) (Upto March 28, 2012)

S.No. Key Management Personnel and their relatives

- 1 Sri L. Madhusudhan Rao (Chairman) (LMR)
- 2 Sri G. Bhaskara Rao (Vice Chairman) (GBR)
- 3 Sri G. Venkatesh Babu (Managing Director) (GVB)
- 4 Mr. S.C. Manocha (Whole Time Director) (SCM)

S.No. Relatives of key management personnel

- 1 Smt L. Rajya Lakshmi (Spouse of LMR) (LRL)
- 2 Smt. G. Padmavathi (Spouse of GBR) (GP)
- 3 Sri G. Avinash (Son of GBR) (SGA)
- 4 Sri L. Sridhar (Brother of LMR) (LS)
- 5 Smt. L. Sirisha (Spouse of LS) (LSi)

S.No. 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
(Formerly Callisto Trading Private Limited.) (Csppl)
- 3 Himachal Hydro Power Private Limited (HHPPL)
- 4 Infra India Ventures Private Limited (IIVPL)
(Formerly Lanfin Ventures Private Limited)
- 5 Lanco Bay Technology Park Private Limited (LBTPL)
- 6 Lanco Foundation (LF)
- 7 Lanco Horizon Properties Private Limited (LHrPPL)
- 8 Lanco Kerala Seaports Private Limited (LKSPL)
- 9 Lanco Transport Network Company Private Limited (LTNCPL)
- 10 LCL Foundation (LCL)
- 11 Nekkar Power Private Limited (NePPL)
- 12 Ravi Hydro Electric Private Limited (RHEPL)
- 13 S.V. Contractors (SVC)
- 14 Lanco Rani Joint Venture (LR)
- 15 Lanco Property Management Company Private Limited (LPMCPL)

Notes

to financial statements for the year ended March 31, 2012

b) Summary of transactions with related parties are as follows:

(₹ in Lakhs)

FOR THE YEAR ENDED MARCH 31, 2012												
Nature of Transaction	Subsidiary Companies		Fellow Subsidiaries		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
Rent Received	LTPCL	20.13										
Contract	LAPL	2,19,809.13			LBPL	1,19,604.42						
Services	LKPL	85,396.21			LVTPL	67,754.26						
Rendered	LVTPL	34,162.37			LAnPL	22,765.12						
	LTHPPL	45,531.67			UPCL	35,260.78						
	OTHERS	25,815.36			OTHERS	9,206.65						
		4,10,714.74				2,54,591.23						
Contract	LAPL	100.40			LAnPL	100.40						
Services/	HPPL	33.47			LBPL	100.40						
Shared Services	LTHPPL	26.72			HPPL	16.73						
Provided/	OTHERS	44.07										
(Avalied)		204.66				217.53						
Interest Paid/	LSEPL	1,679.12			UPCL	3,108.49						
(Received)	NETS	163.49			LAnPL	(5.56)						
	LR IPL	(86.23)			LBPL	(62.53)						
	LTPL	(124.78)										
	LBHPPL	(362.12)										
	MPPL	(1,897.20)										
	OTHERS	(111.17)										
		(738.89)				3,040.40						
Donations Paid											LF	350.00
Managerial							GVB	580.62				
Remuneration							SCM	392.45				
							GBR	386.39				
							LMR	380.58				
								1,740.04				
Sitting Fee									LS	1.60		
Purchase / (Sale)	LTPL	(6,23,744.16)			PTPL	95.19	LMR	0.75	LRL	0.75		
of Shares	OTHERS	(53,123.89)			RPPL	(85.71)	GBR	0.75	GP	0.75		
									SGA	0.75		
									LS	0.75		
									LSi	0.50		
		(6,76,868.05)				9.48		1.50		3.50		
Share	LPL	4,54,273.50			LBPL	41,062.00					LHRPPL	15.37
Application	OTHERS	1,69,783.29			LVTPL	17,500.00						
Money Paid					RPPL	10,420.00						
during the year					OTHERS	1,143.15						
		6,24,056.79				70,125.15						15.37
Share	LPL	40,674.29			RPPL	10,400.00						
Application	LHTPPL	8,950.00			OTHERS	1,315.00						
Money Refunded	LVTPL	3,828.00										
during the year	OTHERS	664.40										
		54,116.69				11,715.00						

Notes

to financial statements for the year ended March 31, 2012

(₹ in Lakhs)

FOR THE YEAR ENDED MARCH 31, 2012												
Nature of Transaction	Subsidiary Companies		Fellow Subsidiaries		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
Management Consultancy Fee Charged	LKPL	732.00			UPCL	720.00						
	LAPL	702.10			LHHL	153.41						
	UPCL	360.00			LDHL	127.68						
	NETS	339.00										
	LTHPPL	300.00										
	OTHERS	178.00										
		2,611.10				1,001.09						
Contract Expenses	LInPL	2,98,360.45			UPCL	220.44						
	UPCL	508.01										
		2,98,868.46				220.44						
Operation & Maintenance Expenses	UPCL	263.20										
	LSSPL	128.65										
		391.85										
Other Expenditure/ (Income)	LAPL	(18,658.87)			LAnPL	(13,310.58)					LHrPPL	(0.01)
	LKPL	(18,488.20)			LVTPL	(3,856.13)						
	LAnPL	(2,486.27)			LBPL	(6,712.21)						
	UPCL	4,523.66			OTHERS	(49.97)						
	MMTEL	(222.34)										
	LHTPPL	(237.08)										
	LSEPL	(201.56)										
	LSPL	(236.60)										
	GCMCPL	(538.93)										
	OTHERS	(441.57)										
			(36,987.76)				(23,928.89)					(0.01)
Purchase/(Sale) of Goods/Power					UPCL	(5,081.64)						
Loan and Advances given/ (Taken) during the year	LAPL	(9,500.00)										
	LBHPPL	(17,725.00)										
	OTHERS	(1,933.50)										
		(29,158.50)										
Inter Corporate Deposits given/(taken) /(refunded) during the year	LPL	1,35,486.50			LBPL	(15,400.00)						
	LHTPPL	21,250.00										
	LSEPL	(19,431.02)										
	OTHERS	(1,018.27)										
		1,36,287.21				(15,400.00)						
Purchase of Fixed Assets	LSEPL	36,058.96			LAnPL	15.41						
	OTHERS	472.49			LHHL	0.75						
		36,531.45				16.16						
Sale of Fixed Assets	LSEPL	152.70			LAnPL	0.13						
	LKPL	2.61										
	OTHERS	1.04										
		156.35				0.13						

Notes

to financial statements for the year ended March 31, 2012

(₹ in Lakhs)

FOR THE YEAR ENDED MARCH 31, 2012												
Nature of Transaction	Subsidiary Companies		Fellow Subsidiaries		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
Corporate Guarantee Given to Bank/ Financial Institutions on Behalf of Related Parties	UPCL	4,90,143.61	LBPL	247,924.00	HPPL	35,000.00						
	LRAPL	3,45,306.38			LHHL	34,685.47						
	OTHERS	1,92,603.65			LDHL	25,578.00						
					KEVPL	5,000.00						
		10,28,053.64		247,924.00		1,00,263.47						
Balance	LSEPL	28,162.98			VPPL	30,529.10					LHrPPL	31.87
Receivable at the year end-Share Application Money	LAnPL	4,500.00			PrPPL	30,444.50					NePPL	10.00
	OTHERS	866.00			OTHERS	107.02					CaPTL	3.00
		33,528.98				61,080.62						44.87
Balance	LPL	1,35,486.50										
Receivable at the year end-Inter Corporate Deposits	LHTPPL	21,250.00										
	MPPL	20,988.69										
	OTHERS	6,227.21										
		1,83,952.40										
Balance	LWPPL	25.00										
Receivable at the year end-Loans												
Balance	LTPL	2,48,900.51	LBPL	31,375.32	LVTPPL	16,136.68	SCM	5.04			LR	1,387.36
Receivable at the year end-OTHERS (Trade Receivables and Other Receivables)	LInPL	82,141.50			LHHL	2,462.48					RHEPL	34.00
	LAnPL	58,937.02			OTHERS	397.98					LBTPPL	33.25
	OTHERS	1,24,096.71									OTHERS	14.11
		5,14,075.74		31,375.32		18,997.14		5.04				1,468.72
Balance Payable at the year end-Inter Corporate Deposits	UPCL	20,000.00										
	LSEPL	19,400.00										
		39,400.00										
Balance Payable at the year end-OTHERS (Trade Payables and Other Payables)	LAPL	1,52,906.09	LBPL	1,46,438.15	LVTPPL	1,14,793.72	SCM	31.16			LCL	13.72
	LInPL	94,612.15			HPPL	73,746.06	GVB	0.08			LHrPPL	6.81
	LSEPL	50,718.53			PrPPL	30,167.89					LR	0.74
	OTHERS	1,56,968.99			VPPL	28,375.69					LF	0.01
					PTPL	95.19						
		4,55,205.76		1,46,438.15		2,47,178.56		31.24				21.28

Notes

to financial statements for the year ended March 31, 2012

(₹ in Lakhs)												
FOR THE YEAR ENDED MARCH 31, 2011												
Nature of Transaction	Subsidiary Companies		Fellow Subsidiaries		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
Rent Received	LTPCL	18.53										
Contract	LKPL	1,11,387.82			LAnPL	90,283.30					LR	35.99
Services	LAPL	1,06,754.07			LBPL	45,199.49						
Rendered	LTHPPL	49,642.02			UPCL	34,140.10						
	OTHERS	35,543.95			OTHERS	22,044.50						
		3,03,327.85				1,91,667.39						35.99
Contract	LVTPL	97.34			LAnPL	83.60					LOMPL	10.45
Services/	LAPL	83.60			LBPL	83.60						
Shared Services	LTHPPL	47.02										
Provided	OTHERS	66.88										
		294.84				167.20						10.45
Interest Paid/ (Received)	LKPL	105.00			UPCL	3,062.47						
	LHTPPL	99.25			LBPL	(502.41)						
	LHPPL	(25.77)										
	LTPL	(55.66)										
	LBHPPL	(174.04)										
	LInPL	(259.96)										
		(311.18)				2,560.06						
Donations Paid											LF	220.00
Managerial Remuneration							LMR	379.61				
							GBR	417.64				
							GVB	584.43				
							SCM	211.96				
								1,593.64				
Sitting Fee							LS	1.60				
Purchase / (Sale) of Shares	LInPL	46.17			LBPL	12,100.00	GBR	2.53				
	LPL	(20,000.00)					LS	2.14				
	LSEPL	(600.00)					OTHERS	3.07				
		(20,553.83)				12,100.00		7.74				
Share Application Money Paid during the year	LVTPL	57,816.00			UPCL	72,500.00					LHrPPL	31.24
	LPL	42,320.00			LBPL	56,518.00					NePPL	10.00
	HPPL	32,357.00			LAnPL	50,300.00						
	LSEPL	28,511.98			AnPPL	32,783.80						
	DSPPL	22,166.02			PrPPL	31,605.00						
	OTHERS	23,814.87			VPPL	30,526.00						
					OTHERS	3,076.47						
		2,06,985.87				2,77,309.27						41.24
Share Application Money Refunded during the year	LVTPL	20,000.00			LBPL	8,400.00					LVPL	20.00
	MPPL	16,213.00			LHHPL	1,000.00						
	LSEPL	9,000.00			PrPPL	211.00						
	OTHERS	3,953.76										
		49,166.76				9,611.00						20.00
Management Consultancy Fee Charged	LAPL	3,777.33			UPCL	280.00						
	LTHPPL	300.00			LHHPL	153.41						
	OTHERS	333.77			LDHPL	127.68						
		4,411.10				561.09						

Notes

to financial statements for the year ended March 31, 2012

(₹ in Lakhs)												
FOR THE YEAR ENDED MARCH 31, 2011												
Nature of Transaction	Subsidiary Companies		Fellow Subsidiaries		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 Expenses	LInPL	42,643.84			UPCL	225.29						
		42,643.84				225.29						
Other Expenditure/ (Income)	LVTPL	70.38			UPCL	141.17					LBTPL	1.36
	LTPL	14.70			LAnPL	131.14					LOMPL	(17.28)
	LHTPPL	(91.64)			LBPL	42.09						
	LMHEPL	(66.51)			OTHERS	10.12						
	LAPL	(32.35)										
	OTHERS	4.69										
		(100.73)				324.53						(15.92)
Sale of Goods	LHTPPL	7.76										
		7.76										
Loan and Advances Given / (Taken) during the year	LBHPPL	17,235.00										
	LAPL	9,500.00										
	OTHERS	1,958.50										
		28,693.50										
Inter Corporate Deposits Receivable during the year	MPPL	28,063.31			LBPL	15,400.00						
	OTHERS	281.02										
		28,344.33				15,400.00						
Purchase of Fixed Assets	LSEPL	14,579.74			LBPL	0.41					LGL	18.61
	OTHERS	22.65			UPCL	18.89						
		14,602.39				19.30						18.61
Sale of Fixed Assets	ArPPL	176.00			LBPL	10.03					LOMPL	23.02
	OTHERS	67.20			UPCL	0.37						
		243.20				10.40						23.02
Corporate Guarantee Given to Bank/Financial Institutions on Behalf of Related Parties	LRAPL	3,01,387.50			UPCL	3,98,066.00						
	LAPL	1,82,216.00			OTHERS	58,052.00						
	OTHERS	89,809.36										
		5,73,412.86				4,56,118.00						
Balance Receivable at the year end-Share Application Money	LVTPL	43,689.20			LAnPL	32,825.00					LHrPPL	16.50
	LTHPPL	33,350.00			PrPPL	31,395.00					SiPPL	15.00
	HPPL	32,357.00			VPPL	30,529.10					NePPL	10.00
	OTHERS	4,023.40			LBPL	28,545.40					CaPTL	3.00
					OTHERS	1,040.00						
		113,419.60				1,24,334.50						44.50
Balance Receivable at the year end-Inter Corporate Deposits	MPPL	28,063.31			LBPL	15,400.00						
	OTHERS	281.02										
		28,344.33				15,400.00						
Balance Receivable at the year end-Loans	LBHPPL	17,725.00										
	LAPL	9,500.00										
	OTHERS	1,958.50										
		29,183.50										

Notes

to financial statements for the year ended March 31, 2012

(₹ in Lakhs)												
FOR THE YEAR ENDED MARCH 31, 2011												
Nature of Transaction	Subsidiary Companies		Fellow Subsidiaries		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	LInPL	1,18,545.63			UPCL	60,921.61	GVB	6.39			LR	664.93
Receivable at the year end-	LAPL	51,218.73			LANPL	33,203.91	SCM	2.46			LCL	206.12
OTHERS (Trade	LKPL	24,064.40			LBPL	27,060.98					OTHERS	94.52
Receivables and Other Receivables]	OTHERS	32,846.33			OTHERS	2,138.34						
		2,26,675.09				1,23,324.84		8.85				965.57
Balance Payable at the year end- Inter Corporate Deposits					UPCL	(20,000.00)						
						(20,000.00)						
Balance Payable at the year end- OTHERS (Trade Payables and Other Payables]	LAPL	(1,03,982.14)			LBPL	(90,835.77)	SCM	(6.98)			LR	(135.54)
	LVTPL	(70,887.17)			LANPL	(35,254.50)					OTHERS	(13.73)
	OTHERS	(1,53,569.55)			PrPPL	(30,167.89)						
					UPCL	(29,959.75)						
					VPPL	(28,375.69)						
					OTHERS	(1,078.99)						
		(3,28,438.86)				(2,15,672.59)		(6.98)				(149.27)

37 During the year, the following significant changes in the investment status of the Company in its subsidiaries and associates have taken place. The Company executes EPC contracts for construction of power plants for these subsidiaries and associates.

- Two of the subsidiaries namely Lanco Vidharba Thermal Power Limited (LVTPL) and Himavat Power Private Limited (HPPL) got converted into associates upon Company not fully exercising its right of pre-emption for making additional investment in the equity shares of both these entities.
- Two of the erstwhile associates of the Group namely Lanco Anpara Power Limited (LANPL) and Udupi Power Corporation Limited (UPCL) got converted into subsidiaries during the year post commencement of operations. LANPL got converted into subsidiary of the Company upon subscription of further equity shares issued at par by LANPL and UPCL got converted into subsidiary of the Company upon conversion of 1% Cumulative Compulsory Convertible Preference Shares of UPCL held by the Company.

38 On March 30, 2012, the Company has put in place two level power holding Company structure wherein Lanco Power Limited (formerly Lanco Hydro Power Ventures Private Limited) (LPL) a wholly owned subsidiary of the Company as the power holding vehicle for the Company. LPL has further two wholly owned subsidiaries namely Lanco Thermal Power Limited (formerly Vamshi Industrial Power Ltd) and Lanco Hydro Power Private Limited (formerly Vamshi Hydro Energies Private Limited) as thermal power holding Company and hydro power holding Company respectively.

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 (LTPL), Lanco Hydro Power Private Limited (LHPPL) and to an associate, Regulus Power Private Limited (an erstwhile subsidiary) on March 30, 2012 for total cash consideration amounting to ` 6,81,550.87 lakhs. As of March 31, 2012, ` 2,70,135.16 lakhs representing the balance amount of consideration for sale of shares is receivable from the above entities.

As a result of the above change, one of the associate namely Lanco Babandh Power Limited, consequent to the sale of its equity shares to an associate, Regulus Power Private Limited, has become as associate of an associate.

Notes

to financial statements for the year ended March 31, 2012

The Company has entered into novation agreement with Lanco Power Limited (LPL) and related entities forming part of power holding Company structure, for transfer of loans receivables amounting to ₹ 1,35,486.50 lakhs outstanding in the books of the Company, from the Company to LPL.

The aforesaid transfer of shares in various subsidiaries and associates requires lenders/customer approvals. Management has initiated the process of seeking approvals from respective lenders for transfer of shares in these related entities and pending the receipt of approvals, the Company has recorded the sale of investments in related entities in these financial statements. Out of five lead lenders, four lead lenders have given the approval, the other lead lender and other participating lender's approval 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. Management is confident of receiving the requisite approvals from other lenders and customer in due course of time and has accordingly affected the sale and recorded the transaction in the books of the Company.

Based on legal advice, the management is of the opinion that they have complied with relevant laws and regulations and there are no tax implications arising out of the above transactions either on the Company or the related entities.

As result of above restructuring activities, the investments relationship with the Company as of March 31, 2012 and March 31, 2011 has been summarised below:

Name of the Entity	March 31, 2012		March 31, 2011	
	Relationship	Percentage of Ownership Interest	Relationship	Percentage of Ownership Interest
Lanco Kondapalli Power Limited	Subsidiary of LTPL	59.00%	Subsidiary of LITL	59.00%
Lanco Amarkantak Power Limited	Subsidiary of LTPL	100.00%	Subsidiary of LITL	100.00%
Lanco Tanjore Power Company Limited	Subsidiary of LTPL	58.45%	Subsidiary of LITL	51.02%
Udupi Power Corporation Limited	Subsidiary of LTPL	69.89%	Associate of LITL	26.15%
Lanco Anpara Power Limited	Subsidiary of LTPL	100.00%	Associate of LITL	26.07%
Lanco Teesta Hydro Power Private Limited	Subsidiary of LHPPL	100.00%	Subsidiary of LITL	99.96%
Lanco Budhil Hydro Power Private Limited	Subsidiary of LHPPL	100.00%	Subsidiary of LITL	99.99%
Lanco Babandh Power Limited		-	Associate of LITL	26.00%
Lanco Vidharba Thermal Power Limited	Associate of LTPL	26.68%	Subsidiary of LITL	100.00%
Himavat Power Private Limited	Associate of LTPL	26.67%	Subsidiary of LITL	100.00%
Vainateya Power Private Limited	Associate of LTPL	26.00%	Associate of LITL	26.00%
Regulus Power Private Limited	Associate of LTPL	43.14%	Subsidiary of LITL	98.04%
Charon Trading Private Limited	Associate of LTPL	34.00%	Associate of LITL	34.00%
Mimas Trading Private Limited	Associate of LTPL	50.00%	Associate of LITL	50.00%
Phoebe Trading Private Limited	Associate of LTPL	34.00%	Associate of LITL	34.00%
Portia Properties Private Limited	Associate of LTPL	34.00%	Associate of LITL	34.00%

39 The Company has entered into transactions with related parties, including some of its associates namely Lanco Vidharba Thermal Power Limited (LVTP), Himavat Power Private Limited (HPPL), Lanco Hoskote Highway Limited (LHHL), Lanco Devihalli Highways Limited (LDHL), Vainateya Power Private Limited (VPPL) and Lanco Babandh Power Limited (LBPL) (fellow Subsidiary) whose details are shown in summary of the transactions with related parties, under note no. 36. the Company along with Lanco Group Limited (Holding Company) and through various intermediate companies holds the remainder of shares in these associates and LBPL. In case of LVPTL, LBPL and HPPL, the Group holds cumulative compulsorily convertible preference shares which when exercised for conversion as per the terms of these shares would result in these companies becoming subsidiaries of the Company or its step down subsidiaries.

40 As at the year-end, the Company has borrowings aggregating ₹ 4,22,126.50 lakhs against net worth of ₹ 3,59,549.66 lakhs. The Company has put in place power holding Company structure during the year as detailed in note no. 38 for mobilising the equity funds at appropriate level depending on the requirement to the advantage of the investors.

Management is confident that the Company's requirement for funding all ongoing projects would be comfortably met from the Company's internal cash generations and mobilisation of other funds as envisaged.

Notes

to financial statements for the year ended March 31, 2012

41 CAPITAL AND OTHER COMMITMENTS

	(₹ in Lakhs)	
	March 31, 2012	March 31, 2011
Estimated amount of contracts remaining to be executed on capital account and not provided for;	1,785.03	6,349.31
Investment Commitment in Subsidiaries and Associates	3,43,921.95	5,94,149.98

Company has a commitment to invest in five of its subsidiaries as promoter support. Since it is need based, amount cannot be quantified.

42 CONTINGENT LIABILITIES - NOT PROBABLE AND THEREFORE NOT PROVIDED FOR

	(₹ in Lakhs)	
	March 31, 2012	March 31, 2011
Corporate guarantees given to Financial Institutions, Banks on behalf of other group companies	13,76,241.11	10,29,530.86
Income Tax Demands disputed by the Company relating to disallowances made in various assessment proceedings, under appeal	1,338.49	61.26
Sales Tax/Entry Tax Demands disputed by the Company, under appeal	555.48	434.03
Service Tax demands disputed by the Company relating to applicability of service tax to various services, under appeal	11,356.33	5,116.09

43 FORWARD CONTRACTS

	(₹ in Lakhs)	
	March 31, 2012	March 31, 2011
Details of Forward Cover for amount outstanding as on Balance sheet date		
For Buy (USD 560.48 lakhs) (March 31, 2011 : Nil)	28,672.10	-
Details of Forward Cover for Firm Commitments and highly probable forecast transaction		
For Buy (USD : Nil) (March 31, 2011 : 150 lakhs)	-	6,697.50

Details of Unhedged Foreign Currency Exposure

	March 31, 2012			
	Currency	Exchange Rate	Amount in Foreign Currency (Lakhs)	Amount in INR (Lakhs)
Trade Receivables	USD	51.16	2,187.74	1,11,917.05
Trade Payables	USD	51.16	2,452.99	1,25,486.26
	EURO	68.34	6.14	419.64
Advance to Suppliers	USD	44.68	1,816.62	81,171.23
	EURO	68.34	0.25	16.96
	GBP	81.80	0.02	1.65
Advance from Customers	USD	44.90	4,821.01	2,16,456.97
Loans Receivable	USD	51.16	110.00	5,627.22
Buyer's Credit	USD	51.16	644.67	32,979.29
	EURO	68.34	20.34	1,390.03

Notes

to financial statements for the year ended March 31, 2012

March 31, 2011				
	Currency	Exchange Rate	Amount in Foreign Currency	Amount in INR
Trade Receivables	USD	44.65	939.60	41,953.12
Trade Payables	USD	44.65	1,536.23	68,592.63
	EURO	63.24	1.66	104.98
Advance to Suppliers	USD	44.65	2,711.08	1,21,049.58
	EURO	63.24	0.91	57.79
Advance from Customers	USD	44.65	5,433.14	2,42,589.52
Buyer's Credit	USD	44.65	1,043.71	46,601.64
	CHF	48.71	13.65	664.90

44 DEFERRAL/CAPITALISATION OF EXCHANGE DIFFERENCE

The Ministry of Corporate Affairs (MCA) has issued the amendment dated December 29, 2011 to AS 11 The Effects of Changes in Foreign Exchange Rates, to allow companies deferral/capitalisation of exchange differences arising on long-term foreign currency monetary items. In accordance with the amendment/ earlier amendment to AS-11, the Company has capitalised exchange loss, arising on long term foreign currency loan, amounting to ₹ Nil (March 31, 2011- ₹ Nil) to the cost of plant and equipments.

45 DISCLOSURE OF LOANS AND ADVANCES TO SUBSIDIARIES, ASSOCIATES, JOINT VENTURES AND OTHERS (PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT)

(₹ in Lakhs)				
Name of the Company	Amount outstanding as at		Maximum amount outstanding during the year	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Subsidiaries				
Lanco International Pte Ltd	-	-	-	27,487.25
Lanco Hydro Power Private Limited*(Formerly Vamshi Hydro Energies Private Limited)	-	586.00	676.00	586.00
Lanco Thermal Power Limited*(Formerly Vamshi Industrial Power Limited)	-	1,372.50	1,472.50	1,372.50
Lanco Amarkantak Power Ltd #	-	9,500.00	1,01,671.00	30,900.00
Lanco Solar Energy Private Ltd	-	31.02	31.02	1,531.02
Lanco Solar Private Ltd	600.00	250.00	600.00	250.00
Mercury Projects Private Ltd	20,988.69	28,063.31	30,063.31	31,370.00
National Energy Trading and Services Ltd	-	-	-	1.20
Lanco Hills Technology Park Private Ltd #	21,250.00	-	21,250.00	-
Lanco Wind Power Private Ltd #	25.00	-	25.00	-
Lanco Power Limited (Formerly Lanco Hydro Power Ventures Pvt Ltd)#	1,26,671.00	-	1,26,671.00	-
Lanco Power Limited (Formerly Lanco Hydro Power Ventures Pvt Ltd)	8,815.50	-	8,815.50	-
Lanco Anpara Power Limited	-	-	1,750.00	-
Lanco Resources International Pte Ltd	5,627.22	-	5,706.35	-
Lanco Teesta Hydro Power Private Limited	-	-	1,000.00	-
Lanco Budhil Hydro Power Private Ltd*	-	2,450.00	5,862.00	2,450.00
Lanco Budhil Hydro Power Private Ltd #	-	15,275.00	25,000.00	15,275.00
Associates				
Lanco Vidarbha Thermal Power Limited	-	-	7,000.00	-

*Repayable beyond 7 years

Lower than bank rate

Notes

to financial statements for the year ended March 31, 2012

46 DISCLOSURES REQUIRED UNDER SEC 22 OF MSMED ACT 2006 UNDER THE CHAPTER ON DELAYED PAYMENTS TO MICRO AND SMALL ENTERPRISES

	(₹ in Lakhs)	
	March 31, 2012	March 31, 2011
Principal amount remaining unpaid to any supplier as at the end of the year	3,184.76	92.26
Interest due on the above amount	57.92	0.44
Amount of interest paid in terms of Section 16 of the MSMED Act, 2006.	-	-
Amount of payments made to the suppliers beyond the appointed day during the year	28.00	10.00
Amount of interest due and payable for the delay in making the payment but without adding the interest specified under Act	0.53	0.21
Amount of interest accrued and remaining unpaid at the end of the year	0.79	0.65

47 CIF VALUE OF IMPORTS

	(₹ in Lakhs)	
	March 31, 2012	March 31, 2011
EPC and Construction Goods	3,01,666.41	87,433.23
Capital Goods	2,648.56	887.54
	3,04,314.97	88,320.77

48 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

	(₹ in Lakhs)	
	March 31, 2012	March 31, 2011
Technical Consultation Fee	4,905.78	1,889.73
Travel	352.47	279.44
Interest on Buyers Credit	1,088.19	328.81
Others	1,062.68	1,562.02
	7,409.12	4,060.00

49 IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED

	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2011
	% of Total consumption	₹ Lakhs	% of Total consumption	₹ Lakhs
Raw Materials				
Imported	58%	3,11,858.46	28%	87,768.89
Indigenous	42%	2,26,746.01	72%	2,25,671.99
	100%	5,38,604.47	100%	3,13,440.88
Components				
Indigenous	100%	7,771.52	100%	3,284.37
	100%	7,771.52	100%	3,284.37
Spare Parts				
Imported	-	-	1%	13.31
Indigenous	100%	2,271.62	99%	1,878.96
	100%	2,271.62	100%	1,892.27

Notes

to financial statements for the year ended March 31, 2012

50 EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)

	(₹ in Lakhs)	
	March 31, 2012	March 31, 2011
Interest	87.04	260.17
Contract Receipts	3,559.22	-
	3,646.26	260.17

51 Duty Drawback claims recognised during the year ₹ 23,331.69 lakhs (Previous Year: ₹ 21,445.19 lakhs) as deduction from the construction materials consumed.

52 PREVIOUS YEAR FIGURES

Till the year ended March 31, 2011, the Company was using pre- revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised schedule VI notified under the Companies Act 1956, has become applicable to the Company. The Company has reclassified previous year figures to conform to this year's classification.

As per our report of even date.

For S. R. Batliboi & Associates

Firm Reg. No 101049W
Chartered Accountants

per Sanjay Vij

Partner
M. No.95169

Place: Gurgaon
Date: May 29, 2012

For Brahmayya & Co

Firm Reg. No. 000511S
Chartered Accountants

per N. Sri Krishna

Partner
M.No. 26575

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

L. Madhusudhan Rao

Executive Chairman
DIN - 00074790

T. Adi Babu

COO - Finance

Place: Gurgaon
Date: May 29, 2012

G. Venkatesh Babu

Managing Director
DIN - 00075079

C. Krishna Kumar

Executive Director &
Company Secretary

Auditors' Report

on Consolidated Financial Statements

To

The Board of Directors of Lanco Infratech Limited

1. We have audited the attached consolidated balance sheet of Lanco Infratech Limited (the 'Company') and its subsidiaries (collectively referred as Group), as at March 31, 2012, and also the consolidated statement of profit and loss and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India, *except for the matter under paragraph 5 (c) below*. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. To the extent stated in paragraphs 3a to 3d below, S.R. Batliboi & Associates and Brahmayya & Co did not jointly audit each of the financial statements of certain component entities that comprise the Group and are included in the accompanying consolidated financial statements.
 - a. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of ₹ 12,24,242.02 lakhs as at March 31, 2012, the total revenue of ₹ 4,05,094.62 lakhs and cash flows amounting to ₹ 43,753.70 lakhs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
 - b. We did not audit the financial statements of certain associates, whose financial statements reflect the Group's share of loss of ₹ 2,000.87 lakhs. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
 - c. We did not jointly audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of ₹ 5,60,039.01 lakhs as at March 31, 2012, the total revenue of ₹ 3,84,816.04 lakhs and cash flows amounting to ₹ (9,590.72) lakhs for the year then ended. These financial statements and other financial information have been audited by S. R. Batliboi & Associates and our joint opinion is based solely on the reports of S. R. Batliboi & Associates.
 - d. We did not jointly audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of ₹ 28,67,331.90 lakhs as at March 31, 2012, the total revenue of ₹ 1,60,046.64 lakhs and cash flows amounting to ₹ 3,243.22 lakhs for the year then ended and financial statements of associates, whose financial statements reflect the Group's share of profits of ₹ (3,922.11) lakhs. These financial statements and other financial information have been audited by Brahmayya & Co and our joint opinion is based solely on the reports of Brahmayya & Co.
4. Without qualifying our opinion, attention is invited to
 - a. Note 52 D (vi) and 65 to the accompanying consolidated financial statements, which explains certain litigations with respect to a customer claim at National Energy Trading and Services Limited (NETS) and land dispute at Lanco Hills Technology Park Private Limited (LHTPPL), the ultimate outcome of these matters cannot presently be determined. Management, based upon its assessment and legal advice obtained, is confident of the outcome of the matters in its favour.
 - b. Note 42 to the accompanying consolidated financial statements, which explains additional advances of ₹ 43,630.77 lakhs made by a subsidiary and an associate to the Company, in accordance with the change in terms of the Engineering, Procurement & Construction (EPC) contract awarded to the Company, which require approval from the respective lenders, out of which ₹ 28,630.77 lakhs has been eliminated while preparing these consolidated financial statements. The management is confident of getting the lenders approval soon for the aforesaid changes in the terms of the EPC contract.
 - c. Note 63 to the accompanying consolidated financial statements, which explains that Lanco Solar Energy Private Limited (LSEPL) has invested in equity and preference capital of various companies who had won the solar projects in Bid conducted by NTPC Vidyut Vyapar Nigam Limited (NVVN) for Jawaharlal Nehru National Solar Mission (JNNSM) Phase-I, while the participation in bids by these investee companies and the Share holding Pattern is being looked into by a committee set up by Government of India, pending the outcome of the same, the investment is carried at cost. Consequently as referred in note 64 to the accompanying consolidated financial statements, dues from companies amounting to ₹ 34,499.99 lakhs (participated in NVVN Bidding) towards EPC Contracts executed by LSEPL are treated as recoverable at the value stated therein. The management is confident that there will be no adverse findings by the committee set up by Government of India.

Pending the final outcome of the aforementioned matters no adjustments have been made to the accompanying consolidated financial statements in the respect thereof.

5. Attention is invited to

- a. Note 37 of the accompanying consolidated financial statements, which explains the restructuring undertaken by the management during the year. The Company's investment as of March 30, 2012 in various subsidiaries and associates have been transferred to wholly owned step down subsidiaries and to an associate of wholly owned step down subsidiary aggregating to ₹ 6,81,550.87 lakhs that require lenders and customer approvals. Management is confident of receiving approvals from various lenders and customer in near future and has taken the effect of these transfers while preparing the accompanying consolidated financial statements. In case of any of these approvals are not granted, the management will have to revisit the structure and the consequential impact would then be recorded in accompanying consolidated financial statements, pending the final outcome of lenders and customer approvals, we are unable to comment on the consequential effects of the foregoing should such approval not be received on these consolidated financial statements.
- b. Note 54 of the accompanying consolidated financial statements, which explains the management's assessment with respect to litigation around power purchase agreement of one of the power units of Lanco Amarkantak Power Limited and recognition of revenue of ₹ 9,598.56 lakhs for the year ended March 31, 2012 and carry forward of Minimum Alternate Tax (MAT) credit entitlement of ₹ 3,504.97 lakhs as at March 31, 2012 realizability of which is dependent upon settlement of the aforesaid litigation. Due to the uncertainty over realizability of these balances, we are unable to comment upon any consequential adjustments to the accompanying consolidated financial statements.
- c. Note 59 of the accompanying consolidated financial statements, which explains management's assessment regarding trade receivable of ₹ 1,01,983.22 lakhs as at March 31, 2012, including ₹ 54,569.72 lakhs with respect to revenue accounted and awaiting approval from Central Electricity Regulatory Commission (CERC) with respect to Udupi Power Corporation Limited (UPCL), which has been audited by another auditor. The management has informed that the tariff determination under CERC is presently under process and the UPCL is being paid provisionally. We were unable to perform certain procedures that we considered necessary under the requirements of Statement on Auditing SA600 (Using the work of another auditor) issued by the Institute of Chartered Accountants of India, including obtaining corroborative information and/or audit evidence in relation to the aforesaid components of

financial statements. Accordingly, we are unable to comment on the consequential effects of the foregoing on the accompanying consolidated financial statements.

- d. Note 38 of the accompanying consolidated financial statements, the accompanying consolidated financial statements include results of Lanco Resources International Pte Limited (LR IPL), whose consolidated accounts reflect total assets of ₹ 6,82,276.56 lakhs as at March 31, 2012, the total revenue of ₹ 69,582.19 lakhs, net loss of ₹ 28,664.38 lakhs and cash flows amounting to ₹ (16,561.03) lakhs for the year then ended, which have not been audited and are based upon management accounts and we are unable to comment on adjustments that may have been required to the accompanying consolidated financial statement, had such consolidated accounts of LR IPL been audited. This had also been qualified in our audit report for the year ended March 31, 2011.
- e. Note 39 of the accompanying consolidated financial statements, managerial remuneration of ₹ 223.11 lakhs paid in previous year in case of Lanco Solar Private Limited (LSPL) was paid in excess of the permissible remuneration under Schedule XIII of the Companies Act, 1956. LSPL has applied to the Central Government for the approval of such excess remuneration. Pending the final outcome of this matter, we are unable to comment on consequential adjustments, if any, required in the accompanying consolidated financial statements in this regard. This had also been qualified in our audit report for the year ended March 31, 2011.
6. Except for the possible effects of the matters referred to in paragraph 5 above, based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at March 31, 2012;
 - (b) in the case of the consolidated statement of profit and loss, of the loss for the year ended on that date; and
 - (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For S.R. Batliboi & Associates

Firm Reg. No 101049W
Chartered Accountants

per Sanjay Vij

Partner
M. No.95169

Place: Gurgaon
Date: May 29, 2012

For Brahmayya & Co

Firm Reg. No. 000511S
Chartered Accountants

per N. Sri Krishna

Partner
M.No. 26575

Place: Gurgaon
Date: May 29, 2012

Consolidated Balance Sheet

as at March 31 2012

		[₹ in Lakhs]	
	Notes	As at March 31, 2012	As at March 31, 2011
I EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	3	23,896.51	23,871.93
Reserves and Surplus	4	4,46,708.59	4,38,440.67
		4,70,605.10	4,62,312.60
Minority Interest			
		95,188.23	84,532.51
Non Current Liabilities			
Long Term Borrowings	5	22,15,217.93	11,40,712.81
Deferred Tax Liabilities (net)	6.1	71,719.40	54,814.65
Other Long Term Liabilities	7	3,77,293.20	3,47,868.35
Long Term Provisions	8	32,461.02	15,853.21
		26,96,691.55	15,59,249.02
Current Liabilities			
Short Term Borrowings	9	5,88,408.27	3,27,214.67
Trade Payables	10	3,75,467.16	1,57,655.90
Other Current Liabilities	11	5,72,785.06	3,21,789.22
Short Term Provisions	8	42,224.67	6,919.91
		15,78,885.16	8,13,579.70
TOTAL		48,41,370.04	29,19,673.83
II ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	12	18,54,426.80	10,29,894.85
Intangible Assets	13	9,615.65	3,827.44
Capital Work in Progress	14	13,85,394.84	5,23,654.14
Intangible Assets under Development	15	2,616.96	45.56
		32,52,054.25	15,57,421.99
Non Current Investments			
Deferred Tax Assets (net)	6.2	2,757.83	1,132.96
Long Term Loans and Advances	18	1,68,235.43	2,17,492.47
Other Non Current Assets	19	52,688.34	64,372.21
		37,48,421.01	21,49,697.67
Current Assets			
Current Investment	17	3,740.42	10,216.23
Inventories	20	2,78,888.41	2,14,295.59
Trade Receivables	19.1	3,76,419.08	1,45,850.16
Cash and Bank Balances	21	1,41,206.58	1,26,645.41
Short Term Loans and Advances	18	2,73,968.96	2,66,886.68
Other Current Assets	19.2	18,725.58	6,082.09
		10,92,949.03	7,69,976.16
TOTAL		48,41,370.04	29,19,673.83
Summary of Significant Accounting Policies	2.1		

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date.

For S. R. Batliboi & Associates

Firm Reg. No 101049W
Chartered Accountants

per Sanjay Vij

Partner
M. No.95169

Place: Gurgaon

Date: May 29, 2012

For Brahmayya & Co

Firm Reg. No. 000511S
Chartered Accountants

per N. Sri Krishna

Partner
M.No. 26575

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

L. Madhusudhan Rao

Executive Chairman
DIN - 00074790

T. Adi Babu

COO - Finance

Place: Gurgaon

Date: May 29, 2012

G. Venkatesh Babu

Managing Director
DIN - 00075079

C. Krishna Kumar

Executive Director &
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31 2012

(₹ in Lakhs)

	Notes	For the year ended March 31, 2012	For the year ended March 31, 2011
I INCOME			
Revenue from Operations	22	10,16,896.40	7,70,195.24
Other Income	23	11,760.93	34,216.31
Total Revenue (I)		10,28,657.33	8,04,411.55
II EXPENSES			
Cost of Materials Consumed	24	5,01,253.52	2,98,439.85
Purchase of Traded Goods	25	1,00,438.31	1,61,712.32
Subcontract Cost		52,430.00	62,416.58
Construction, Transmission, Site and Mining Expenses	26	1,02,950.91	43,805.62
(Increase) / Decrease in Inventories of Finished Goods and Construction / Development Work in Progress	27	(34,501.62)	(49,009.81)
Employee Benefits Expenses	28	71,168.28	48,684.44
Other Expenses	29	50,058.15	23,163.93
Total Expenses (II)		8,43,797.55	5,89,212.93
III Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (I-II)		1,84,859.78	2,15,198.62
Finance Cost	30	1,05,385.10	75,766.78
Depreciation and Amortisation Expense	31	56,279.54	35,373.41
IV Profit before Exceptional, Prior Period Items, Minority Interest, Share of Profit of Associates and Tax		23,195.14	1,04,058.43
V Exceptional Items	36 (a) & 37 (c)	11,643.17	-
VI Profit before Prior Period Items, Minority Interest, Share of Profit of Associates and Tax (IV + V)		34,838.31	1,04,058.43
VII Tax Expense			
Current Tax / Minimum Alternate Tax (MAT) Payable		20,131.98	38,101.47
Less: MAT Credit Entitlement		493.69	6,284.44
Net Current Tax		19,638.29	31,817.03
Relating to Previous Years		78.71	58.88
Deferred Tax		2,745.24	6,619.99
Total Tax Expense (VII)		22,462.24	38,495.90
VIII Profit after Taxation but before Prior Period Items, Minority Interest and Share of Profit of Associates (VI - VII)		12,376.07	65,562.53
IX Prior Period Items	35	360.34	110.67
X Net Profit after Taxation, before Minority Interest and Share of Profit of Associates		12,015.73	65,451.86
Add : Share of Profit / (Loss) of Associates		(6,021.81)	261.16
Less: Elimination of Unrealised Profit on Transactions with Associate Companies		3,768.96	4,073.48
XI Net Profit after Taxation and Share of Profit of Associates before Minority Interest		2,224.96	61,639.54
Less: Share of Minority Interest		13,428.43	17,032.65
XII Net Profit / (Loss) after Taxation, Minority Interest and Share of Profit of Associates (Balance Carried to Balance Sheet)		(11,203.47)	44,606.89
XIII Earnings Per Equity Share - (Face value of share ₹ 1/-)	32		
Basic (₹)		(0.48)	1.92
Diluted (₹)		(0.48)	1.90
Summary of Significant Accounting Policies	2.1		

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date.

For S. R. Batliboi & Associates

Firm Reg. No 101049W
Chartered Accountants

per Sanjay Vij

Partner
M. No.95169

Place: Gurgaon
Date: May 29, 2012

For Brahmayya & Co

Firm Reg. No. 000511S
Chartered Accountants

per N. Sri Krishna

Partner
M.No. 26575

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

L. Madhusudhan Rao

Executive Chairman
DIN - 00074790

T. Adi Babu

COO - Finance

Place: Gurgaon
Date: May 29, 2012

G. Venkatesh Babu

Managing Director
DIN - 00075079

C. Krishna Kumar

Executive Director &
Company Secretary

Consolidated Cash Flow Statement

for the year ended March 31 2012

	(₹ in Lakhs)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Exceptional, Prior Period Items, Minority Interest, Share of Profit of Associates and Tax	23,195.14	1,04,058.43
Adjustments for:		
Depreciation and Amortisation	56,279.54	35,373.41
Impact of Change in Method of Depreciation	-	(14,148.87)
(Profit) on Sale of Current Investments (net)	(562.78)	(770.73)
(Profit) on Sale of Non - Current Investments (net)	-	(123.03)
Loss on Sale of Fixed Assets (net)	751.11	1,393.32
(Gain) / Loss on Foreign Exchange Fluctuations (net)	10,843.49	(8,432.40)
Liabilities and Provisions no longer required written back	(163.89)	(2,056.27)
Provision for Advances / Claims / Debts	2,419.84	764.71
Employee Stock Option Charge during the year	3,461.96	4,071.48
Interest Income	(6,995.29)	(5,598.94)
Dividend Income	(206.97)	(257.74)
Interest Expenses	1,05,385.11	75,766.78
Cash Generated Before Working Capital Changes	1,94,407.26	1,90,040.15
Movement In Working Capital		
Increase in Trade Payables	1,31,511.04	52,926.30
Increase in Provisions	44,422.52	14,669.88
Increase in Other Liabilities	97,463.06	2,38,925.78
(Increase) / Decrease in Trade Receivables	(87,456.69)	11,337.90
(Increase) in Inventories	(33,290.88)	(42,824.89)
(Increase) / Decrease in Loan and Advances (excluding Capital Advances)	16,301.76	(1,46,972.78)
(Increase) / Decrease in Other Assets	10,385.57	(568.53)
Cash Generated From Operations	3,73,743.64	3,17,533.81
Direct Taxes Paid	(31,139.28)	(37,199.50)
Net Cash Flow From Operating Activities	3,42,604.36	2,80,334.31
B. CASH FLOW USED IN INVESTING ACTIVITIES		
Purchase of Fixed Assets (including Capital Advances)	(6,69,634.80)	(8,30,959.05)
Proceeds from Sale of Fixed Assets	1,259.74	145.72
Consideration paid on acquisition of subsidiaries	(97.11)	-
Cash and cash equivalents acquired pursuant to acquisition of subsidiaries	2,550.73	-
Purchase of Non - Current Investments	(92,900.23)	(95,916.89)
Sale / (Purchase) of Current Investments (Net)	7,306.59	67,620.55
Inter Corporate Deposits Received / (Given)	15,382.92	(3,300.00)
Investment in Bank Deposits	(11,531.47)	(12,226.06)
Advance for Investment Refunded / (Given)	384.53	(1,09,345.64)
Dividend Income Received	206.97	257.74
Interest Income Received	5,924.88	5,030.41
Net Cash Flow Used in Investing Activities	(7,41,147.25)	(9,78,693.22)

Consolidated Cash Flow Statement

for the year ended March 31 2012

	[₹ in Lakhs]	
	For the year ended March 31, 2012	For the year ended March 31, 2011
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Short - Term Borrowings (net)	1,00,950.33	1,63,101.17
Proceeds from Long Term Loan	6,99,881.07	7,73,972.72
Repayment of Long Term Loan	(1,82,230.01)	(1,04,414.39)
Proceeds on account of exercise of ESOP shares	24.58	17.20
Proceeds from Minority Interest	17.61	21.92
Repayment of Minority Interest	(5,830.10)	(3,603.96)
Interest Paid	(2,01,167.39)	(1,10,192.91)
Net Cash Flow From Financing Activities	4,11,646.09	7,18,901.75
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	13,103.20	20,542.84
Cash and Cash Equivalents at the beginning of the year	97,143.38	76,600.54
Less: Cash and Cash Equivalents impact on subsidiaries becoming associates	(15,338.06)	-
Cash and Cash Equivalents at the end of the year	94,908.52	97,143.38
Components of Cash and Cash Equivalents		
Cash and cheques on Hand	75.37	2,455.80
Balances with Banks		
- On Current Accounts	69,237.01	68,758.29
- On Deposit Accounts	25,596.14	25,929.29
Cash and cash Equivalents as per Note 21	94,908.52	97,143.38

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 as notified under Section 211(3C) of the Companies Act, 1956.
- Previous year's figures have been regrouped and reclassified to conform to those of the current year.

As per our report of even date.

For S. R. Batliboi & Associates

Firm Reg. No 101049W
Chartered Accountants

per Sanjay Vij

Partner
M. No.95169

Place: Gurgaon
Date: May 29, 2012

For Brahmayya & Co

Firm Reg. No. 000511S
Chartered Accountants

per N. Sri Krishna

Partner
M.No. 26575

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

L. Madhusudhan Rao

Executive Chairman
DIN - 00074790

T. Adi Babu

COO - Finance

Place: Gurgaon
Date: May 29, 2012

G. Venkatesh Babu

Managing Director
DIN - 00075079

C. Krishna Kumar

Executive Director &
Company Secretary

Notes

to consolidated financial statements for the year ended March 31, 2012

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 100 acres of land at Manikonda, Hyderabad part of an exclusive "Knowledge Corridor" being promoted by the Government of Andhra Pradesh. 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 (GCMPL) and Carpenter Mine Management Pty Ltd (CMMPL) are incorporated and operating in Australia. These company's principal activities are the exploration, mining and marketing of coal.

2. BASIS OF PREPARATION

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies have been consistently applied by the group and except for the changes in accounting policy discussed below, 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 unrealised 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 recognised 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. Unrealised 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, 2012.

As per Accounting Standard 21 notified by Companies (Accounting Standards) Rules, 2006 (as amended) Consolidated Financial Statements, only the notes involving items which are material need to be 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.

Notes

to consolidated financial statements for the year ended March 31, 2012

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	Relationship	March 31, 2012		March 31, 2011	
				Percentage of Ownership Interest	Relationship	Percentage of Ownership Interest	Relationship
1	Lanco Power Limited (LPL) [Formerly Lanco Hydro Power Ventures Private Limited (LHPVPL)]	India	Subsidiary of LITL	100.00%	Subsidiary of LITL	100.00%	
2	Lanco Thermal Power Limited (LTPL) [Formerly Vamshi Industrial Power Limited (VIPL)]	India	Subsidiary of LPL	100.00%	Subsidiary of LPL	99.88%	
3	Lanco Kondapalli Power Limited (LKPL)	India	Subsidiary of LTPL	59.00%	Subsidiary of LITL	59.00%	
4	Lanco Tanjore Power Company Limited (LTPCL)	India	Subsidiary of LTPL	58.45%	Subsidiary of LITL	51.02%	
5	Lanco Amarkantak Power Limited (LAPL) [Formerly Lanco Power Limited (LPL)]	India	Subsidiary of LTPL	100.00%	Subsidiary of LITL	100.00%	
6	Udupi Power Corporation Limited (UPCL)	India	Subsidiary of LTPL	69.89%	Associate of LITL	26.15%	
7	Lanco Anpara Power Limited (LAnPL)	India	Subsidiary of LTPL	100.00%	Associate of LITL	26.07%	
8	Arneb Power Private Limited (ArPPL)	India	Subsidiary of LPL	93.75%	Subsidiary of LITL	93.75%	
9	Lanco Hydro Power Private Limited (LHPPL) [Formerly Vamshi Hydro Energies Private Limited (VHEPL)]	India	Subsidiary of LPL	100.00%	Subsidiary of LPL	99.84%	
10	Lanco Teesta Hydro Power Private Limited (LTHPPL)	India	Subsidiary of LHPPL	100.00%	Subsidiary of LITL	99.96%	
11	Lanco Budhil Hydro Power Private Limited (LBHPPL)	India	Subsidiary of LHPPL	100.00%	Subsidiary of LITL	99.99%	
12	Lanco Mandakini Hydro Energy Private Limited (LMHEPL)	India	Subsidiary of LHPPL	100.00%	Subsidiary of LPL	100.00%	
13	Diwakar Solar Projects Limited (DSPL) [Formerly Diwakar Solar Projects Private Limited (DSPL)]	India	Subsidiary of LITL	100.00%	Subsidiary of LITL	100.00%	
14	Lanco Solar Energy Private Limited (LSEPL)	India	Subsidiary of LITL	100.00%	Subsidiary of LITL	100.00%	
15	Lanco Solar Services Private Limited (LSSPL)	India	Subsidiary of LSEPL	100.00%	Subsidiary of LSEPL	100.00%	
16	Lanco Solar Private Limited (LSPL)	India	Subsidiary of LSEPL	100.00%	Subsidiary of LSEPL	100.00%	
17	Khaya Solar Projects Private Limited (KSPPL)	India	Subsidiary of LSEPL	100.00%	Subsidiary of LSEPL	100.00%	

Notes

to consolidated financial statements for the year ended March 31, 2012

Sr. No.	Name of company	Country of Incorporation	March 31, 2012		March 31, 2011	
			Relationship	Percentage of Ownership Interest	Relationship	Percentage of Ownership Interest
18	Bhanu Solar Projects Private Limited (BSPPL)	India	Subsidiary of LSEPL	100.00%	Subsidiary of LITL	100.00%
19	Lanco Solar Power Projects Private Limited (LSPPPL)	India	Subsidiary of LSEPL	100.00%	-	-
20	Orion Solar Projects Private Limited (OSPPL)	India	Subsidiary of LSPPPL	100.00%	-	-
21	Pasiphae Power Private Limited (PPPL)	India	Subsidiary of LSPPPL	100.00%	-	-
22	Sabitha Solar Projects Private Limited (SSPPL)	India	Subsidiary of LSPPPL	100.00%	-	-
23	Helene Power Private Limited (HPPL)	India	Subsidiary of LSPPPL	100.00%	-	-
24	Omega Solar Projects Private Limited (OSPPL)	India	Subsidiary of LSPPPL	100.00%	-	-
25	Lanco Wind Power Private Limited (LWPPL)	India	Subsidiary of LITL	100.00%	Subsidiary of LITL	100.00%
26	Amrutha Power Private Limited (APPL)	India	Subsidiary of LWPPL	100.00%	Subsidiary of LWPPL	100.00%
27	Spire Rotor Private Limited (SRPL)	India	Subsidiary of LWPPL	100.00%	Subsidiary of LWPPL	99.90%
28	Emerald Orchids Private Limited (EOPL)	India	Subsidiary of LWPPL	85.71%	-	-
29	JH Patel Power Project Private Limited (JhPL)	India	Subsidiary of LWPPL	99.94%	Subsidiary of LWPPL	99.90%
30	National Energy Trading and Services Limited (NETS)	India	Subsidiary of LITL	99.83%	Subsidiary of LITL	99.83%
31	Mahatamil Mining and Thermal Energy Limited (MMTEL) [Lanco Mining and Thermal Energy Limited (LMTEL)]	India	Subsidiary of LITL	73.90%	-	-
32	Mercury Projects Private Limited (MPPL)	India	Subsidiary of LITL	100.00%	Subsidiary of LITL	100.00%
33	Lanco Hills Technology Park Private Limited (LHTPPL)	India	Subsidiary of LITL	79.14%	Subsidiary of LITL	74.00%
34	Uranus Projects Private Limited (UPPL)	India	Subsidiary of LITL	99.97%	Subsidiary of LITL	99.97%
35	Jupiter Infratech Private Limited (JIPL)	India	Subsidiary of UPPL	100.00%	Subsidiary of UPPL	100.00%
36	Uranus Infratech Private Limited (UIPL)	India	Subsidiary of UPPL	100.00%	Subsidiary of UPPL	100.00%
37	Leda Properties Private Limited (LPPL)	India	Subsidiary of UPPL	100.00%	Subsidiary of UPPL	100.00%

Notes

to consolidated financial statements for the year ended March 31, 2012

Sr. No.	Name of company	Country of Incorporation	March 31, 2012		March 31, 2011	
			Relationship	Percentage of Ownership Interest	Relationship	Percentage of Ownership Interest
38	Coral Orchids Private Limited (COPL)	India	Subsidiary of UPPL	100.00%	Subsidiary of UPPL	100.00%
39	Thebe Properties Private Limited (ThPPL)	India	Subsidiary of UPPL	100.00%	Subsidiary of UPPL	100.00%
40	Cressida Properties Private Limited (CrPPL)	India	Subsidiary of UPPL	100.00%	Subsidiary of UPPL	100.00%
41	Nix Properties Private Limited (NiPPL)	India	Subsidiary of UPPL	100.00%	-	-
42	Cordelia Properties Private Limited (CPPL)	India	Subsidiary of UPPL	99.98%	Subsidiary of LITL	99.98%
43	Deimos Properties Private Limited (DePPL)	India	Subsidiary of UPPL	99.99%	Subsidiary of LITL	99.99%
44	Dione Properties Private Limited (DPPL)	India	Subsidiary of UPPL	100.00%	Subsidiary of LITL	100.00%
45	Neptune Projects Private Limited (NPPL)	India	Subsidiary of UPPL	99.72%	Subsidiary of LITL	99.72%
46	Pearl Farms Private Limited (PFPL)	India	Subsidiary of UPPL	99.99%	Subsidiary of LITL	99.99%
47	Telesto Properties Private Limited (TePPL)	India	Subsidiary of UPPL	99.98%	Subsidiary of LITL	99.98%
48	Lanco International Pte Limited (LIPL)	Singapore	Subsidiary of LITL	99.50%	Subsidiary of LITL	99.50%
49	Lanco Enterprise Pte Limited (China)	China	Subsidiary of LIPL	100.00%	Subsidiary of LIPL	100.00%
50	Lanco Infratech Nepal Private Limited (LINPL)	Nepal	Subsidiary of LIPL	100.00%	-	-
51	LE New York - LLC (LENY)	New York	Subsidiary of LIPL	100.00%	Subsidiary of LIPL	100.00%
52	Lanco Power International Pte Limited (LPIPL)	Singapore	Subsidiary of LIPL	100.00%	Subsidiary of LIPL	100.00%
53	Lanco Solar International Pte Limited (LSIPL)	Singapore	Subsidiary of LIPL	100.00%	Subsidiary of LIPL	100.00%
54	Lanco Solar Holding Netherland B.V Utrecht (LSHNBV)	Netherlands	Subsidiary of LSIPL	100.00%	Subsidiary of LIPL	100.00%
55	Lanco US EPC Branch LLC (LSEB) [Formerly Lanco North Park Land Holdings One LLC]	USA	Subsidiary of LSHNBV	100.00%	Subsidiary of LUSPV	100.00%
56	Lanco Solar Canada Limited (LSCL)	Canada	Subsidiary of LSHNBV	100.00%	-	-
57	SolarFi SP 07 (SSP 07)	France	Subsidiary of LSHNBV	100.00%	-	-
58	SolarFi SP 06 (SSP 06)	France	Subsidiary of LSHNBV	100.00%	-	-

Notes

to consolidated financial statements for the year ended March 31, 2012

			March 31, 2012		March 31, 2011	
Sr. No.	Name of company	Country of Incorporation	Relationship	Percentage of Ownership Interest	Relationship	Percentage of Ownership Interest
59	Lexton Trading (Pty.) Limited (LxTPL)	South Africa	Subsidiary of LSHNBV	100.00%	-	-
60	Approve Choice Investments (Pty.) Limited (ACIL)	South Africa	Subsidiary of LxTPL	55.00%	-	-
61	Bar Mount Trading (Pty.) Limited (BMTPL)	South Africa	Subsidiary of LxTPL	100.00%	-	-
62	Barrelake Investments (Pty.) Limited (BIPL)	South Africa	Subsidiary of LxTPL	80.00%	-	-
63	Belara Trading (Pty.) Limited (BTPL)	South Africa	Subsidiary of LxTPL	80.00%	-	-
64	Caelamen (Pty.) Limited (CPL)	South Africa	Subsidiary of LxTPL	100.00%	-	-
65	Dupondius (Pty.) Limited (DPL)	South Africa	Subsidiary of LxTPL	80.00%	-	-
66	Gamblegreat Trading (Pty.) Limited (GTPL)	South Africa	Subsidiary of LxTPL	55.00%	-	-
67	Filten Trading (Pty.) Limited (FTPL)	South Africa	Subsidiary of LxTPL	100.00%	-	-
68	K2011103835 (Pty.) Limited (KPL)	South Africa	Subsidiary of FTPL	100.00%	-	-
69	Lanco Solar International Limited (LSIL UK)	United Kingdom	Subsidiary of LSHNBV	100.00%	Subsidiary of LIPL	100.00%
70	Lanco Solar International GMBH (LSI GMBH)	Germany	Subsidiary of LSIL UK	100.00%	-	-
71	Lanco Solar International US Inc. (LSI USA)	USA	Subsidiary of LSIL UK	100.00%	Subsidiary of LSIL UK	100.00%
72	Lanco Rocky Face Land Holdings LLC (LRFLH)	USA	Subsidiary of LSI USA	100.00%	Subsidiary of LUSPV	100.00%
73	Lanco Tracy City Land Holdings LLC (USA) (LTCLH)	USA	Subsidiary of LSI USA	100.00%	Subsidiary of LUSPV	100.00%
74	Lanco IT PV Investments B.V. (LITPV) [Formerly Lanco Italy PV 1 Investments B.V. Utrecht]	Italy	Subsidiary of LSHNBV	100.00%	Subsidiary of LSHNBV	100.00%
75	Tiper Solaire SAS (TSS)	South Africa	Subsidiary of LITPV	51.00%	-	-
76	Apricus S.R.L (ASRL)	Italy	Subsidiary of LITPV	100.00%	Subsidiary of LIPL	100.00%
77	Green Solar SRL (GSSRL)	Italy	Subsidiary of LITPV	100.00%	Subsidiary of LIPL	100.00%
78	Lanco US PV Investments B.V.(LUSPV) [Formerly Lanco Italy PV 2 Investments B.V. Utrecht]	Italy	Subsidiary of LSHNBV	100.00%	Subsidiary of LSHNBV	100.00%

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			March 31, 2012		March 31, 2011	
Sr. No.	Name of company	Country of Incorporation	Relationship	Percentage of Ownership Interest	Relationship	Percentage of Ownership Interest
79	Lanco Solar Holdings, LLC (USA) (LSH USA) (Formerly Lanco North Park Land holdings Two LLC)	USA	Subsidiary of LUSPV	100.00%	Subsidiary of LUSPV	100.00%
80	Lanco SP PV 1 Investments B.V.(LSPPV) [Formerly Lanco Spain PV 1 Investments B.V. Utrecht]	Spain	Subsidiary of LSHNBV	100.00%	Subsidiary of LSHNBV	100.00%
81	Lanco Solar Project Development S.L.U (LSPD)	Spain	Subsidiary of LSPPV	100.00%	Subsidiary of LSIL UK	100.00%
82	Inversion Solar Andalucia 14 SLU (ISA)	Spain	-	-	Subsidiary of LSPV	100.00%
83	Lanco Resources International Pte Limited (LRIPL)	Singapore	Subsidiary of LITL	100.00%	Subsidiary of LITL	100.00%
84	Lanco Holding Netherland B.V (LHNBV)	Netherlands	Subsidiary of LRIPL	100.00%	Subsidiary of LIPL	100.00%
85	Lanco Energy Africa (Proprietary) Limited (LEA)	South Africa	Subsidiary of LHNBV	100.00%	Subsidiary of LHNBV	100.00%
86	P.T Lanco Indonesia Energy (LIInE)	Indonesia	Subsidiary of LHNBV	100.00%	Subsidiary of LIML	100.00%
87	Lanco Resources Australia Pty. Limited (LRAPL)	Australia	Subsidiary of LRIPL	100.00%	Subsidiary of LRIPL	100.00%
88	The Griffin Coal Mining Company Pty Limited (GCM)	Australia	Subsidiary of LRAPL	100.00%	Subsidiary of LRAPL	100.00%
89	Carpenter Mine Management Pty Limited (CMM)	Australia	Subsidiary of LRAPL	100.00%	Subsidiary of LRAPL	100.00%
90	Lanco Infratech (Mauritius) Limited (LIML)	Mauritius	Subsidiary of LITL	100.00%	Subsidiary of LITL	100.00%
91	Lanco Kanpur Highways Limited (LKHL)	India	Subsidiary of LITL	99.99%	Subsidiary of LITL	98.80%
92	Lanco Vidarbha Thermal Power Limited (LVTPL)	India	Associate of LTPL	26.68%	Subsidiary of LITL	100.00%
93	Genting Lanco Power (India) Private Limited (GLPIPL)	India	Associate of LITL	26.00%	Associate of LITL	26.00%
94	Himavat Power Private Limited (HPPL)	India	Associate of LTPL	26.67%	Subsidiary of LITL	100.00%
95	Pragdisa Power Private Limited (PrPPL)	India	Associate of LITL	26.00%	Associate of LITL	26.00%
96	Vainateya Power Private Limited (VPPL)	India	Associate of LTPL	26.00%	Associate of LITL	26.00%
97	Avior Power Private Limited (AVPPL)	India	Associate of LITL	26.00%	Associate of LITL	26.00%
98	Mirach Power Private Limited (MiPL)	India	Associate of LITL	26.00%	Associate of LITL	26.00%
99	Lanco Hoskote Highway Limited (LHHL)	India	Associate of LITL	26.42%	Associate of LITL	26.42%

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Sr. No.	Name of company	Country of Incorporation	March 31, 2012		March 31, 2011	
			Relationship	Percentage of Ownership Interest	Relationship	Percentage of Ownership Interest
100	Lanco Devihalli Highways Limited (LDHL)	India	Associate of LITL	26.10%	Associate of LITL	26.10%
101	Bay of Bengal Gateway Terminal Private Limited (BBGTPL)	India	Associate of LITL	26.00%	Associate of LITL	26.00%
102	Portia Properties Private Limited (PPPL)	India	Associate of LTPL	34.00%	Associate of LITL	34.00%
103	Charon Trading Private Limited (CTPL)	India	Associate of LTPL	34.00%	Associate of LITL	34.00%
104	Mimas Trading Private Limited (MTPL)	India	Associate of LTPL	50.00%	Associate of LITL	50.00%
105	Ananke Properties Private Limited (AnPPL)	India	Associate of LITL	26.03%	Associate of LITL	26.03%
106	Tethys Properties Private Limited (TPPL)	India	Associate of LITL	26.03%	Associate of LITL	26.03%
107	Bianca Properties Private Limited (BiPPL)	India	Associate of LITL	26.03%	Associate of LITL	26.03%
108	Belinda Properties Private Limited (BePPL)	India	Associate of LITL	26.03%	Associate of LITL	26.03%
109	Phoebe Trading Private Limited (PTPL)	India	Associate of LTPL	34.00%	Associate of LITL	34.00%
110	Basava Power Private Limited (BPPL)	India	Associate of MPPL	26.00%	Associate of MPPL	26.00%
111	Siddheswara Power Private Limited (SiPPL)	India	Associate of MPPL	26.00%	Associate of MPPL	26.00%
112	Regulus Power Private Limited (RPPL)	India	Associate of LTPL	43.14%	Subsidiary of LITL	98.04%
113	DDE Renewable Energy Pvt. Ltd. (DREPL)	India	Associate of LSEPL	49.00%	Associate of LSEPL	26.00%
114	Electromech Maritech Pvt. Ltd. (EMPL)	India	Associate of LSEPL	49.00%	Associate of LSEPL	26.00%
115	Finehope Allied Engg. Pvt. Ltd. (FAPPL)	India	Associate of LSEPL	38.00%	-	-
116	KVK Energy Ventures Pvt. Ltd. (KEVPL)	India	Associate of LSEPL	49.00%	-	-
117	Newton Solar Private Limited (NSPL)	India	Associate of LSEPL	26.00%	-	-
118	Saidham Overseas Pvt. Ltd (SOPL)	India	Associate of LSEPL	35.00%	-	-
119	Vasavi Solar Power Pvt Ltd (VSPPL)	India	Associate of LSEPL	49.00%	-	-
120	Lanco Babandh Power Limited (LBPL)	India	-	-	Associate of LITL	26.00%
121	Unique Corporate Consultants Pvt Ltd. (UCCPL)	India	-	-	Associate of LSEPL	41.00%

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2.1 Summary of significant accounting policies

i. Change in Accounting Policy

Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised schedule VI notified under the Companies Act 1956, has become applicable to the group, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The group has also reclassified the previous year figures in accordance with the requirement applicable in the current year.

Change in method of depreciation

During the previous year two of the subsidiary companies - LKPL and LAPL, had changed (with retrospective effect) their method of providing depreciation on fixed assets from the Written Down Value ('WDV') method at the rates prescribed in Schedule XIV to the Companies Act, 1956 to the Straight Line Method (SLM) on the basis of expert technical inputs and to align the depreciation method with other power companies within the group and industry. The net surplus arising out of retrospective recomputation has been recognised as Other Income, after netting off the consolidation adjustments, in the previous year statement of profit and loss.

ii. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India (Indian GAAP) requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

iii. Revenue Recognition

Revenue is recognised 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 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.

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

Sale of Power

Revenue from sale of energy is recognised 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 to under the Power Purchase Agreement, are accounted for in the year of acceptance.

Revenue from sale of infirm power is recognised on accrual basis as per the Central Electricity Regulatory Commission (CERC) norms.

Carbon Credits

Revenue from sale of Verified Emission Reductions (VERs) and Certified Emission Reductions (CERs) is recognised 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 recognised 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

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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 recognised when the substantial risks and rewards of ownership are transferred to the buyer.

Insurance Claims

Insurance claims are recognised on acceptance / actual receipt of the claim, whichever is earlier.

Management Consultancy

Income from project management / technical consultancy is recognised 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.

iv. 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 Ministry of Corporate Affairs, Government of India vide its Notification No.GSR 225(E) dated March 31, 2009 has announced Companies Accounting Standards (Amendment) Rules 2009 prescribing changes to Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates' and further amended by notification dated December 29, 2011.

Pursuant to the above mentioned notifications, the group & its associates have 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 on 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. LKPL, LAPL, LVTPPL, LHTPPL, LTPCL and HPPL had already exercised the option given in para 46 of the Accounting Standard – 11 in respect of accounting periods commencing on or after December 7, 2006.

v. Mining Assets

Deferred overburden

In case of coal business, the group company determines from surveys and geological modeling the total overburden and coal within a block; this provides a Block ratio. As mining occurs, the actual ratio mined is compared to the Block ratio. When the actual ratio is higher this is an indicator of additional overburden removed compared to coal mined. The costs of moving this additional overburden which relate to more than one period are carried forward and written off over the periods to which the benefit of the overburden moved relates.

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.

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.

vi. Intangible Fixed Assets

Intangible fixed assets are recognised 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.

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Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised 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 capitalised 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.

vii. 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 recognised 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 unit's (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.

viii. Depreciation / Amortisation:

Tangible Fixed Assets:-

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher. Assets costing ₹ 5000 or less are fully depreciated in the year of acquisition.

Leasehold land is amortised over the period of the lease.

Leasehold improvements included in "furniture and fixtures" are amortised 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' is provided at 100%, and 'Metal Scaffoldings' is written off over a period of 3 years, which are grouped under plant and machinery.

In case of GCM, depreciation / amortisation of the mining assets is charged in proportion to the depletion of the economically viable mineral reserves i.e. extraction of coal from the mines.

In case of LHPPL and LTPL, pursuant to order Nos. 45/5/2010-CL-III, 45/3/2011-CL-III, respectively from the Ministry of Corporate Affairs, Government of India, relating to special rate of depreciation as per sec 205 (2) (d) & sec 205 (2)(c) of Companies Act 1956 respectively, it has changed the applicable Depreciation rates on Hydraulic Works and Plant & Machinery from 5.28% PA to 2.714% PA with effect from April 1, 2010.

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:-

Computer Software is amortised over an estimated useful life of 4 years. Briquetting Technology Asset is amortised over an estimated useful life of 20 years.

ix. 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

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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.

x. Inventories

Construction materials, raw materials, Consumables, Stores and Spares, project / construction work-in-progress and finished goods are valued at lower of cost and net realisable value.

Cost is determined on weighted average cost method.

Net realisable 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 realisable 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.

xi. 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 capitalised 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.

xii. Duty Drawback Claims

Claims for duty drawback are accounted for on accrual basis when the conditions attached to the duty drawback are complied with and collection is reasonably certain.

xiii. 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 and 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.
- iv. 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.

xiv. 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 recognised 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 capitalised 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, 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

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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 recognised 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.

xv. 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 capitalised 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,

capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

xvi. 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.

xvii. 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 amortised over the vesting period.

xviii. 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.

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At each balance sheet date the entities in the group 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 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.

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 taxes relate to the same taxable entity and the same taxation authority.

xix. Minimum Alternate 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 recognised 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.

xx. Provisions and Contingent Liabilities

A provision is recognised when the entities in the group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the entities in the group expect some or all of a provision to be reimbursed, for example under an

insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Warranty provisions

Provisions for warranty-related costs are recognised 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.

Contingent liabilities

A contingent liability is a possible obligation that arises 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 entities in the group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The entities in the group do not recognise a contingent liability but discloses its existence in the financial statements.

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 Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the group has elected to present earnings before interest, tax, depreciation and amortisation (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 amortisation expense, finance costs and tax expense.

Notes

to consolidated financial statements for the year ended March 31, 2012

3 SHARE CAPITAL

			(₹ in Lakhs)
		As at March 31, 2012	As at March 31, 2011
Authorised	No. Lakhs		
50,000 (March 31, 2011: 50,000 of ₹ 1 each) Equity Shares of ₹ 1 each		50,000.00	50,000.00
Issued, Subscribed and Paid Up	No. Lakhs		
Equity Shares			
24,078.05 (March 31, 2011: 24,078.05 of ₹ 1 each) Equity Shares of ₹ 1 each fully paid up		24,078.05	24,078.05
Less: Amount recoverable from LCL - Foundation (ESOP Trust)		181.54	206.12
		23,896.51	23,871.93

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

	March 31, 2012		March 31, 2011	
	No. Lakhs	₹ Lakhs	No. Lakhs	₹ Lakhs
Equity Shares of ₹ 1 Each, Fully paid up				
At the Beginning	24,078.05	24,078.05	24,078.05	24,078.05
At the end	24,078.05	24,078.05	24,078.05	24,078.05

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

	March 31, 2012		March 31, 2011	
	No. Lakhs	₹ Lakhs	No. Lakhs	₹ Lakhs
Equity Shares of ₹ 1 each fully paid up held by				
Lanco Group Limited, the holding company*	13,537.12	13,537.12	3,191.14	3,191.14
*Lanco Group Limited was not the holding company in the previous year				

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to consolidated financial statements for the year ended March 31, 2012

3.4 Details of Shareholder holding more than 5% shares of the Company

	March 31, 2012		March 31, 2011	
	No. Lakhs	% Holding in the Class	No. Lakhs	% Holding in the Class
Equity Shares of ₹ 1 each held by				
Prince Stone Investments Limited	-	-	10,178.31	42.27
Lanco Group Limited, the holding company	13,537.12	56.22	3,191.14	13.25
Government Pension Fund Global	443.08	1.84	1,876.09	7.79

The above information represents ownership of shares 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 no. 45.

3.6 Aggregate number of Bonus Share Issued, Share issued for consideration other than Cash and Shares bought back during the period of five years immediately preceding the reporting date

	(₹ in Lakhs)	
	March 31, 2012	March 31, 2011
Shares allotted as fully paid bonus equity shares of ₹ 1/- each*	-	7,468.10

* 153.84 lakhs shares of ₹ 10/- each and 1,185.93 lakhs shares of ₹ 5/- each were allotted as fully paid bonus shares in the earlier years and they were split into 7,468.10 lakhs shares of ₹ 1/- each.

4 RESERVES AND SURPLUS*

	(₹ in Lakhs)	
	As at March 31, 2012	As at March 31, 2011
Capital Reserve		
As at the commencement of the year	82,747.67	429.04
Add / (less): Additions / utilisations during the year **	[2,103.39]	82,318.63
	80,644.28	82,747.67
** On consolidation (after netting off goodwill on consolidation of ₹ 15,636.46 (March 31, 2011 - ₹ 13,206.72) lakhs)		
Capital Redemption Reserve		
As at the commencement of the year	-	-
Add: Additions during the year	1,677.32	-
	1,677.32	-
Securities Premium Account		
As at the commencement of the year	1,79,827.28	1,76,997.59
Add: Premium on account of ESOPs exercised	2,287.80	2,829.69
	1,82,115.08	1,79,827.28
Share Option Outstanding Account		
Employee Stock Options (ESOP) Outstanding (net of ESOP Suspense) at the commencement of the year	4,662.71	7,460.09
Add: ESOP Costs recognised during the year	4,013.09	32.31
Less: Transfer to Security Premium on account of ESOPs exercised	2,287.79	2,829.69
	6,388.01	4,662.71

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to consolidated financial statements for the year ended March 31, 2012

4 RESERVES AND SURPLUS* (CONTD.)

	(₹ in Lakhs)	
	As at March 31, 2012	As at March 31, 2011
General Reserve		
As at the commencement of the year	8,909.96	5,909.96
Add: Amount transferred from Surplus balance in the Statement of Profit and Loss	2,803.75	3,000.00
	11,713.71	8,909.96
Foreign Currency Translation Reserve		
As at the commencement of the year	875.81	(259.65)
Add: Addition During the year	17,742.82	1,135.46
	18,618.63	875.81
Surplus in the Statement of Profit and Loss		
As at the commencement of the year	1,61,417.24	1,19,810.35
Add / Less:- Profit / (Loss) for the Year	(11,203.47)	44,606.89
Less: Appropriations		
Transfer to Capital Redemption Reserves	1,677.32	-
Transfer to General Reserves	2,803.75	3,000.00
Premium paid on buyback of shares by a Subsidiary	179.28	-
Proposed Dividend and Dividend Distribution Tax	1.86	-
Total Appropriations	4,662.21	3,000.00
Net Surplus in the Statement of Profit and Loss	1,45,551.56	1,61,417.24
	4,46,708.59	4,38,440.67

* Reserves and Surplus before intra-group profit elimination ₹ 5,98,000.59 lakhs (March 31, 2011 - ₹ 5,22,635.68 lakhs)
Refer Note No. 33

5 LONG TERM BORROWINGS

	(₹ in Lakhs)			
	Non Current Portion		Current Maturities	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Rupee Term Loans				
Secured				
From Banks	10,28,041.44	4,49,101.70	93,193.72	1,59,847.39
From Financial Institutions	7,22,091.58	2,19,635.12	37,874.42	12,416.51
Unsecured				
From Banks	46,645.42	44,946.85	44,431.49	-
From Financial Institutions	-	-	30,000.00	-
Foreign Currency Term Loans				
Secured				
From Banks	3,28,299.03	2,84,021.54	35,419.12	9,912.30
From Financial Institutions	2,468.30	3,016.11	987.32	861.75
Deferred Payment Liabilities	78,991.50	1,15,096.30	52,661.00	-
Finance Lease Obligations - Secured	3,602.41	21,686.12	20,734.29	11,050.22
Hypothecation Loans - Secured				
From Banks	1,084.68	2,749.46	1,664.79	2,824.13
From Others	3,993.57	459.61	2,400.28	461.83
	22,15,217.93	11,40,712.81	3,19,366.43	1,97,374.13
Amount disclosed under the head "Other Current Liabilities" (Note 11)	-	-	(3,19,366.43)	(1,97,374.13)
Net Amount	22,15,217.93	11,40,712.81	-	-

Notes

to consolidated financial statements for the year ended March 31, 2012

A. Rupee Term Loan from Banks and Financial Institutions

(₹ in Lakhs)

S. No.	Subsidiary Name	Amount of Loan		Rate of Interest **
		From Banks*	From Financial Institutions*	
1	Lanco Infratech Limited (LITL) - the Company	12,841.94 (45,405.39)	8,571.43 (40,714.29)	Mentioned with Terms and Conditions
Security & Terms and Conditions				
a) from banks				
1. ₹ 1,643.63 lakhs (March 31, 2011: ₹ 1,816.09 lakhs, out of which ₹ 166.09 is Current), out of which ₹ 330 lakhs is Current is secured by way of mortgage on the immovable assets pertaining to the wind turbine generator project and hypothecation of movable assets both present and future of the Company on first charge basis. Rate of interest being PLR-1.50% p.a. Repayable in 40 quarterly installments ending on March 31, 2017.				
2. ₹ 2,530.14 lakhs (March 31, 2011: ₹ 3,066.47 lakhs, out of which ₹ 216.47 lakhs is Current), out of which ₹ 523.67 lakhs is secured by way of mortgage on immovable assets pertaining to solar projects and hypothecation of movable assets both present and future of the Company on first charge basis. Rate of interest being PLR - 5.90% p.a. Repayable in 48 quarterly installments after moratorium period of one year and ending on Sep 30, 2023.				
3. ₹ Nil (March 31, 2011: ₹ 40,522.83 lakhs, out of which ₹ 14,431.94 lakhs is Current) are secured by way of pledge of shares of a subsidiary held by the Company and also by pledge of shares of the Company held by the promoters. Loan of ₹ Nil (March 31, 2011: ₹ 14,978.89 lakhs) bearing interest @ 11.75 % p.a. is repayable in a single bullet payment by November 30, 2012 and another ₹ Nil (March 31, 2011: ₹ 9,987.94 lakhs) bearing interest @ 12.00 % p.a. is repayable in a single bullet payment by February 14, 2012. Remaining loan of ₹ Nil (March 31, 2011: ₹ 15,556 lakhs) bearing interest rate of BMPLR -1% is repayable in 18 quarterly installments with moratorium of 6 months ending on December 30, 2014.				
4. ₹ 8,668.17 lakhs, out of which ₹ 1,349.15 lakhs is current (March 31, 2011: ₹ Nil) are secured by way of mortgage on the immovable assets pertaining to the Solar Power Projects and hypothecation of movable assets of those projects on first charge basis. Rate of interest being PLR+ 3.25% to 4 %. Repayable in 55 structured quarterly installments ending on March 31, 2026.				
b) from financial institution				
1. ₹ 8,571.43 lakhs, out of which Current is ₹ 2,142.86 lakhs (March 31, 2011: ₹ 10,714.29 lakhs, out of which ₹ 2,142.86 lakhs is Current) is secured by way of hypothecation of certain plant and machinery amounting to ₹ 5,003.60 lakhs on first charge basis and collateral security of land belonging to and some of its subsidiaries. Rate of interest being 11.00% (fixed) p.a. Repayable in 14 half yearly installments ending on January 5, 2016.				
2. ₹ Nil (March 31, 2011: ₹ 30,000 lakhs out of which all is Non-Current) is secured by way of pledge of shares of a subsidiary held by the Company and also by pledge of shares of the Company held by one of the promoters. Rate of interest being 11.50 % p.a. (fixed). Repayable in a single bullet payment after expiry of 3 years from the date of Disbursement, i.e., January 29, 2013.				
2	Lanco Amarkantak Power Limited (LAPL)	2,80,871.72 (2,56,565.98)	2,65,769.01 (98,642.42)	(10.75 - 16)%
Security & Terms and Conditions				
Pursuant to Common Loan Agreement dated August 4, 2005, June 19, 2006 and March 21, 2012 between LAPL and its lenders, the 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, 2012 is ₹ 21,127.61 lakhs.				
Secured by way of first charge ranking pari-passu on all immovable properties, both present and future and by way of hypothecation of all movable properties and assets, present and future and also by pledge of equity shares held by promoters. The equity shares to the extent of 77% of LAPL has been pledged for loans borrowed. Further certain loans are also covered by personal guarantee of certain directors and promoters of LAPL. The term loan is repayable in 12 years in quarterly installments.				
IDFC's term loan is secured by second charge on the movable properties of Unit 1 & 2 of LAPL and pledge of 20% paid up shares of LAPL held by the Company.				
Further during the year, term loan of ₹ 2,93,768.30 lakhs is drawn from banks & financial institutions which is repayable in 12 years in quarterly installments; 6 months post the scheduled date of commercial Operation (COD) or actual COD which-ever is earlier. The loan is secured by first pari-passu charge on the immovable properties both present and future.				
3	Lanco Kondapalli Power Limited (LKPL)	1,71,665.32 (94,507.87)	76,643.10 (32,209.50)	CY (11.50 - 14.75)% PY (10.00 - 13.50)%
Security & Terms and Conditions				
Term loans are repayable in 48 equal quarterly instalments commencing after 6 months from the project completion date (Phase II & III). 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 LKPL both present and future, all the tangible movable 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.				

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to consolidated financial statements for the year ended March 31, 2012

(₹ in Lakhs)

S. No.	Subsidiary Name	Amount of Loan		Rate of Interest **
		From Banks*	From Financial Institutions*	
4	Lanco Tanjore Power Company Limited (LTPCL)	6,853.74 (8,809.82)	-	13% Floating Rate
Security & Terms and Conditions The loan is repayable in 40 quarterly instalments of ₹ 490 lakhs each along with interest, from the date of loan, vis July 2005. The loan is secured by way of First Charge on pari passu basis by way of an equitable charge by deposit of title deeds of all the immovable properties of 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 LTPCL including its movable plant and machinery, spares, tools, accessories and other movables, both present and future including book debts and further secured by personal guarantees of certain Promoters of LTPCL.				
5	Lanco Anpara Power Limited (LANPL)	1,42,874.18	1,35,174.24	Weighted Average @ 14.28%
Security & Terms and Conditions Pursuant to Common Loan Agreement dated August 4, 2005, June 19, 2006 and March 21, 2012 between LAPL and its lenders, the 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, 2012 is ₹ 21,127.61 lakhs. Secured by way of first charge ranking pari-passu on all immovable properties, both present and future and by way of hypothecation of all movable properties and assets, present and future and also by pledge of equity shares held by promoters. The equity shares to the extent of 77% of LAPL has been pledged for loans borrowed. Further certain loans are also covered by personal guarantee of certain directors and promoters of LAPL. The term loan is repayable in 12 years in quarterly installments. IDFC's term loan is secured by second charge on the movable properties of Unit 1 & 2 of LAPL and pledge of 20% paid up shares of LAPL held by the Company. Further during the year, term loan of ₹ 2,93,768.30 lakhs is drawn from banks & financial institutions which is repayable in 12 years in quarterly installments; 6 months post the scheduled date of commercial Operation (COD) or actual COD which-ever is earlier. The loan is secured by first pari-passu charge on the immovable properties both present and future.				
6	Udupi Power Corporation Limited (UPCL)	2,58,067.37	1,97,526.25	1) Sr. Debt A (Majorly)- Base Rate (+/-) upto 3.50% 2) Sr. Debt B - 2% over and above applicable interest rate of Sr. Debt A
Security & Terms and Conditions Pursuant to Common Loan Agreement dated October 17, 2006 in respect of Sr. Rupee Debt B between UPCL and its lenders, each of the Sr. Rupee Debt B Lenders shall at any time after the COD, have the right to convert at their sole option the whole of the outstanding amount or any part of their respective portion of Senior Rupee Debt B Facility into fully paid up equity share value of the Borrower at par.				
7	Lanco Thermal Power Limited (LTPL) [Formerly Vamshi Industrial Power Limited (VIPL)]	1,147.06 (1,685.03)	-	(13.25 - 14.50)%
Security & Terms and Conditions From a consortium of 5 lenders led by State Bank of India, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala and State Bank of Bikaner & Jaipur for an amount of ₹ 4,182.11 lakhs, repayable in 36 quarterly installments with 12 months moratorium period, after commencement of commercial operation of ₹ 60.23 lakhs each out of total drawn loan ₹ 2,015.11 lakhs has been repaid till 31.03.2010. Secured by first charge on all the fixed assets of LTPL and pledge of 73.34 lakhs Equity Shares of LTPL held by LPL on pari-passu basis with other members of the consortium.				
8	Lanco Hydro Power Private Limited (LHPPL) [Formerly Vamshi Hydro Energy Private Limited (VHEPL)]	2,405.09 (2,866.73)	-	(13.25 - 14.25)%
Security & Terms and Conditions From a consortium of 5 lenders led by State Bank of India, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala and State Bank of Bikaner & Jaipur for an amount of ₹ 4,170 lakhs repayable in 36 quarterly installments with 12 months moratorium period, after commencement of commercial operation of ₹ 115.87 lakhs. Secured by first charge on all the fixed assets of LHPPL and pledge of 70.89 lakhs Equity Shares of LHPPL held by LPL on pari-passu basis with other members of the consortium.				
9	Lanco Mandakini Hydro Energies Private Limited (LMHEPL)	30,582.00 (20,582.00)	-	(14.85 - 15.25)%
Security & Terms and Conditions Secured by Pledge / First pari passu Charge etc. of all movable & immovable assets and further secured by pledge of the 76% of Paid up Equity Share Capital of LMHEPL. The loan is repayable in 60 quarterly instalments along with interest from December 2013 (including moratorium of one year).				
10	Lanco Budhil Hydro Power Private Limited (LBHPPL)	11,310.81 (12,208.27)	11,789.97 (12,810.42)	(11.50 - 14.75)%
Security & Terms and Conditions Secured by Pledge / First pari passu Charge etc. of all movable & immovable assets and further secured by pledge of the 30% of Paid up Equity Share Capital of LBHPPL.				
11	Lanco Teesta Hydro Power Private Limited (LTHPPL)	77,031.00 (52,740.00)	64,492.00 (47,675.00)	(13 - 15)%
Security & Terms and Conditions Secured by First Charge on all movable / immovable assets of LTHPPL and by pledge of the 30% of Paid up Equity Share Capital of LTHPPL.				

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(₹ in Lakhs)

S. No.	Subsidiary Name	Amount of Loan		Rate of Interest **
		From Banks*	From Financial Institutions*	
12	Lanco Hills Technology Park Private Limited (LHTPPL)	78,405.00 (68,350.00)	-	(12 - 16.25)%
Security & Terms and Conditions				
Phase I - The loan is repayable in 4 yearly instalments of ₹ 9,375 lakhs each of which Punjab National Bank is on quarterly instalments of ₹ 375 lakhs per quarter, from the date of loan, viz June 21, 2006. The loan is secured as first charge, ranking pari-passu, by way of hypothecation of all receivables and movable assets, including plant, machinery equipment, machinery spares, tools, stores, furniture, fixtures, vehicles and other moveable assets, both present and future, and mortgage of 50 acres of Phase I land together with building superstructures, amenities, infrastructure and other immovable assets present and future to be constructed/ developed thereon pertaining to LHTPPL site / division. Further the loan has been guaranteed by the corporate guarantee of the Company.				
Phase II - The loan is repayable in 10 half-yearly instalments of ₹ 7,500 lakhs each, from the date of loan, viz August 18, 2008. The loan is Secured as first charge, ranking pari-passu, by way of hypothecation of all receivables and movable assets including movable, plant, machinery, spares, tools, stores and accessories, furniture and fixtures, vehicles, building and other immovable assets both present and future of the Phase II of the project in 50 acres of land (present and future to be constructed/ developed and mortgage of 27.29 acres together with building, superstructures, infrastructure, amenities and other immovable assets present and future to be constructed/ developed, part of the above said land) by way of equitable mortgage in Manikonda village with the development rights of LHTPPL. Further secured by way of a third party guarantee by way of an equitable mortgage of land admeasuring 26.39 acres at Siruseri village, Tamilnadu State as collateral security pertaining to Lanco Horizon Pvt Ltd. Further the loan has been guaranteed by the corporate guarantee of the Company.				
13	Diwakar Solar Projects Limited (DSPL)	20,233.56 (Nil)	-	13.75%
Security & Terms and Conditions				
Out of the total loan of ₹ 20,233.56 lakhs, 80% of the loan is repayable in 48 quarterly unequal instalments starting from September 30, 2014 & ending on June 30, 2026 and 20% shall be paid in single installment with a moratorium period of 12 months from the date of COD. The loan is secured by a rank pari passu charge of project on all mortgages, charges, assignments and pledge as per the standard security package and is identified by and between consortium members.				
14	Khaya Solar Projects Private Limited (KSPL)	5478.52 (Nil)	-	13.25%
Security & Terms and Conditions				
Secured by way of first charge by way of hypothecation of KSPL's movable assets, book debts, Intangible Assets, LC/Escrow Account and unconditional & irrevocable corporate guarantee of the Company.				
15	Lanco Solar Private Limited (LSPL)	21,467.85 (6,615.00)	-	12.00%
Security & Terms and Conditions				
The loan is repayable in 36 unequal quarterly instalments of 2.5% per quarter for first 16 quarters and 3% per quarter for the last 20 quarters along with interest, after the expiry of 39 months from July 15, 2010. The loan is secured by way of pledge of shares of LSPL held by the Company, Corporate Guarantee of the Company 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 polysilicon and wafer manufacturing plant with capacity of 1250 T and 80 MW respectively at Villages Mehrukhard and Chhawardal, Tehsil Rajnandgaon, District Rajnandgaon in the state of Chhatisgarh.				
16	Lanco Vidarbha Thermal Power Limited (LVTPL)	Nil (38,613.00)	-	13.35%
Security & Terms and Conditions				
The repayment starts in December 2014. The repayment amount is ₹ 9,267 lakhs per quarter for the first 24 quarters and ₹ 13,873 lakhs per quarter thereafter. The loan is secured by				
a) First mortgage and charge on all the immovable properties, present and future				
b) First charge by way of hypothecation of all movable properties and assets, present and future				
c) First charge on Borrower's book debt, operating cash flows, current assets, receivables, revenues, Intangible, goodwill and uncalled capital present and future				
d) A 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;				
e) First charge on all letter of credit, escrow accounts, Trust and Retention account and any other bank accounts.				
f) Pledge of 51% of Paid up Share Capital of LVTPL.				
TOTAL		11,21,235.16 (6,08,949.09)	7,59,966.00 (2,32,051.63)	

* Previous Year figures are mentioned within the brackets

** CY means Current Year and PY means Previous Year

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to consolidated financial statements for the year ended March 31, 2012

B. Foreign Currency Loan from Banks and Financial Institutions

(₹ in Lakhs)

S. No.	Subsidiary Name	Amount of Loan		Rate of Interest **
		From Banks*	From Financial Institutions*	
1	Lanco Tanjore Power Company Limited (LTPCL)	358.10 (403.50)	3,455.62 (3,877.86)	Banks - 4.74% (6 months LIBOR + 3.50%) Financial Institutions - 10.30% Fixed
Security & Terms and Conditions				
Repayable in 40 quarterly instalments of approximately ₹ 25.50 lakhs and ₹ 246.70 lakhs, for banks and financials institutions respectively, 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 by way of an equitable charge by deposit of title deeds of all the immovable properties of 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 LTPCL including its movable plant and machinery, spares, tools, accessories and other movables, both present and future including book debts and further secured by personal guarantees of certain Promoters of LTPCL.				
2	Lanco Amarkantak Power Limited (LAPL)	19,628.84 (Nil)	-	(1.00 - 4.00)%
Security & Terms and Conditions				
Foreign Currency Buyer's Credit has been availed to the tune of ₹ 69,952.91 lakhs. Out of this liability, ₹ 53,787.16 lakhs falls due before March 31, 2013 out of which is ₹ 50,324.08 lakhs is treated as short term borrowing and ₹ 3463.09 lakhs is treated as current liability and balance ₹ 16,165.75 lakhs which fall due for roll-over beyond March 31, 2013 is treated as long-term liability. The same is secured by letter of comfort issued by term loan lenders.				
3	Lanco Hills Technology Parks Private Limited (LHTPPL)	45,017.72 (49,115.00)	-	9.38%
Security & Terms and Conditions				
The loan is repayable in 5 Half- yearly instalments of different amounts of USD 220, 192.5, 192.50, 275 and 220 lakhs, from the date of loan, viz April 28, 2008. The loan is secured by pledge of shares of LHTPPL held by the Company.				
4	Lanco Resource International Pte Limited (LRIPL)	63,945.63 (56,058.77)	-	LIBOR + 4.1%
Security & Terms and Conditions				
Secured against the corporate guarantee of the Company.				
5	Lanco Resource Australia Pty Limited (LRAPL)	2,14,147.31 (1,88,356.57)	-	LIBOR + 4.1%
Security & Terms and Conditions				
Secured against the corporate guarantee of the Company.				
6	Lanco Solar Private Limited (LSPL)	18,907.47 (Nil)	-	(1.99 to 3.81)%
Security & Terms and Conditions				
Foreign Currency Loan (Buyers Credit) from Banks is part of total Rupee Term Loan sanctioned by the banks and the loan is secured by way of pledge of shares of LSPL held by the Company, Corporate Guarantee of the Company 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 and wafer manufacturing plant with capacity of 1250 T and 80 MW respectively at Villages Mehrumkhurd and Chhawardal, Tehsil Rajnandgaon, District Rajnandgaon in the state of Chhatisgarh.				
7	Apricus SRL	1,713.08 (Nil)	-	7.59%
Security & Terms and Conditions				
Repayable in 18 years at fixed rate of 7.59% with 36 installments from October 2012 to October 2018 and variable interest rate from October 2018. The loan is secured by way of pledge on shares of Apricus SRL.				
TOTAL		11,21,235.16 (6,08,949.09)	7,59,966.00 (2,32,051.63)	

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(₹ in Lakhs)

S. No.	Subsidiary Name	Amount of Loan		Rate of Interest **
		From Banks*	From Financial Institutions*	
C.	Deferred Payment Liability	1,31,652.50 (1,15,096.30)	-	
	Security & Terms and Conditions			
	Represents deferred consideration payable in respect of acquisition of subsidiaries (GCM & CMM) during the previous year.			
D.	Finance Lease Obligation	-	24,336.70 (32,736.34)	
	Security & Terms and Conditions			
	Secured by the Plant and Machinery taken under Finance Lease Agreement.			
E.	Hypothecation Loans	2,749.47 (5,573.59)	6,393.85 (921.44)	(9.00 - 14.00)%
	Security & Terms and Conditions			
	Secured by hypothecation of specific construction equipment/ vehicles acquired out of such loans. These loans are repaid on agreed monthly installments.			
F.	Unsecured Loans	91,076.91 (44,946.85)	30,000 (Nil)	LIBOR + 4.1%
	Security & Terms and Conditions			
	The Company's unsecured loans from banks are guaranteed by way of pledge of shares of the Company held by the promoters. Loan of ₹ 14,989.57 lakhs bearing interest @ 11.75% p.a. is repayable in a single bullet payment by November 30, 2012; ₹ 19,977.42 lakhs bearing interest @ 10B BR + 3.50% is repayable in a single bullet payment by October 31, 2013; ₹ 24,997.92 lakhs bearing interest @ 9.25 % is repayable within 36 Months by Bullet Payment from the date of first disbursement, i.e. by October 24, 2012 and remaining loan of ₹ 11,112 lakhs bearing interest rate of BMPLR -1% is repayable in 18 quarterly installments with moratorium of 6 months ending on December 30, 2014.			
	Further, in case of UPCL, a loan of ₹ 20,000 lakhs has been availed from banks as Mezzanine Debt for which the collateral security is given by the Company by way of corporate guarantee and pledge of 12.50 lakh (₹ 10 each) shares of the Company held by the promoters. None of the assets of UPCL is given as security for the said loan.			
	Further, in case of the Company a loan of ₹ 30,000 lakhs from financial institutions has become unsecured in the current year for which 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.			

* Previous Year figures are mentioned within the brackets

6.1 DEFERRED TAX LIABILITY (net)

(₹ in Lakhs)

	As at March 31, 2012	As at March 31, 2011
Deferred Tax Liability		
Differences in Written Down Value in Block of Fixed Assets as per Tax Books and Financial Books	72,683.39	55,218.29
Gross Deferred Tax Liability	72,683.39	55,218.29
Deferred Tax Asset		
Provision for Gratuity and Compensated Absences	211.23	56.04
Provision for Forex Differences and Other Disallowances	752.76	347.60
Gross Deferred Tax Asset	963.99	403.64
Deferred Tax Liability (net)	71,719.40	54,814.65

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to consolidated financial statements for the year ended March 31, 2012

6.2 DEFERRED TAX ASSET (net)

	(₹ in Lakhs)	
	As at March 31, 2012	As at March 31, 2011
Deferred Tax Liability		
Differences in Written Down Value in Block of Fixed Assets as per Tax Books and Financial Books	2,982.74	1,812.68
Gross Deferred Tax Liability	2,982.74	1,812.68
Deferred Tax Asset		
Provision for Gratuity and Compensated Absences	1,624.88	1,576.77
Provision for Doubtful Debts	293.56	300.55
Provision for Lease Equalisation Reserve	145.09	209.50
Provision for Incentives and Exgratia	941.49	358.78
Unabsorbed Depreciation *	1,606.41	-
Provision for Other Disallowances	1,129.14	500.04
Gross Deferred Tax Asset	5,740.57	2,945.64
Deferred Tax Asset (net)	2,757.83	1,132.96

* Based on existing orders on hand the Company has recognised Deferred tax asset.

7 OTHER LONG TERM LIABILITIES

	(₹ in Lakhs)	
	As at March 31, 2012	As at March 31, 2011
Trade Payables (including acceptances)	20,661.27	72,274.79
Others		
Advances from Customers	3,56,096.58	2,73,066.27
Other Liabilities	535.35	2,527.29
	3,77,293.20	3,47,868.35

8 PROVISIONS

	(₹ in Lakhs)			
	Long term		Short term	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Provision for Employee Benefits (Refer Note No. 44)	7,209.42	4,505.80	5,498.87	2,428.44
Provision for Taxation (Net of Advance taxes)	-	-	8,073.62	3,829.34
Provision for Operations and Maintenance	1,704.74	898.10	845.11	411.68
Provision for Lease Equalisation	434.74	630.70	12.46	-
Proposed Preference Dividend	-	-	1.86	-
Provision for Mine restoration	22,507.37	9,818.61	506.70	248.49
Provision for warranty	604.75	-	25,394.15	-
Other Provisions	-	-	1,891.90	1.96
	32,461.02	15,853.21	42,224.67	6,919.91

Notes

to consolidated financial statements for the year ended March 31, 2012

9 SHORT TERM BORROWINGS

	(₹ in Lakhs)	
	As at March 31, 2012	As at March 31, 2011
Cash Credits and Working Capital Demand Loan from Banks (Secured)	2,52,267.36	1,70,183.93
Rupee Loans and Advances		
Secured		
From Banks	10,000.00	19,993.99
From Financial Institutions	15,000.00	-
Unsecured		
From Banks	436.10	52,467.88
Foreign Currency Loans and Advances		
Secured		
From Banks	3,10,704.81	64,566.88
Loans and Advances from Related Parties (Note No. 48)		
Unsecured		
Rupee Loans and Advances	-	20,001.99
	5,88,408.27	3,27,214.67

A. Cash Credits and Working Capital Demand Loan

(₹ in Lakhs)			
S. No.	Subsidiary Name	Amount of Loan From Banks*	Rate of Interest **
1	Lanco Infratech Limited (LITL) - the Company	1,88,051.48 (1,54,885.79)	(13.00 - 18.00)%
	Security & Terms and Conditions		
	Secured by a first charge by way of hypothecation of stock / work-in-progress and entire current assets of the Company both present and future, on pari passu basis with a term loan lender of ₹ Nil (March 31, 2011: ₹10,000 lakhs) and other working capital lenders under multiple banking arrangement.		
2	Lanco Kondapalli Power Limited (LKPL)	6,426.05 (5,213.05)	CY (10.25 - 15.75)% PY (10.25 - 13.00)%
	Security & Terms and Conditions		
	Secured by way of charge on LKPL's inventories, consumable stores, book debts and all the movable properties of 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 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 LKPL and secured on a pari passu basis by way of registered mortgage of LKPL's freehold properties in the State of Maharashtra and assignment of project contracts. Further secured by pledge of a portion of shares held by promoters. The cash credit is repayable on demand.		
3	Lanco Tanjore Power Company Limited (LTPCL)	2.57 (14.62)	14.05% Floating
	Security & Terms and Conditions		
	Secured by way of First Charge on pari passu basis by way of an equitable charge by deposit of title deeds of all the immovable properties of LTPCL, both present and future situated at karuppur village, near kuttalam in Thiruvaidamaruthur taluk, tanjore district, Tamil Nadu and by way of hypothecation of all the movable properties of LTPCL including its movable plant and machinery, spares, tools, accessories and other movables, both present and future including book debts and further secured by personal guarantees of certain Promoters of LTPCL. The loan is repayable on demand.		
4	Lanco Amarkantak Power Limited (LAPL)	26,678.14 (7,880.10)	(14.00 - 15.00)%
	Security & Terms and Conditions		
	Secured by way of first charge to the extent of ₹11,500 lakhs each in unit-1 and 2 & second charge for the remaining amount ranking pari-passu on all immovable and movable properties including movable plant, machinery, equipment, machinery spares, tools, accessories, furniture, vehicles and all other movable assets, both present and future, whether installed or not or in the course of transit or high seas or on order or delivery and book debts and all the receivables and revenues from the projects, all current assets, commissions and any other revenue, present and future.		

Notes

to consolidated financial statements for the year ended March 31, 2012

(₹ in Lakhs)

S. No.	Subsidiary Name	Amount of Loan		Rate of Interest **
		From Banks*		
5	Udupi Power Corporation Limited (UPCL)	10,822.33		(13.50 - 15)%
Security & Terms and Conditions				
The Security given to Senior Rupee Debt A and Senior Rupee Debt B Lenders shall rank parri passu among the participating Senior Rupee Debt A and Senior Rupee Debt B Lenders and the Working Capital Lenders. The Security Interest in the context of Working Capital Lenders shall secure the working capital facility to a maximum extent of ₹ 69,000 lakhs.				
6	Lanco Anpara Power Limited (LAnPL)	16,732.75		(13.75 - 14.50)%
Security & Terms and Conditions				
1 First pari passu charges on present and future current assets of the Borrower (both present & future)				
2 First pari passu charges on all movable and immovable fixed assets of the Borrower (both present & future)				
3 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.				
4 First pari passu charge/assignment/security interest of rights, titles and the interests of the borrower in all project documents/ contracts/licenses including insurance contracts pertaining to the project.				
Letter of Comfort for an amount of ₹ 13,000 lakhs provided by the Company. The Cash Credit is repayable on demand.				
7	National Energy Trading & Services Private Limited (NETS)	3,554.04 (2,190.28)		(14.25 - 15.00)%
Security & Terms and Conditions				
Secured by hypothecation of book debts and other current assets both present and future on parri passu basis and second charge on movable and immovable properties and also guaranteed by issue of Letter of Comfort by NETS. The Cash Credit is repayable on demand.				
8	Apricus S.R.L (ASRL)	Nil (0.09)		(14.00 - 15.00)%
Security & Terms and Conditions				
TOTAL		2,52,267.36 (1,70,183.93)		

B. Rupee Term Loan from Banks / Financial Institutions

(₹ in Lakhs)

S. No.	Subsidiary Name	Amount of Loan		Rate of Interest **
		From Banks*	From Financial Institutions*	
1	Udupi Power Corporation Limited (UPCL)	-	15000.00	13.75% with reset after 90 days
Security & Terms and Conditions				
Secured by 1, First pari-passu Charge on fixed asset and current assets of UPCL to be created within 3 months from the date of first disbursement. 2, Pledge of shares of UPCL held by the promoters out of 23% unpledged shares of UPCL with coverage of 1.25 which will be released after the creation of first pari-passu charge on the fixed and current assets of UPCL. 3, Post-dated cheques from the Company and UPCL for PFC's dues of STL. 4, Corporate Guarantee from the Company 5, Letter from the TRA banker admitting the obligation of UPCL for PFC's dues of STL and confirming that EMI payments as per schedule attached will be made out of TRA				
2	Lanco Kanpur Highways Limited (LKHL)	10,000.00 (Nil)	-	Base rate + 2%
Security & Terms and Conditions				
The loan is secured by Unconditional and irrevocable corporate guarantee of the Company. The loan is repayable in bullet repayment at the end of six months.				
3	Lanco Infratech Limited (LITL) - the Company	Nil (19,993.99)	-	(11.00 - 11.50)%
Security & Terms and Conditions				
1. Loan of ₹ Nil (March 31, 2011: ₹ 9,993.99 lakhs), repaid in a single bullet payment after 12 months from first disbursement, i.e., by June 29, 2011 were secured by way of pledge of shares of a subsidiary held by the Company and also by pledge of shares of the Company held by the promoters				
2. Loan of ₹ Nil (March 31, 2011: ₹ 10,000 lakhs), repaid in a single bullet payment by June 29, 2011 were secured by a first charge on entire current assets of the Company both present and future, on pari passu basis, with other working capital lenders, under multiple banking arrangements.				
TOTAL		10,000.00 (19,993.99)	15,000.00 (Nil)	

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C. Foreign Currency Loan from Banks

(₹ in Lakhs)

S. No.	Subsidiary Name	Amount of Loan	Rate of Interest **
		From Banks*	
1	Lanco Infratech Limited (LITL) - the Company	63,041.42 (47,266.54)	(1.00 - 4.00)%
	Security & Terms and Conditions Buyers Credit are secured as part of working capital limits from banks by way of first charge of hypothecation of stock/work in progress and entire current assets of the Company both present and future, on pari passu basis, with a term loan lender of ₹ 10,000 lakhs and other working capital lenders, under multiple banking arrangements.		
2	Lanco Amarkantak Power Limited (LAPL)	50,324.08 (Nil)	Weighted Average @ 2.79%
	Security & Terms and Conditions Refer Note 2 of Foreign Currency Loan under long term borrowings		
3	Udupi Power Corporation Limited (UPCL)	67,156.52	(1.40 - 3.78)%
	Security & Terms and Conditions The Security shall rank pari-passu amongst the lenders providing non-fund based facilities for the project upto a limit of ₹ 75,000 lakhs, but shall, however, be second and subsequent to the first / second ranking pari-passu charges created thereon in favour of Sr. Debt A and Sr. Debt B lenders.		
4	Lanco Anpara Power Limited (LANPL)	65,137.92	Weighted Average @ 14.28%
	Security & Terms and Conditions Refer Note 5 of Rupee Term Loan under long term borrowings		
5	Lanco Budhil Hydro Power Private Limited (LBHPPL)	851.68 (743.36)	LIBOR + 140 BPS (Presently 1.96% p.a).
	Security & Terms and Conditions Buyers Credit of USD 16.65 lakhs payable on July 20, 2012 from HSBC Bank (Mauritius) Limited against the foreign letter of credit issued by Punjab National Bank .		
6	Lanco Solar Private Limited (LSPL)	18,904.51 (Nil)	(1.99 to 3.81)%
	Security & Terms and Conditions Refer Note 6 of Long Term Foreign Currency Loans from banks and Financial Institutions above.		
7	Lanco Solar Energies Private Limited (LSEPL)	21,302.54 (Nil)	(3.12 - 3.77)%
	Security & Terms and Conditions Buyers Credit are secured as part of working capital limits from banks by way of first charge of hypothecation of stock/work in progress and entire current assets of LSEPL both present and future, on pari passu basis and second charge on movable and immovable properties and also guaranteed (Corporate Guarantee) by the Company.		
8	Lanco Kondapalli Power Limited (LKPL)	23,986.14 (16,556.98)	1.95%
	Security & Terms and Conditions Buyers credit from Banks for Phase II and Phase III are secured by a pari passu first charge on all immovable properties of LKPL both present and future, all the tangible movable 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.		
	TOTAL	3,10,704.81 (64,566.88)	

* Previous Year figures are mentioned within the brackets

** CY means Current Year, PY means Previous Year, LIBOR means London Inter Bank Offer Rate and BPS means Basis Points

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to consolidated financial statements for the year ended March 31, 2012

10 TRADE PAYABLES

	[₹ in Lakhs]	
	As at March 31, 2012	As at March 31, 2011
Trade Payables (including acceptances)	3,75,467.16	1,57,655.90
	3,75,467.16	1,57,655.90

11 OTHER CURRENT LIABILITIES

	[₹ in Lakhs]	
	As at March 31, 2012	As at March 31, 2011
Current maturities of long term borrowings (Note 5)	3,19,366.43	1,97,374.13
Interest accrued but not due on borrowings	16,346.95	5,866.82
Income received in advance	438.00	-
Advance from Customers	1,78,137.59	84,245.99
Taxes Payable	7,036.10	7,285.03
Amount payable in respect of Purchase of Fixed Assets / EPC contracts	21,443.52	17,031.62
Salaries & Other Employee benefits Payable	10,642.23	3,178.33
Other Payables	19,374.24	6,807.30
	5,72,785.06	3,21,789.22

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to consolidated financial statements for the year ended March 31, 2012

12 TANGIBLE ASSETS

Particulars	Owned Assets							Assets Taken on Finance Lease			TOTAL ASSETS (A + B)
	Leasehold Land	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures #	Vehicles	Mine Properties ##	Office Equipment	TOTAL (A)	Plant and Equipment	TOTAL (B)
Gross Block											
As at April 1, 2010	6,063.68	22,734.52	63,432.54	5,02,725.92	4,950.36	3,321.06	-	3,486.21	6,06,714.29	-	6,06,714.29
Additions	752.16	9,688.81	2,705.08	58,419.90	1,455.81	1,823.84	-	1,913.00	76,758.60	-	76,758.60
Additions on inclusion of new subsidiaries	-	4,665.48	8,392.65	55,970.74	64.15	110.88	4,20,547.05	58.64	4,89,809.59	53,625.55	5,43,435.14
Deletion on sale of subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Disposals	0.24	174.77	1,351.75	1,224.50	454.51	284.76	-	206.41	3,696.94	-	3,696.94
Adjustments											
- Exchange Difference	-	-	3.36	91.72	[0.75]	-	-	[0.04]	94.29	-	94.29
- Borrowing Cost	-	-	15.29	2,234.62	-	-	-	-	2,249.91	-	2,249.91
- Others *	-	-	[60.51]	[314.49]	-	-	-	-	[375.00]	-	[375.00]
As at March 31, 2011	6,815.60	36,914.04	73,136.66	6,17,903.91	6,015.06	4,971.02	4,20,547.05	5,251.40	11,71,554.74	53,625.55	12,25,180.29
Additions	5,082.55	1,228.14	5,258.74	48,504.00	6,933.68	1,201.92	34,797.28	3,107.57	1,06,113.88	6,767.99	1,12,881.87
Additions on inclusion of new subsidiaries	4,600.31	199.38	26,454.54	7,00,401.20	46.11	146.65	-	143.99	7,31,992.18	-	7,31,992.18
Deletion on sale of subsidiaries	-	4,647.74	22.34	-	51.46	46.16	-	45.37	4,813.07	-	4,813.07
Disposals	-	-	4.07	2,445.38	553.06	1,199.21	-	429.11	4,630.83	-	4,630.83
Adjustments											
- Exchange Difference	-	572.07	1,211.97	8,336.29	19.14	[5.41]	60,568.38	5.89	70,708.33	7,743.47	78,451.80
- Borrowing Cost	-	-	-	806.54	-	-	-	-	806.54	-	806.54
- Others *	-	-	[3.80]	[296.44]	[53.74]	7.22	-	[10.91]	[357.67]	-	[357.67]
As at March 31, 2012	16,498.46	34,265.89	1,06,031.70	13,73,210.12	12,355.73	5,076.03	5,15,912.71	8,023.46	20,71,374.10	68,137.01	21,39,511.11

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to consolidated financial statements for the year ended March 31, 2012

12 TANGIBLE ASSETS (CONTD.)

Particulars	Owned Assets							Assets Taken on Finance Lease			
	Leasehold Land	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures #	Vehicles	Properties ##	Office Equipment	TOTAL (A)	Plant and Equipment	TOTAL (B)
Depreciation											
As at April 1, 2010	112.09	-	7,053.24	99,016.01	806.88	769.29	-	804.92	1,08,562.43	-	-
Charged For the Period	33.67	-	3,059.04	29,586.12	555.60	391.01	410.79	521.39	34,557.62	662.05	662.05
On account of inclusion of new subsidiaries	-	-	6,723.59	32,321.89	-	39.41	7,055.16	-	46,140.05	20,806.50	20,806.50
On account of sale of subsidiaries	-	-	-	-	-	-	-	-	-	-	-
On Disposals	-	-	545.46	559.50	65.79	64.78	-	58.77	1,294.30	-	-
Adjustments											
- Exchange Difference	-	-	-	-	[0.04]	-	-	-	[0.04]	-	-
- Others^	(16.08)	-	(873.77)	(13,202.67)	(4.96)	(35.14)	-	(16.25)	(14,148.87)	-	-
As at March 31, 2011	129.68	-	15,416.64	1,47,161.85	1,291.69	1,099.79	7,465.95	1,251.29	1,73,816.89	21,468.55	21,468.55
For the Period	118.92	-	3,529.65	34,473.55	1,502.45	491.28	6,044.56	830.53	46,990.94	8,052.97	8,052.97
On account of inclusion of new subsidiaries	13.06	-	322.18	25,578.28	23.44	79.68	-	28.73	26,045.37	-	-
On account of sale of subsidiaries	-	-	22.34	-	8.56	4.39	-	6.32	41.61	-	-
On Disposals	-	-	6.12	154.85	135.17	310.54	-	121.18	727.86	-	-
Adjustments											
- Exchange Difference	-	-	1,091.92	4,590.92	4.40	5.83	1,078.15	1.64	6,772.86	3,100.19	3,100.19
- Others*	-	-	0.79	(345.04)	(3.28)	1.77	-	(48.23)	(393.99)	-	-
As at March 31, 2012	261.66	-	20,332.72	2,11,304.71	2,674.97	1,363.42	14,588.66	1,936.46	2,52,462.60	32,621.71	32,621.71
Net Block											
As at March 31, 2011	6,685.92	36,914.04	57,720.02	4,70,742.06	4,723.37	3,871.23	4,13,081.10	4,000.11	9,97,737.85	32,157.00	32,157.00
As at March 31, 2012	16,236.80	34,265.89	85,698.98	11,61,905.41	9,680.76	3,712.61	5,01,324.05	6,087.00	18,18,911.50	35,515.30	35,515.30

^ Represents impact of retrospective recomputation due to change in method of depreciation.

Includes Leasehold Improvements of Gross Block as on April 1, 2010 - ₹ 1,015 lakhs, as on March 31, 2011 - ₹ 1,317.55 lakhs, as on March 31, 2012 - ₹ 5,613.66 lakhs and Accumulated Depreciation as on April 1, 2010 - ₹ 66.97 lakhs, as on March 31, 2011 - ₹ 201.87 lakhs, as on March 31, 2012 - ₹ 781.89 lakhs.

* On reclassification of asset class and capital subsidy received in case of LTPL / LHPPL.

Includes Mine Lease, Noise Bund, Exploration & Development, Overburden Removal & Rehabilitation asset.

Notes

to consolidated financial statements for the year ended March 31, 2012

13 INTANGIBLE ASSETS

(₹ in Lakhs)				
Particulars	Goodwill on Consolidation#	Computer Software	Other Intangible Assets **	TOTAL
Gross Block				
As at April 1, 2010	9,524.70	199.68	-	9,724.38
Additions	3,040.74	1,808.69	-	4,849.43
Additions on inclusion of new subsidiaries	641.28	-	3,208.65	3,849.93
Deletion on sale of subsidiaries	-	-	-	-
Netted off against Capital Reserve	(13,206.72)	-	-	(13,206.72)
As at March 31, 2011	-	2,008.37	3,208.65	5,217.02
Additions	-	521.49	6,319.32	6,840.81
Additions on inclusion of new subsidiaries	15,637.39	159.87	-	15,797.26
Deletion on sale of subsidiaries	0.93	4.49	-	5.42
Disposals	-	2.44	-	2.44
Exchange Difference	-	-	459.83	459.83
Netted off against Capital Reserve	(15,636.46)	-	-	(15,636.46)
Others *	-	123.65	(58.48)	65.17
As at March 31, 2012	-	2,806.45	9,929.32	12,735.77
Depreciation				
As at April 1, 2010	-	103.13	-	103.13
Charged For the Period	-	482.77	-	482.77
On account of inclusion of new subsidiaries	-	-	803.68	803.68
On account of sale of subsidiaries	-	-	-	-
As at March 31, 2011	-	585.90	803.68	1,389.58
For the Period	-	811.10	699.53	1,510.63
On account of inclusion of new subsidiaries	-	44.82	-	44.82
On account of sale of subsidiaries	-	1.16	-	1.16
On Disposals	-	0.74	-	0.74
Exchange Difference	-	-	116.04	116.04
Others*	-	60.95	-	60.95
As at March 31, 2012	-	1,500.87	1,619.25	3,120.12
Net Block				
As at March 31, 2011	-	1,422.47	2,404.97	3,827.44
As at March 31, 2012	-	1,305.58	8,310.07	9,615.65

* On reclassification of asset class.

** includes Briquetting technology asset & third party capital contribution for the port

Goodwill netted off ₹ 28,843.18 (March 31, 2011 - ₹ 13,206.72) lakhs with Capital Reserve on Consolidation.

Notes

to consolidated financial statements for the year ended March 31, 2012

14 CAPITAL WORK IN PROGRESS

	(₹ in Lakhs)	
	As at and Upto March 31, 2012	As at and Upto March 31, 2011
Asset Under Construction	10,98,992.17	4,13,081.26
Other Direct Cost		
Salaries, Allowances and Benefits to Employees	19,237.29	10,691.30
Contribution to Provident Fund and Other Funds	779.83	469.08
Grid Connection Charges	200.00	-
Staff Welfare Expenses	480.38	189.83
Rent	1,331.94	855.22
Rates and Taxes	1,804.80	1,699.37
Socio Economic Development Expenses	4,459.43	2,926.31
Repairs and Maintenance - Others	742.70	300.46
Office Maintenance	461.82	224.13
Insurance	7,012.24	2,496.48
Printing and Stationery	207.06	133.17
Consultancy and Other Professional Charges	14,014.94	13,746.62
Electricity, Water and Fuel Charges	136.48	84.97
Travelling and Conveyance	3,594.69	2,005.13
Communication Expenses	393.66	227.47
Project Allotment Expenses	3,007.83	2,940.77
Interest *	2,89,968.37	71,622.37
Loss / (Gain) on Foreign Exchange Fluctuation (net)	2,490.06	583.01
Bank and Other Finance Charges	14,086.16	4,682.52
Depreciation	1,212.74	754.00
Trial Run Cost - Fuel Consumed	9,951.24	-
Miscellaneous Expenses	4,783.06	3,458.93
	14,79,348.89	5,33,172.40
Less: Other Income		
Sale of Infirm Power	-	148.39
Miscellaneous Income	13,083.93	3,948.51
Insurance Claim Received	124.60	-
Interest Received (Gross) on Deposits and Others	3,059.69	1,397.56
	14,63,080.67	5,27,677.94
Less: Expenditure Apportioned over Cost of Fixed Assets	76,717.01	3,919.05
Less: Charged to Profit and Loss Account	968.82	104.75
	13,85,394.84	5,23,654.14

*Borrowing cost capitalised in capital work in progress during the year by the group is amounting ₹ 96,530.83 lakhs excluding the effect of acquisition and disposal of subsidiary

Notes

to consolidated financial statements for the year ended March 31, 2012

15 INTANGIBLE ASSET UNDER DEVELOPMENT

	(₹ in Lakhs)	
	As at and Upto March 31, 2012	As at and Upto March 31, 2011
Other Direct Cost		
Salaries, Allowances and Benefits to Employees	429.72	33.67
Contribution to Provident Fund and Other Funds	3.74	-
Staff Welfare Expenses	2.47	-
Rent	20.70	-
Rates and Taxes	101.13	0.01
Repairs and Maintenance - Others	0.78	-
Office Maintenance	25.87	-
Insurance	24.93	-
Printing and Stationery	2.76	0.17
Consultancy and Other Professional Charges	267.92	4.12
Travelling and Conveyance	43.04	0.97
Communication Expenses	6.24	-
Project Allotment Expenses	6.12	6.12
Interest	1,006.00	-
Bank and Other Finance Charges	724.26	-
Depreciation	1.93	-
Miscellaneous Expenses	9.19	0.50
	2,676.80	45.56
Less: Other Income		
Miscellaneous Income	46.42	-
Interest Received (Gross) on Deposits and Others	13.42	-
	2,616.96	45.56

Notes

to consolidated financial statements for the year ended March 31, 2012

16 NON CURRENT INVESTMENTS

(At Cost unless otherwise stated)

	No. Lakhs		₹ Lakhs	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
I Trade Investments				
(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				
Udupi Power Corporation Limited # (After elimination of profit / (loss) of Nil (March 31, 2011: ₹ 1960.94) lakhs)	-	225.00	-	-
Lanco Anpara Power Private Limited # After elimination of profit / (loss) of Nil (March 31, 2011: ₹ 34.00) lakhs)	-	3.40	-	-
Lanco Babandh Power Limited ^ After elimination of profit / (loss) of Nil (March 31, 2011: ₹ 26.00) lakhs)	-	2.60	-	-
Lanco Vidarbha Thermal Power Limited * (After elimination of profit / (loss) of ₹ 291.00 (March 31, 2011: Nil) lakhs)	29.10	-	-	-
Genting Lanco Power (India) Private Limited (Including Share of profit / (loss) of ₹ 541.02 (March 31, 2011: ₹ 371.93) lakhs)	4.87	4.87	751.52	582.43
Regulus Power private Limited * (Including Share of profit / (loss) of ₹ (0.27) (March 31, 2011: Nil) lakhs)	2.30	-	22.73	-
Himavat Power Private Limited * (Including Share of profit / (loss) of ₹ (0.27) (March 31, 2011: Nil) lakhs & after elimination of profit / (loss) of ₹ 0.73 (March 31, 2011: Nil) lakhs)	0.10	-	-	-
Pragdisa Power Private Limited (After elimination of profit / (loss) of ₹ 0.26 (March 31, 2011: ₹ 0.26) lakhs)	0.03	0.03	-	-
Vainateya Power Private Limited (After elimination of profit / (loss) of ₹ 0.26 (March 31, 2011: ₹ 0.26) lakhs)	0.03	0.03	-	-
Avior Power Private Limited (Including Share of profit / (loss) of ₹ (0.26) (March 31, 2011: ₹ (0.26)) lakhs)	0.03	0.03	-	-
Mirach Power Private Limited (Including Share of profit / (loss) of ₹ (0.26) (March 31, 2011: ₹ (0.26)) lakhs)	0.03	0.03	-	-

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to consolidated financial statements for the year ended March 31, 2012

16 NON CURRENT INVESTMENTS (CONTD.)

(At Cost unless otherwise stated)

	No. Lakhs		₹ Lakhs	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Lanco Hoskote Highway Limited (Including Share of profit / (loss) of ₹ (31.94) (March 31, 2011: ₹ (25.83)) lakhs & after elimination of profit / (loss) of ₹ 194.39 (March 31, 2011: ₹ 497.57) lakhs)	502.83	502.83	4,801.95	4,504.88
Lanco Devihalli Highways Limited (Including Share of profit / (loss) of ₹ (12.48) (March 31, 2011: ₹ (10.78)) lakhs & after elimination of profit / (loss) of ₹ 336.19 (March 31, 2011: ₹ 603.79) lakhs)	459.13	459.13	4,242.60	3,976.71
Bay of Bengal Gateway Terminal Private Limited (Including Share of profit / (loss) of ₹ (1.26) (March 31, 2011: ₹ (1.26)) lakhs)	0.13	0.13	-	-
Portia Properties Private Limited (Including Share of profit / (loss) of ₹ (13.50) (March 31, 2011: ₹ (0.11)) lakhs)	3.40	3.40	20.50	33.89
Charon Trading Private Limited (Including Share of profit / (loss) of ₹ (3.91) (March 31, 2011: ₹ (0.10)) lakhs)	3.40	3.40	30.09	33.90
Mimas Trading Private Limited (Including Share of profit / (loss) of ₹ (2.32) (March 31, 2011: ₹ (0.12)) lakhs)	5.00	5.00	47.68	49.88
Ananke Properties Private Limited (Including Share of profit / (loss) of ₹ (7.19) (March 31, 2011: ₹ (0.08)) lakhs)	10.41	10.41	96.93	104.04
Tethys Properties Private Limited (Including Share of profit / (loss) of ₹ (7.19) (March 31, 2011: ₹ (0.08)) lakhs)	10.41	10.41	96.93	104.04
Bianca Properties Private Limited (Including Share of profit / (loss) of ₹ (7.19) (March 31, 2011: ₹ (0.08)) lakhs)	10.41	10.41	96.93	104.04
Belinda Properties Private Limited (Including Share of profit / (loss) of ₹ (7.19) (March 31, 2011: ₹ (0.08)) lakhs)	10.41	10.41	96.93	104.04
Phoebe Trading Private Limited (Including Share of profit / (loss) of ₹ (2.68) (March 31, 2011: ₹ (0.10)) lakhs)	3.40	3.40	31.32	33.90
Basava Power Private Limited (Including Share of profit / (loss) of ₹ (0.26) (March 31, 2011: ₹ (0.26)) lakhs)	0.03	0.03	-	-
Siddheswara Power Private Limited (Including Share of profit / (loss) of ₹ (0.26) (March 31, 2011: ₹ (0.26)) lakhs)	0.03	0.03	-	-

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to consolidated financial statements for the year ended March 31, 2012

16 NON CURRENT INVESTMENTS (CONTD.)

(At Cost unless otherwise stated)

	No. Lakhs		₹ Lakhs	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
DDE Renewable Energy Pvt. Ltd. (After elimination of profit / (loss) of ₹ 31.12 (March 31, 2011: Nil) lakhs)	0.05	0.03	-	16.51
Electromech Maritech Pvt. Ltd. (After elimination of profit / (loss) of ₹ 64.04 (March 31, 2011: Nil) lakhs)	0.05	0.03	-	38.74
Unique Corporate Consultants Pvt Ltd. ^	-	0.04	-	125.50
Finehope Allied Engg. Pvt. Ltd. (After elimination of profit / (loss) of ₹ 0.38 (March 31, 2011: Nil) lakhs)	0.04	-	-	-
KVK Energy Ventures Pvt. Ltd. (Including Share of profit / (loss) of ₹ (1.30) (March 31, 2011: Nil) lakhs & after elimination of profit / (loss) of ₹ 26.86 (March 31, 2011: Nil) lakhs)	48.76	-	459.39	-
Newton Solar Private Limited (After elimination of profit / (loss) of ₹ 0.26 (March 31, 2011: Nil) lakhs)	0.03	-	-	-
Saidham Overseas Pvt. Ltd (After elimination of profit / (loss) of ₹ 0.35 (March 31, 2011: Nil) lakhs)	0.04	-	-	-
Vasavi Solar Power Pvt Ltd (After elimination of profit / (loss) of ₹ 4.90 (March 31, 2011: Nil) lakhs)	0.49	-	-	-
(ii) Investment in Other Company (Unquoted)				
Unique Corporate Consultants Pvt Ltd. ^	15.00	-	149.99	-
Indian Energy Exchange	12.50	12.50	125.00	125.00
Sub Total (a)			11,070.49	9,937.50
(b) Investment in Preference Shares				
(i) Investment in Associate Company (Unquoted)				
<i>1% Cumulative Compulsory Convertible Preference Shares @ ₹ 10 each fully paid up</i>				
Udupi Power Corporation Limited # (Including Share of profit / (loss) of Nil (March 31, 2011: ₹ (951.45)) lakhs & after elimination of profit / (loss) of Nil (March 31, 2011: ₹ 6,776.58) lakhs)	-	14,281.52	-	1,35,087.22

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to consolidated financial statements for the year ended March 31, 2012

16 NON CURRENT INVESTMENTS (CONTD.)

(At Cost unless otherwise stated)

	No. Lakhs		₹ Lakhs	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Lanco Anpara Power Private Limited # (Including Share of profit / (loss) of Nil (March 31, 2011: ₹ (112.12)) lakhs & after elimination of profit / (loss) of Nil (March 31, 2011: ₹ 6,597.35) lakhs)	-	7,709.60	-	70,386.53
Portia Properties Private Limited	20.00	20.00	200.00	200.00
<i>0.001% Cumulative Compulsory Convertible Preference Shares @ ₹ 10 each fully paid up</i>				
Lanco Babandh Power Limited ^ (Including Share of profit / (loss) of Nil (March 31, 2011: ₹ (795.75)) lakhs & after elimination of profit / (loss) of Nil (March 31, 2011: ₹ 1,841.35) lakhs)	-	3,874.29	-	35,205.77
Himavat Power Private Limited * (Including Share of profit / (loss) of ₹ (2.39) (March 31, 2011: Nil) lakhs)	5,263.20	-	52,629.61	-
Mirach Power Private Limited (Including Share of profit / (loss) of ₹ (1.08) (March 31, 2011: ₹ (1.03)) lakhs)	3.00	3.00	28.92	28.97
<i>0.001% Optionally Convertible Cumulative Redeemable Preference shares @ ₹ 10 each fully paid up</i>				
Portia Properties Private Limited	526.22	447.50	5,262.19	4,474.99
Avior Power Pvt Ltd (Including share of profit / (loss) of ₹ (0.06) (March 31, 2011: Nil) lakhs)	25.00	-	249.94	-
Belinda Properties Private Limited	327.84	327.84	3,278.38	3,278.38
Ananke Properties Private Limited	327.84	327.84	3,278.38	3,278.38
Tethys Properties Private Limited	327.84	327.84	3,278.38	3,278.38
Bianca Properties Private Limited	327.84	327.84	3,278.38	3,278.38
Charon Trading Private Limited	108.50	108.50	1,085.00	1,085.00
Mimas Trading Private Limited	26.50	26.50	264.95	264.95
Phoebe Trading Private Limited	26.30	0.30	263.00	3.00
Regulus Power Private Limited *	11.00	-	110.00	-
DDE Renewable Energy Private Limited (Including Share of profit / (loss) of (32.79) (March 31, 2011: ₹ Nil) lakhs & after elimination of profit / (loss) of ₹ 248.37 (March 31, 2011: Nil) lakhs)	74.48	152.00	467.36	1,527.60

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to consolidated financial statements for the year ended March 31, 2012

16 NON CURRENT INVESTMENTS (CONTD.)

(At Cost unless otherwise stated)

	No. Lakhs		₹ Lakhs	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Electromech Maritech Private Limited (Including Share of profit / (loss) of (34.89) (March 31, 2011: ₹ Nil) lakhs & after elimination of profit / (loss) of ₹ 214.20 (March 31, 2011: Nil) lakhs)	74.48	152.00	502.42	1,533.68
Finehope Allied Engineering Private Limited (Including Share of profit / (loss) of (27.33) (March 31, 2011: ₹ Nil) lakhs & after elimination of profit / (loss) of ₹ 225.03 (March 31, 2011: Nil) lakhs)	74.48	-	502.13	-
KVK Energy Ventures Private Limited	1,086.33	-	11,134.88	-
Newton Solar Private Limited (Including Share of profit / (loss) of (17.95) (March 31, 2011: ₹ Nil) lakhs & after elimination of profit / (loss) of ₹ 147.35 (March 31, 2011: Nil) lakhs)	74.73	-	588.67	-
Saidham Overseas Private Limited (Including Share of profit / (loss) of (27.96) (March 31, 2011: ₹ Nil) lakhs & after elimination of profit / (loss) of ₹ 208.35 (March 31, 2011: Nil) lakhs)	74.48	-	524.88	-
Vasavi Solar Power Private Limited (Including Share of profit / (loss) of (35.41) (March 31, 2011: ₹ Nil) lakhs & after elimination of profit / (loss) of ₹ 287.02 (March 31, 2011: Nil) lakhs)	74.48	-	435.78	-
<i>0.01% Redeemable Cumulative Convertible Preference Shares @ ₹ 10 each fully paid up</i>				
Lanco Vidarbha Thermal Power Limited * (Including Share of profit / (loss) of ₹ (169.02) (March 31, 2011: Nil) lakhs & after elimination of profit / (loss) of ₹ 5,682.73 (March 31, 2011: Nil) lakhs)	6,447.15	-	58,619.74	-
(ii) Investment in Other Company (Un-quoted)				
<i>6% Optionally Convertible Redeemable Cumulative Preference shares @ ₹ 1 each fully paid up</i>				
Clarion Power Corporation Limited	25.00	25.00	25.00	25.00
Rithwik Energy Systems Limited	13.52	13.52	13.52	13.52

Notes

to consolidated financial statements for the year ended March 31, 2012

16 NON CURRENT INVESTMENTS (CONTD.)

(At Cost unless otherwise stated)

	No. Lakhs		₹ Lakhs	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
<i>0.01% Redeemable Cumulative Convertible Preference Shares @ ₹ 10 each fully paid up</i>				
Lanco Horizon Properties Private Limited	721.92	721.92	7,219.17	7,219.16
<i>0.001% Cumulative Compulsory Convertible Preference Shares @ ₹ 10 each fully paid up</i>				
Lanco Babandh Power Limited ^	10,745.03	-	1,07,450.26	-
Finehope Allied Engineering Private Limited	-	152.00	-	1,539.76
KVK Energy Ventures Private Limited	-	2,217.00	-	22,724.25
Newton Solar Private Limited	-	152.50	-	1,538.73
Saidham Overseas Private Limited	-	152.00	-	1,553.44
Vasavi Solar Power Private Limited	-	152.00	-	1,547.36
Sub Total (b)			2,60,690.94	2,99,072.45
(c) Investment in Debentures or Bonds (Unquoted)				
Central Bank of India	0.0001	0.0001	100.00	100.00
Yes Bank	0.0001	-	100.00	-
Sub Total (c)			200.00	100.00
Total Trade Investments (I) (a+b+c)			2,71,961.43	3,09,109.95
II Non Trade Investments				
(a) Investment in Equity Instruments				
Investment in Other Company (Quoted)				
Equity Shares @ ₹ 10 each fully paid up				
Power Finance Corporation Limited	2.49	0.02	502.10	2.08
Rural Electrification Corporation Limited	0.49	0.49	98.92	98.92
Indian Bank	0.07	0.07	6.36	6.36
Andhra Bank	0.31	0.31	21.15	21.15
Bank of Baroda	0.07	0.07	16.57	16.57
Central Bank of India	0.02	0.02	1.55	1.55
Sub Total (a)			646.65	146.63

Notes

to consolidated financial statements for the year ended March 31, 2012

16 NON CURRENT INVESTMENTS (CONTD.)

(At Cost unless otherwise stated)

	No. Lakhs		₹ Lakhs	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
(b) Investment in Mutual Funds/ULIPs/Insurances (Unquoted)				
Birla Sunlife Insurance Platinum Premier Plan	3.84	1.83	42.58	21.46
MetLife-Met Smart One	0.48	-	5.00	-
MetLife-Met Suvidha Non Par Single	-	-	29.50	-
Sub Total (b)			77.08	21.46
Total Non Trade investment (II) (a+b)			723.73	168.09
Total Non Current Investments (I + II)			2,72,685.16	3,09,278.04
Aggregate amount of Quoted Investments			646.65	146.63
Market Value of Quoted Investments			672.13	264.44
Aggregate amount of Non - Quoted Investments			2,72,038.51	3,09,131.41

* became an associate from subsidiary during current year

^ Previous year it was associate

became a subsidiary from associate during current year

Details of Shares pledged with Banks and Financial Institutions

	No. Lakhs	
	March 31, 2012	March 31, 2011
Non Current Investment #		
Lanco Tanjore Power Company Limited – Equity Shares	194.30	194.30
Lanco Amarkantak Power Limited– Equity Shares	5,611.41	5,428.12
Lanco Budhil Hydro Power Private Limited– Equity Shares	409.60	252.50
Lanco Kondapalli Power Limited– Equity Shares	1,683.77	1,275.77
Lanco Teesta Hydro Power Private Limited– Equity Shares	2,496.26	71.88
Lanco Mandakini Hydro Energy Private Limited - Equity Shares	689.05	400.00
Lanco Thermal Power Ltd. - Equity Shares	73.34	73.34
Lanco Hydro Power Private Ltd. - Equity Shares	70.89	70.89
Lanco Solar Private Limited - Equity Shares	1,462.40	1,462.40
Khaya Solar Projects Private Limited - Equity Shares	46.50	-
Udupi Power Corporation Limited – Equity Shares	225.00	225.00
Udupi Power Corporation Limited – Preference Shares	14,216.52	5,521.52
Lanco Anpara Power Limited – Equity Shares	0.08	0.08
Lanco Anpara Power Limited – Preference Shares	4,200.00	4,200.00
Lanco Hoskote Highways Limited– Equity Shares	502.83	502.83
Lanco Devihalli Highways Limited– Equity Shares	459.13	459.13
Lanco Babandh Power Limited– Equity Shares	-	2.60
Lanco Babandh Power Limited-Preference Shares	7,061.52	1,000.00
Diwakar Solar Projects Private Limited - Equity Shares	665.01	-
Lanco Kanpur Highways Limited - Equity Shares	29.00	-
Lanco Kanpur Highways Limited - Preference Shares	540.85	-
Lanco Vidarbha Thermal Power Limited - Equity Shares	10.25	10.25

The above Shares were pledged with Banks and Financial Institutions who have extended Loan & Credit Facilities to the respective investee companies except out of total 1,683.77 (March 31, 2011: 1,275.77) lakhs equity shares of Lanco Kondapalli Power Limited, 123.17 (March 31, 2011: 123.17) lakhs equity shares were pledged for the purpose of availing loan facilities by Lanco Infratech Limited.

Notes

to consolidated financial statements for the year ended March 31, 2012

17 CURRENT INVESTMENTS

(At lower of cost and fair value)

	No. Lakhs		₹ Lakhs	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Investment in Mutual Funds (Unquoted)				
Birla Sunlife Cash Manager-Institutional Plan-Growth	-	71.61	-	800.00
Birla Sunlife Cash Manager-Institutional Plan-Daily Dividend	2.65	-	208.25	-
Birla Sunlife Cash Plus - Institutional Premium Growth	-	32.14	-	500.00
HDFC Cash Management Fund - Saving Plan Growth	-	19.54	-	400.00
HDFC Cash Management Fund - Treasury Advantage - Daily Dividend Reinvestment	3.66	2.89	44.89	35.47
HDFC Liquid Fund - Premium Plan Growth	-	4.54	-	86.39
HDFC Liquid Fund - Premium Plan Daily Dividend	240.41	-	3,219.65	-
ICICI Prudential Flexible Income Plan	-	18.99	-	2,008.19
IDFC Cash Fund- Super Institutional Plan C - Growth	-	84.25	-	1,000.00
Tata Floater Fund - Growth	-	104.84	-	1,537.67
Tata Fixed Income Portfolio Fund Scheme A3 Institutional Growth	-	175.17	-	1,850.00
Tata Liquid Super High Inv Fund - Appreciation	-	0.44	-	800.00
UTI Liquid Cash Plan Institutional - Growth	-	0.75	-	1,198.51
IDFC Treasury Advantage Fund	26.58	-	267.63	-
Total Current Investments			3,740.42	10,216.23

Notes

to consolidated financial statements for the year ended March 31, 2012

18 LOANS AND ADVANCES

(₹ in Lakhs)

	Non Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Capital Advances				
Secured, Considered Good	58.08	27.05	-	-
Unsecured, Considered Good	12,050.24	11,872.94	-	-
	12,108.32	11,899.99	-	-
Security Deposit				
Secured, Considered Good	17.79	16.68	-	-
Unsecured, Considered Good	16,779.93	11,517.04	3,465.06	3,531.09
Doubtful	-	-	38.09	38.09
	16,797.72	11,533.72	3,503.15	3,569.18
Less: Provision for doubtful Security Deposit	-	-	38.09	38.09
	16,797.72	11,533.72	3,465.06	3,531.09
Loans & Advances to Related Party (Refer Note No. 48)				
Unsecured, Considered Good				
Capital Advances	1,343.22	2,820.20	-	-
Advances for Investment	74,013.37	1,37,635.61	1,065.00	-
Loans Receivable	-	-	17.08	15,400.00
Advances Recoverable in Cash or in kind	42.55	858.78	2,372.92	473.42
	75,399.14	1,41,314.59	3,455.00	15,873.42
Other Loans & Advances (Unsecured, Considered good otherwise stated)				
Advance Tax (Net of Provision for Tax)	442.15	206.11	18,184.51	3,247.67
Minimum Alternate Tax Credit Entitlement	8,958.77	11,047.44	2,582.36	-
Loans and Advances to Employees	0.11	9.42	1,126.74	972.83
Advances for Investment	30,769.87	30,639.89	-	325.29
Prepaid Expense	40.91	352.08	6,446.28	4,053.25
Cenvat / Vat / Service Tax Credit Receivable	3,236.01	1,081.86	14,596.15	46,612.19
Tax Paid Under protest	20.00	20.00	-	-
Advances Recoverable in Cash or in kind				
Secured, Considered Good	-	88.35	138.01	101.19
Unsecured, Considered Good	20,462.43	9,299.02	2,23,974.85	1,92,169.75
Doubtful	-	-	156.98	156.98
	63,930.25	52,744.17	2,67,205.88	2,47,639.15
Less: Provision for doubtful Other Loans and Advances	-	-	156.98	156.98
	63,930.25	52,744.17	2,67,048.90	2,47,482.17
	1,68,235.43	2,17,492.47	2,73,968.96	2,66,886.68

Notes

to consolidated financial statements for the year ended March 31, 2012

19 TRADE RECEIVABLES AND OTHER ASSETS

19.1 Trade Receivables

(₹ in Lakhs)				
	Non Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, Considered Good	-	-	11,173.51	4,743.81
Unsecured, Considered Good	-	-	55,068.30	18,637.92
Doubtful	-	-	443.22	443.22
	-	-	66,685.03	23,824.95
Less : Allowance for bad & doubtful debts	-	-	443.22	443.22
	-	-	66,241.81	23,381.73
Other Receivable				
Secured, Considered Good	-	-	-	11.23
Unsecured, Considered Good	39,421.31	61,938.31	3,10,177.27	1,22,435.00
Doubtful	-	-	268.30	290.50
	39,421.31	61,938.31	3,10,445.57	1,22,736.73
Less : Allowance for doubtful debts	-	-	268.30	268.30
	39,421.31	61,938.31	3,10,177.27	1,22,468.43
(A)	39,421.31	61,938.31	3,76,419.08	1,45,850.16

19.2 Other Assets

(₹ in Lakhs)				
	Non Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Non Current Bank Deposits (as per Note 21)	13,262.45	2,400.52	-	-
Unamortised Premium on Forward Contract	-	-	1,179.55	-
Unbilled Revenue	-	-	14,513.47	4,789.94
Interest Accrued on Deposits	0.55	33.38	2,381.26	1,278.03
Others	4.03	-	651.30	14.12
(B)	13,267.03	2,433.90	18,725.58	6,082.09
TOTAL (A + B)	52,688.34	64,372.21	3,95,144.66	1,51,932.25

Notes

to consolidated financial statements for the year ended March 31, 2012

20 INVENTORIES

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

	(₹ in Lakhs)	
	As at March 31, 2012	As at March 31, 2011
Raw Materials (including Stock in transit ₹ 275.69 lakhs (Previous year ₹ 286.17 lakhs)	46,284.29	20,600.77
Construction / Development Work In Progress	2,13,566.18	1,79,555.12
Finished Goods	3,185.07	2,694.51
Consumables, Stores and Spares (including Stock in transit ₹ 18.8 lakhs (Previous year ₹ 45.91 lakhs)	15,852.87	11,445.19
	2,78,888.41	2,14,295.59
Details of Closing Inventory		
Raw Materials		
Naptha	3,060.11	-
Coal	25,150.17	6,590.88
Oil - (HFO, LDO & HSD)	2,051.14	528.84
Material in Transit & Under Inspection	192.97	79.98
Semi Finished Goods	238.62	749.58
Solar Cells & other Solar Equipments	527.83	130.76
Steel	9,944.65	7,007.43
Inventory Others	5,118.80	5,513.30
	46,284.29	20,600.77
Finished Goods		
Solar Modules	568.29	-
Coal	2,616.78	2,694.51
	3,185.07	2,694.51

Notes

to consolidated financial statements for the year ended March 31, 2012

21 CASH AND BANK BALANCE

(₹ in Lakhs)				
	Non Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Cash and Cash Equivalents				
Balances with Banks				
- On Current Accounts	-	-	69,237.01	68,758.29
- On Deposit Accounts (Having Maturity less than 3 Months from date of deposit)	-	-	25,596.14	25,929.29
Cheques, Drafts and Stamps on hand	-	-	1.67	-
Cash on Hand	-	-	73.70	2,455.80
	-	-	94,908.52	97,143.38
Other Bank Balances				
On Deposit Accounts				
Having Maturity more than 3 Months but less than or equal to 12 months from date of deposit			27,205.31	23,280.38
Having Maturity more than 12 Months from date of deposit	6,759.93	451.46	13,278.95	3,351.05
On Margin Money Deposit Accounts	6,502.52	1,949.06	5,813.80	2,870.60
	13,262.45	2,400.52	46,298.06	29,502.03
Amount disclosed under non current assets (Note 19)	(13,262.45)	(2,400.52)	-	-
	-	-	1,41,206.58	1,26,645.41

The Margin Money Deposits are towards Letters of Credit and Bank Guarantee

22 REVENUE FROM OPERATIONS

(₹ in Lakhs)		
	For the year ended March 31, 2012	For the year ended March 31, 2011
Contract Operations (A)	5,05,408.28	2,68,935.97
Property Development (B)	7,494.56	16,755.52
Sale of Services		
Management Consultancy	1,352.24	561.09
Operations and Maintenance	13.61	-
(C)	1,365.85	561.09
Sale of Products		
Electrical Energy	4,25,568.17	4,71,049.03
Coal	73,128.31	7,850.37
Other Goods	2,583.26	1,298.35
(D)	5,01,279.74	4,80,197.75
Other Operating Revenue		
Income from Lease Rentals	7.70	-
Sale of Emission Reductions (CDM)	-	2,191.98
Other Operating Income	1,340.27	1,552.93
(E)	1,347.97	3,744.91
Revenue from Operations (A+B+C+D+E)	10,16,896.40	7,70,195.24

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to consolidated financial statements for the year ended March 31, 2012

23 OTHER INCOME

	(₹ in Lakhs)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest Income on		
Deposits and Margin money	3,557.73	1,936.42
Loans Receivable and Inter Corporate Deposits	487.99	1,107.17
Long Term Investments	16.35	9.20
Current Investments	2.82	-
Others	2,930.41	2,546.14
Dividend Income on		
Current Investments	170.47	18.67
Long Term Investments	36.50	239.07
Net Gain on sale of		
Current Investments	562.78	770.73
Long Term Investments	-	123.03
Other Non-Operating Income (Net of expenses directly attributable to such Income)		
Net Gain on Foreign Exchange Fluctuations	-	8,432.40
Insurance Claims Received / Receivable	64.04	1,795.75
Liabilities and Provisions no longer required written back	163.89	2,056.27
Rental Income	20.06	17.68
Impact of Change in Method of Depreciation	-	14,148.87
Miscellaneous Income	3,747.89	1,014.91
	11,760.93	34,216.31

24 COST OF MATERIALS CONSUMED

	(₹ in Lakhs)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Construction Material Consumed	3,00,230.71	1,45,013.84
Property Development Cost	18,225.40	24,385.71
Coal for Power Generation	46,551.73	30,969.98
Gas for Power Generation	93,834.33	93,868.76
Oil (HFO, LDO & HSD) for Power Generation	1,419.44	1,353.60
Other consumables for Power Generations	424.44	1,431.19
Raw Materials Consumed - Coal Mining	18,245.93	1,416.77
Raw Materials Consumed - Solar Modules	22,321.54	-
	5,01,253.52	2,98,439.85

Notes

to consolidated financial statements for the year ended March 31, 2012

25 PURCHASE OF TRADED GOODS

	(₹ in Lakhs)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Power Purchase	98,033.68	1,61,712.32
Others	2,404.63	-
	1,00,438.31	1,61,712.32

26 CONSTRUCTION, TRANSMISSION, SITE AND MINING EXPENSES

	(₹ in Lakhs)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Equipment / Machinery Hire charges	19,337.54	6,833.74
Transmission Charges	14,616.53	13,362.17
Repairs, Operations and Maintenance	12,247.19	9,969.54
Consumption of Stores and Spares	4,059.48	3,364.80
Site Expenses	15,149.15	6,347.80
Coal Mining & transportation Cost	37,541.02	3,927.57
	1,02,950.91	43,805.62

27 (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS AND CONSTRUCTION / DEVELOPMENT WORK IN PROGRESS

(₹ in Lakhs)		
	For the year ended March 31, 2012	For the year ended March 31, 2011
Finished Goods		
Inventories at the beginning of the year	2,694.51	4,604.51
Less : Inventories at the end of the year *	3,185.07	2,694.51
(A)	(490.56)	1,910.00
Construction / Development Work in Progress		
Inventories at the beginning of the year	1,79,555.12	1,37,535.67
Less: Transfer to Capital Work in Progress	-	6,766.43
Less: Transfer to Fixed Assets	-	1,810.36
Less: Prior Period Adjustment	-	222.30
Less: Adjustment on account of Excess Managerial Remuneration	-	101.27
	1,79,555.12	1,28,635.31
Less : Inventories at the end of the year *	2,13,566.18	1,79,555.12
(B)	(34,011.06)	(50,919.81)
(Increase) / Decrease in inventories	(A+B)	(34,501.62)

* For details refer note no. 20

Notes

to consolidated financial statements for the year ended March 31, 2012

28 EMPLOYEE BENEFIT EXPENSES

	[₹ in Lakhs]	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Salaries, allowances and benefits to employees	58,602.75	39,032.36
Contribution to provident fund and other funds	2,174.64	1,908.54
Employee Stock Option Charge	3,461.96	4,071.48
Managerial remuneration	3,842.69	2,469.00
Recruitment and training	1,932.78	1,237.44
Staff welfare expenses	3,612.68	2,340.01
	73,627.50	51,058.83
Less: Transferred to Development cost	2,290.52	2,263.81
Less: Transferred to CWIP (Other Direct Cost)	168.70	110.58
	71,168.28	48,684.44

29 OTHER EXPENSES

	[₹ in Lakhs]	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Rent	5,234.07	4,380.27
Rates and taxes	3,318.90	2,593.41
Donations	850.58	708.80
Repairs and Maintenance:		
Office Building	120.96	150.60
Others	693.83	337.53
Marketing and selling expenses	33.86	301.58
Office maintenance	2,650.05	1,601.22
Insurance	1,400.06	795.29
Printing and stationery	593.94	419.96
Consultancy and other professional charges	7,752.14	2,795.52
Directors sitting fee	55.16	39.31
Electricity charges	294.41	196.26
Net Loss on Foreign Exchange Fluctuations	10,843.49	-
Remuneration to auditors (As Auditor): *		
Audit Fee	318.64	157.20
Tax audit fees	22.49	36.84
Remuneration to auditors (In other capacity): **		
Other Services (Certification)	15.42	8.13
Reimbursement of expenses to Auditors	35.23	30.34
Travelling and conveyance	9,173.39	6,036.95
Communication expenses	1,381.77	911.24

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to consolidated financial statements for the year ended March 31, 2012

29 OTHER EXPENSES (CONTD.)

	(₹ in Lakhs)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Net Loss on Sale of fixed assets	751.11	1,393.32
Provision for Advances / claims / debts	2,419.84	764.71
Business Promotion & Advertisement	1,968.77	3,011.74
Miscellaneous expenses	1,755.55	534.57
	51,683.66	27,204.79
Less: Recovery of Common Expenses	570.53	473.13
Less: Transferred to Development cost	421.68	276.47
Less: Transferred to CWIP (Other Direct Cost)	31.06	13.51
Less: Elimination of Cost on Intercompany Management Consultancy Income	602.24	3,277.75
	50,058.15	23,163.93

* including remuneration paid to auditors of subsidiary companies ₹ 200.64 (March 31, 2011: ₹ 81.20) lakhs & ₹ 13.38 (March 31, 2011: ₹ 16.84) lakhs towards audit fees and tax audit fees respectively.

** including amount paid to auditors of subsidiary companies ₹ 2.14 (March 31, 2011: ₹ 2.48) lakhs.

30 FINANCE COST

	(₹ in Lakhs)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest	1,13,855.76	85,121.30
Other Borrowing Cost (Upfront Fees, Commitment Charges, LC commission etc.)	7,496.07	5,510.30
Exchange Difference to the extent considered as an adjustment to borrowing costs	2,195.27	221.50
	1,23,547.10	90,853.10
Less: Transferred to development cost	9,731.60	8,739.33
Less: Transferred to CWIP (Other Direct Cost)	8,430.40	6,346.99
	1,05,385.10	75,766.78

31 DEPRECIATION AND AMORTISATION EXPENSE

	(₹ in Lakhs)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Depreciation on Tangible Assets	54,773.44	34,876.67
Amortisation on Intangible Assets	1,506.10	496.74
	56,279.54	35,373.41

Notes

to consolidated financial statements for the year ended March 31, 2012

32 EARNING PER SHARE (EPS)

		(₹ in Lakhs)	
		For the year ended March 31, 2012	For the year ended March 31, 2011
Net Profit / (Loss) after Taxation, Minority Interest and Share of Profits of Associates	(A)	(11,203.47)	44,606.89
Weighted average number of Equity Shares for Basic EPS	(B)	23,309.00	23,224.70
Effect of dilution :			
Stock options under ESOP		58.35	240.09
Weighted Average number of Equity shares for Diluted EPS	(C)	23,367.36	23,464.79
Basic EPS (In ₹)	(A) / (B)	(0.48)	1.92
Diluted EPS (In ₹)	(A) / (C)	(0.48)	1.90

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:

		(₹ in Lakhs)	
		For the year ended March 31, 2012	For the year ended March 31, 2011
Revenue from Operations			
Before Elimination		15,28,047.36	10,96,273.24
Less : Elimination of Intersegment Operating Income		5,11,150.96	3,26,078.00
After Elimination (As per Note No. 22)		10,16,896.40	7,70,195.24
Net Profit after taxation, minority interest and share of profits of associates			
Before Elimination		55,893.52	93,975.44
Less : Eliminated for current year		67,096.99	49,368.55
After Elimination		(11,203.47)	44,606.89
Net Cash flow from Operating Activities			
Before Elimination		4,18,466.70	3,26,145.31
Less : Eliminated for current year		75,862.34	45,811.00
After Elimination		3,42,604.36	2,80,334.31

		(₹ in Lakhs)	
		As at March 31, 2012	As at March 31, 2011
Reserves and Surplus			
Before Elimination		5,98,000.59	5,22,635.68
Less : Eliminated for current year		67,096.99	49,368.55
Less : Eliminated for previous year		84,195.01	34,826.46
After Elimination (As per Note No. 4)		4,46,708.59	4,38,440.67

Notes

to consolidated financial statements for the year ended March 31, 2012

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 during the year on the consolidated financial statements is as under:-

			(₹ in Lakhs)
Name of Subsidiary company	Effect on Group Profit / (Loss) after Minority Interest for the year ended March 31, 2012	Effect on Net Assets as at March 31, 2012	
Indian Subsidiaries			
Udupi Power Corporation Limited	(69.74)	1,82,304.08	
Lanco Anpara Power Limited	(875.12)	1,10,642.44	
Lanco Solar Power Projects Private Limited	(0.43)	25.30	
Orion Solar Projects Private Limited	(0.19)	49.38	
Pasiphae Power Private Limited	(0.13)	0.58	
Sabitha Solar Projects Private Limited	(0.15)	27.99	
Helene Power Private Limited	(0.15)	0.58	
Omega Solar Projects Private limited	(0.36)	(0.94)	
Emerald Orchids Private Limited	-	7.00	
Mahatamil Mining and Thermal Energy Limited	-	5,622.77	
Nix Properties Private Limited	(5.83)	600.32	
Foreign Subsidiaries			
Lanco Infratech (Nepal)	-	-	
Lanco Solar Canada Limited	(5.81)	(6.20)	
SolarFi SP 07	(6.73)	(8.82)	
SolarFi SP 06	(2.54)	(4.72)	
Lexton Trading Pty Limited	-	0.25	
Approve Choice Investments Limited	-	0.25	
Bar Mount Trading Pty Limited	-	0.25	
Barrelake Investments Pty Limited	-	0.25	
Belara Trading Pty Limited	-	0.25	
Caelamen Pty Limited	-	0.25	
Dupondius Pty Limited	-	0.25	
Gamblegreat Trading Pty Limited	-	0.25	
Filten Trading Pty Limited	-	0.25	
K2011103835 Pty Limited	-	0.32	
Lanco Solar International GMBH	3.71	116.50	
Tiper Solaire SAS	(0.13)	0.55	
	(963.60)	2,99,379.38	

Notes

to consolidated financial statements for the year ended March 31, 2012

			(₹ in Lakhs)
Name of Subsidiary company	Effect on Group Profit / (Loss) after Minority Interest for the year ended March 31, 2011	Effect on Net Assets as at March 31, 2011	
Indian Subsidiaries			
Regulus Power Private Limited	-	166.16	
Arneb Power Private Limited	-	207.00	
Himavat Power Private Limited	-	3,868.67	
Bhanu Solar Projects Private Limited	(0.22)	14.47	
Diwakar Solar Projects Private Limited	(0.03)	212.80	
Lanco Solar Energy Private Limited	-	17,512.79	
Lanco Solar Services Private Limited	(4.14)	(3.35)	
Khaya Solar Projects Private Limited	(1.67)	76.31	
JH Patel Power Project Private Limited	-	10.00	
Lanco Kanpur Highways Limited	-	51.76	
Foreign Subsidiaries			
Lanco Enterprise Pte Limited (China)	20.63	88.94	
LE New York - LLC (USA)	(44.29)	1,465.51	
Apricus S.R.L (Italy)	(0.28)	111.54	
Lanco Solar International Pte Limited (Singapore)	(0.56)	44.09	
Lanco Power International Pte Limited (Singapore)	(0.54)	44.12	
Green Solar SRL (Italy)	(5.00)	0.90	
Lanco Solar International Ltd.(UK)	(11.92)	1,824.03	
Lanco Solar International US Inc. (USA)	-	133.94	
Lanco Solar Project Development S.L.U- (Spain)	(0.16)	20.52	
Lanco Holding Netherland B.V (Netherlands)	(19.46)	308.23	
Lanco Energy Africa (Proprietary) Limited (Africa)	-	-	
Lanco Solar Holding Netherland B.V Utrecht (Netherlands)	(10.56)	9.24	
Lanco IT PV Investments B.V. (Netherlands)	(2.80)	10.57	
Lanco US PV Investments B.V. (Netherlands)	(2.80)	10.57	
Lanco Rocky Face Land Holdings LLC (USA)	-	-	
Lanco Tracy City Land Holdings LLC (USA)	-	-	
Lanco US EPC Branch LLC (USA)	-	-	
Lanco Solar Holdings LLC (USA)	-	-	
Lanco SP PV 1 Investments B.V. (Netherlands)	(2.80)	10.57	
Inversion Solar Andalucia 14 SLU (Spain)	-	1.41	
Lanco Resources International Pte Limited (Singapore)	(249.88)	(55,259.77)	
Lanco Resources Australia Pty. Limited (Australia)	4,724.88	(2,76,185.17)	
The Griffin Coal Mining Company Pty Ltd (Australia)	(2,181.02)	4,41,472.47	
Carpenter Mine management Pty Ltd (Australia)	536.86	(10,553.14)	
	2,744.24	1,25,675.18	

Notes

to consolidated financial statements for the year ended March 31, 2012

The effect of disposal of stake in subsidiaries during the year on the consolidated financial statements is as under:-

(₹ in Lakhs)		
Name of Subsidiary company	Effect on Group Profit / (Loss) after Minority Interest for the year ended March 31, 2012	Effect on Net Assets as at March 31, 2012
Indian Subsidiaries		
Lanco Vidarbha Thermal Power Limited	4,891.99	[43,890.74]
Himavat Power Private Limited	[0.74]	[32,358.00]
Regulus Power Private Limited	-	[166.16]
Foreign Subsidiaries		
Inversion Solar Andalucia 14 SL	-	[1.41]
	4,891.25	[76,416.31]

- 35** While subsequent review of the previous year consolidated management accounts of LRIPL, some of the expenses have been charged off to Statement of Profit and Loss and some of the expenses have been capitalised in the fixed assets. Consequently, the net impact of ₹ 360.34 lakhs has been considered as Prior Period Items in the Statement of Profit and Loss.

During the previous year, LKPL has reviewed its unit II capitalised expenditure and charged off some of the expenses to Statement of Profit and Loss. Consequently, the net impact of ₹ 110.67 lakhs has been considered as Prior Period Items in previous year Statement of Profit and Loss.

- 36** During the year, the following significant changes in the investment status of the Company in its subsidiaries and associates have taken place. The Company executes EPC contracts for construction of power plants for these subsidiaries and associates.

- (a) Two of the subsidiaries namely Lanco Vidharba Thermal Power Limited (LVTPL) and Himavat Power Private Limited (HPPL) got converted into associates upon Company not fully exercising its right of pre-emption for making additional investment in the equity shares of both these entities. As a result thereof, the Group has recorded a gain of ₹ 4,891.25 lakhs as 'Exceptional Profit' under Statement of Profit and Loss. Post the date of conversion of these entities into associates, the Group has eliminated the unrealised profit for intergroup transactions to the extent of its holding in the respective associates.
- (b) Two of the erstwhile associates of the Group namely Lanco Anpara Power Limited (LAnPL) and Udupi Power Corporation Limited (UPCL) got converted into subsidiaries during the year post commencement of operations. LAnPL got converted into subsidiary of the Company upon

subscription of further equity shares issued at par by LAnPL and UPCL got converted into subsidiary of the Company upon conversion of 1% Cumulative Compulsory Convertible Preference Shares of UPCL held by the Company. Profit of ₹ 33,472.41 lakhs accrued prior to the date of conversion to the extent of equity held by others in the respective subsidiaries is taken as realised by the management and hence not eliminated. Post the date of conversion of these entities into subsidiaries, the Group has eliminated the unrealised loss of ₹ 172.18 lakhs for intergroup transactions on prospective basis.

- 37** (a) On March 30, 2012, the Company has put in place two level power holding company structure wherein Lanco Power Limited (formerly Lanco Hydro Power Ventures Private 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 (formerly Vamshi Industrial Power Ltd) and Lanco Hydro Power Private Limited (formerly Vamshi Hydro Energies Private Limited) 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 Private Limited and to an associate, Regulus Power Private Limited (an erstwhile subsidiary) on March 30, 2012 for total cash consideration amounting to ₹ 6,81,550.87 lakhs. As of March 31, 2012, ₹ 2,70,135.16 lakhs representing the balance amount of consideration

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for sale of shares is receivable from the above entities and the same has been eliminated while preparing the consolidated financial statements.

- (c) As a result of the above change, one of the associate namely Lanco Babandh Power Limited, consequent to the sale of its equity shares to an associate ie. Regulus Power Private Limited, has become an associate of an associate, and as a result recorded a gain of ₹ 6,751.92 lakhs as 'Exceptional Profit' under Statement of Profit and Loss.
- (d) The Company has entered into novation agreement with Lanco Power Limited and related entities forming part of power holding company structure, for transfer of loans receivables amounting to ₹ 1,35,486.50 lakhs outstanding in the books of the Company, from the Company to LPL and the same has been eliminated while preparing the consolidated financial statements.
- (e) The aforesaid transfer of shares in various subsidiaries and associates requires lenders / customer approvals. Management has initiated the process of seeking approvals from respective
- (f) As result of above restructuring activities, the investments relationship with the Company as of March 31, 2012 and March 31, 2011 has been summarised below:

Name of the Entity	March 31, 2012		March 31, 2011	
	Relationship	Ownership %	Relationship	Ownership %
Lanco Kondapalli Power Limited	Subsidiary of LTPL	59.00%	Subsidiary of LITL	59.00%
Lanco Amarkantak Power Limited	Subsidiary of LTPL	100.00%	Subsidiary of LITL	100.00%
Lanco Tanjore Power Company Limited	Subsidiary of LTPL	58.45%	Subsidiary of LITL	51.02%
Udupi Power Corporation Limited	Subsidiary of LTPL	69.89%	Associate of LITL	26.15%
Lanco Anpara Power Limited	Subsidiary of LTPL	100.00%	Associate of LITL	26.07%
Lanco Teesta Hydro Power Private Limited	Subsidiary of LHPPL	100.00%	Subsidiary of LITL	99.96%
Lanco Budhil Hydro Power Private Limited	Subsidiary of LHPPL	100.00%	Subsidiary of LITL	99.99%
Lanco Babandh Power Limited	-	-	Associate of LITL	26.00%
Lanco Vidharba Thermal Power Limited	Associate of LTPL	26.68%	Subsidiary of LITL	100.00%
Himavat Power Private Limited	Associate of LTPL	26.67%	Subsidiary of LITL	100.00%
Vainateya Power Private Limited	Associate of LTPL	26.00%	Associate of LITL	26.00%
Regulus Power Private Limited	Associate of LTPL	43.14%	Subsidiary of LITL	98.04%
Charon Trading Private Limited	Associate of LTPL	34.00%	Associate of LITL	34.00%
Mimas Trading Private Limited	Associate of LTPL	50.00%	Associate of LITL	50.00%
Phoebe Trading Private Limited	Associate of LTPL	34.00%	Associate of LITL	34.00%
Portia Properties Private Limited	Associate of LTPL	34.00%	Associate of LITL	34.00%

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- 38** During the previous financial year, the Company acquired the Griffin Coal Mining Company Pty Limited (GCM) and Carpenter Mine Management Pty Limited (CMM) through its subsidiary Lanco Resources International Pte Limited (LRIPL) and step down subsidiary Lanco Resources Australia Pty Limited (LRAPL) on February 28, 2011. Since GCM and CMM had been "Under Administration" at the time of acquisition, the audit of the financial statements of these companies had not been undertaken for the period subsequent to June 30, 2008. The audit of the consolidated financial statements of LRAPL for the period July 1, 2008 to March 31, 2011, under the Australian GAAP, has been recently completed and the audit for current financial year ended March 31, 2012 is under progress. Due to restructuring within the group during the year, Lanco Holding Netherlands B.V., PT Lanco Indonesia Energy, Lanco Energy Africa (Proprietary) Limited became the subsidiaries of LRIPL and the audit of these subsidiaries for the year ended March 31, 2012 under the respective local GAAP has been completed. The process of completion of audit of consolidated financial statements of LRIPL for the year ended March 31, 2011 and March 31, 2012 is currently under progress. Accordingly total assets of ₹ 6,82,276.56 (March 31, 2011: ₹ 5,50,443.34) lakhs and total liabilities ₹ 5,70,393.97 (March 31, 2011: ₹ 4,50,968.96) lakhs and Net Loss of ₹ 28,664.38 lakhs (March 31, 2011: Net Profit of ₹ 2,830.83 lakhs) in relation to LRIPL and its subsidiaries (including step down subsidiaries) have been taken from consolidated accounts of LRIPL prepared by the management.
- 39** Managerial Remuneration paid till March 31, 2011 in case of LSPL, is in excess of the limits prescribed under Sections 198, 269, 309 & 310 of the Companies Act, 1956 read with schedule XIII of the said Act by ₹ 223.11 lakhs. The subsidiary company has sought approval of Central Government for increased remuneration paid to the Whole time Directors and the same are awaited.
- 40** During the year, in line with the Notification dated December 29, 2011 issued by the Ministry of Corporate Affairs, the Group 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, forex gain amounting ₹ 1,338 lakhs has been capitalised under the Fixed Assets.
- 41** The Group currently provides depreciation on assets at the rates specified in the Schedule XIV of the Companies Act, 1956. The Ministry of Corporate Affairs (MCA) vide its notification dated May 31, 2011, has clarified that companies engaged in the generation and supply of electricity can distribute dividend after providing for depreciation at rates / methodology notified by Central Electricity Regulatory Commission (CERC). As power generating entities of the group have both regulated and non - regulated generating assets, the management has sought clarifications and guidance from the MCA on the applicability of the CERC rates for its regulated and non - regulated generating assets. Pending the clarification, existing depreciation rates have been continued for the year ended March 31, 2012.
- 42** During the year, a subsidiary and an associate of the Company has provided further mobilisation advance of ₹ 43,630.77 lakhs to the Company, as it executes Engineering, Procurement & Construction (EPC) contract for this subsidiary and associate, which requires approval by their respective lenders, out of which ₹ 28,630.77 lakhs has been eliminated while preparing these consolidated financial statements. The process of lenders approval is in progress and the management is confident of obtaining the same. Pending final approval of the lenders no adjustments have been made in respect of this matter, in the accompanying consolidated financial statements
- 43** As at the year-end, the Group has borrowings aggregating ₹ 31,22,992.64 lakhs against net worth of ₹ 7,17,085.33 lakhs including minority interest and before elimination of profit on intra group transactions of ₹ 1,51,292.00 lakhs. The net worth after elimination of profit on intra group transactions of ₹ 5,65,793.33 lakhs including minority interest of ₹ 95,188.23 lakhs. Currently power sector is facing the situation of higher receivables due to delayed payments by the state electricity utilities. The Group is making efforts to recover the outstanding trade receivables of ₹ 2,36,938.72 lakhs due against sale of power to various customers including state electricity utilities and other customers.
- Further, the Group has created power holding structure during the year for mobilising the equity funds at appropriate level depending on the requirements to the advantage of the investors. Management is confident that the Group's requirement for funding all ongoing projects would be comfortably met from the Group's internal cash generations and mobilisation of other funds as envisaged.
- 44 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.

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In certain subsidiaries the scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following table summarises the components of net benefit expense recognised in the Statement of Profit and Loss / Capital Work in Progress and amounts recognised in the balance sheet for the respective plans.

			(₹ in Lakhs)
			Gratuity
	March 31, 2012	March 31, 2011	
Net Employee benefit expense recognised in the employee cost			
Current service cost	717.84	676.45	
Interest cost on benefit obligation	129.44	73.58	
Benefits transferred in	(2.26)	-	
Expected return on plan assets	(8.02)	(7.51)	
Net actuarial (gain)/loss recognised in the year	(542.24)	(44.21)	
Changes due to inclusion of subsidiaries	1.21	-	
Net benefit expense	295.97	698.31	
Balance Sheet			
Benefit asset / (liability)			
Present value of defined benefit obligation	2,028.10	1,650.53	
Fair value of plan assets	229.78	90.73	
Plan asset / (liability)	(1,798.32)	(1,559.80)	
Change in the present value of the defined benefit obligation			
Opening defined benefit obligation	1,650.53	954.69	
Current service cost	717.84	676.45	
Interest cost	129.44	73.58	
Actuarial (gain) / loss on obligation	(549.25)	(47.21)	
Benefits paid	(83.39)	(6.98)	
Changes due to inclusion of subsidiaries	167.04	-	
Changes due to disposal of subsidiaries	(4.11)	-	
Closing defined benefit obligation	2,028.10	1,650.53	
Change in the fair value of plan assets			
Opening fair value of plan assets	90.73	78.88	
Adjustment to Opening Balance	3.05	-	
Expected return	8.02	7.51	
Contributions by employer	51.17	23.51	
Benefits paid	(39.29)	(16.17)	
Actuarial gain/(loss)	(7.01)	(3.00)	
Changes due to inclusion of subsidiaries	123.11	-	
Closing fair value of plan assets	229.78	90.73	
Investment details of the plan assets			
Investment with Insurer	100%	100%	
Assumptions			
Discount Rate (%)	8.07 to 8.54	8.07	
Estimated Rate of Return on Plan Assets	9.00	9.15	
Attrition Rate	19.00	19.00	
Expected rate of salary increase (%)	6 to 12	12.00	
Expected Average Remaining Service (years)	3.80 to 4.22	4.05	

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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.

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

	(₹ in Lakhs)			
	Present value of Defined benefit obligation	Surplus / (deficit)	Experience adjustments on plan liabilities	Experience adjustments on plan assets
March 31, 2012	2,028.10	1,798.32	140.51	-
March 31, 2011	1,650.53	1,559.80	77.40	-
March 31, 2010	954.69	875.81	90.21	-
March 31, 2009	526.40	461.60	-	-
March 31, 2008	261.20	261.20	-	-

* Information is furnished to the extent available within the group.

Defined Contribution Plans

In respect of the defined contribution plan (Provident fund), an amount of ₹ 1,784.05 lakhs (March 31, 2011 : ₹ 1,395.37 lakhs) has been recognised 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 ₹ 3,043.15 lakhs (March 31, 2011 : ₹ 1,154.93 lakhs).

The provision for compensated absences as per actuarial valuation as at March 31, 2012 is ₹ 5,589.7 lakhs (March 31, 2011 : ₹ 4,981.12 lakhs)

45 EMPLOYEE STOCK OPTION SCHEME

The Group has thus far allotted 111.18 lakhs (March 31, 2011: 111.18 lakhs) equity shares of ₹ 10 each to LCL Foundation (ESOP - Trust) towards the Employee Stock option plan 2006 (The Plan) which was formulated by the Group. 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 six 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 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 group's plan is given below:

Particulars	March 31, 2012		March 31, 2011	
	No. Lakhs	Weighted Average Exercise Price (₹)	No. Lakhs	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	489.83	0.24	533.40	0.24
Granted during the year	-	0.24	116.96	0.24
Forfeited during the year	(52.70)	-	(51.18)	-
Exercised during the year	(71.07)	0.24	(109.35)	0.24
Expired during the year	-	-	-	-
Outstanding at the end of the year	366.06	0.24	489.83	0.24
Exercisable at the end of the year	156.06	0.24	84.73	0.24

The weighted average share price for the period over which stock options were exercised was ₹ 20.97 (March 31, 2011 ₹ 59.91).

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

March 31, 2012				
Grant No. (Grant Date)	Range of Exercise Price	Number of Options outstanding (Lakhs)	Weighted average remaining contractual life of options (in years)	Weighted average exercise price
Grant 1 (24.06.2006)	0.24	1.10	0.23	0.24
Grant 2 (02.07.2007)	0.24	172.18	1.25	0.24
Grant 3 (26.09.2007)	0.24	6.54	1.49	0.24
Grant 4 (24.04.2008)	0.24	22.08	2.07	0.24
Grant 5 (04.07.2008)	0.24	37.65	2.26	0.24
Grant 6 (01.11.2008)	0.24	3.88	2.59	0.24
Grant 7 (19.02.2009)	0.24	2.00	2.89	0.24
Grant 8 (29.07.2009)	0.24	34.50	3.33	0.24
Grant 9 (27.01.2010)	0.24	10.96	3.83	0.24
Grant 10 (30.04.2010)	0.24	7.62	4.08	0.24
Grant 11 (13.08.2010)	0.24	61.41	4.37	0.24
Grant 12 (12.11.2010)	0.24	6.14	4.62	0.24
		366.06		
March 31, 2011				
Grant 1 (24.06.2006)	0.24	2.12	1.23	0.24
Grant 2 (02.07.2007)	0.24	208.16	2.25	0.24
Grant 3 (26.09.2007)	0.24	11.03	2.49	0.24
Grant 4 (24.04.2008)	0.24	31.67	3.07	0.24
Grant 5 (04.07.2008)	0.24	57.45	3.26	0.24
Grant 6 (01.11.2008)	0.24	6.11	3.59	0.24
Grant 7 (19.02.2009)	0.24	4.40	3.89	0.24
Grant 8 (29.07.2009)	0.24	52.36	4.33	0.24
Grant 9 (27.01.2010)	0.24	15.00	4.83	0.24
Grant 10 (30.04.2010)	0.24	11.10	5.08	0.24
Grant 11 (13.08.2010)	0.24	82.28	5.37	0.24
Grant 12 (12.11.2010)	0.24	8.15	5.62	0.24
		489.83		

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. The group 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, 2012	March 31, 2011
Net Income - As reported	₹ Lakhs (11,203.47)	44,606.89
Add: ESOP Cost under Intrinsic Value Method	₹ Lakhs 3,461.96	4,071.48
Less : ESOP Cost under Fair Value Method (Black Sholes)	₹ Lakhs 3,494.51	4,081.66
Net Income – Proforma	₹ Lakhs (11,236.02)	44,596.71
Basic Earnings per Share: (In ₹)		
As reported	(0.48)	1.92
Proforma	(0.48)	1.92
Diluted Earnings per Share: (In ₹)		
As reported	(0.48)	1.90
Proforma	(0.48)	1.90

The weighted average fair value of stock options granted during the year was N/A (March 31, 2011 ₹ 66.08) of share of ₹ 1 each.

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Assumptions	March 31, 2012	March 31, 2011
Weighted average share price (in ₹)	NA	59.91
Exercise Price (in ₹)	NA	0.24
Expected Volatility	NA	30%
Historical Volatility	NA	30%
Life of the options granted (Vesting and exercise period) in years	NA	6.00
Expected dividends (in ₹)	NA	Nil
Average risk-free interest rate	NA	8%
Expected dividend rate	NA	Nil

46 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, 2012		March 31, 2011	
	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	20,734.29	19,189.54	11,050.22	8,362.12
Later than one year and not later than five years	3,602.41	3,444.44	21,686.12	20,198.25
Later than five years	Nil	Nil	Nil	Nil

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, 2012	March 31, 2011
Lease rentals charged during the year		
Under Cancellable Leases	1,151.05	1,581.00
Under Non-Cancellable Leases	2,747.62	2,212.84
Future minimum lease payments under Non Cancellable Leases		
Not later than one year	2,188.50	2,518.99
Later than one year and not later than five years	1,708.53	3,772.24
Later than five years	-	278.21

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.

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47 SEGMENT REPORTING

- 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 211(3C) of the Companies Act, 1956.
- 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.
- 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	14	Diwakar Solar Projects Limited
2	Lanco Power Limited	15	Lanco Solar Services Private Limited
3	Lanco Thermal Power Limited	16	Lanco Solar Private Limited
4	Lanco Kondapalli Power Limited	17	Khaya Solar Projects Private Limited
5	Lanco Tanjore Power Company Limited	18	Bhanu Solar Projects Private Limited
6	Lanco Amarkantak Power Limited	19	Lanco Solar Power Projects Private Limited
7	Arneb Power Private Limited	20	Orion Solar Projects Private Limited
8	Udupi Power Corporation Limited	21	Pasiphae Power Private Limited
9	Lanco Anpara Power Limited	22	Sabitha Solar Projects Private Limited
10	Lanco Hydro Power Private Limited	23	Helene Power Private Limited
11	Lanco Teesta Hydro Power Private Limited	24	Omega Solar Projects Private limited
12	Lanco Budhil Hydro Power Private Limited	25	Lanco Wind Power Private Limited
13	Lanco Mandakini Hydro Energy Private Limited	26	Amrutha Power Private Limited

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27	Spire Rotor Private Limited	44	Dupondius (Pty) Limited
28	Emerald Orchids Private Limited	45	Gamblegreat Trading (Pty) Limited
29	JH Patel Power Project Private Limited	46	Filtten Trading (Pty) Limited
30	National Energy Trading and Services Limited	47	K2011103835 (Pty) Limited
31	Lanco Infratech Nepal Private Limited	48	Lanco Solar International Limited
32	Lanco Power International Pte Limited	49	Lanco Solar International GMBH
33	Lanco Solar Holding Netherland B.V Utrecht	50	Lanco Solar International US Inc.
34	Lanco US EPC Branch LLC	51	Lanco Rocky Face Land Holdings LLC
35	Lanco Solar Canada Limited	52	Lanco Tracy City Land Holdings LLC
36	SolarFi SP 07	53	Lanco IT PV Investments B.V.
37	SolarFi SP 06	54	Tiper Solaire SAS
38	Lexton Trading (Pty) Limited	55	Apricus S.R.L
39	Approve Choice Investments (Pty) Limited	56	Green Solar SRL
40	Bar Mount Trading (Pty) Limited	57	Lanco US PV Investments B.V.
41	Barrelake Investments (Pty) Limited	58	Lanco Solar Holdings LLC (USA)
42	Belara Trading (Pty) Limited	59	Lanco SP PV 1 Investments B.V.
43	Caelamen (Pty) Limited	60	Lanco Solar Project Development S.L.U
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	4	Carpenter Mine management Pty Limited
2	Lanco Resources Australia Pty Limited	5	Mahatamil Mining and Thermal Energy Limited
3	The Griffin Coal Mining Company Pty Limited		
5 Infrastructure			
1	Lanco Infratech Limited	3	Lanco Kanpur Highways Limited
2	Mercury Projects Private Limited		
6 Others			
1	LE New York - LLC	4	P.T Lanco Indonesia Energy
2	Lanco Holding Netherland B.V	5	Lanco Infratech (Mauritius) Limited
3	Lanco Energy Africa (Proprietary) Limited		

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(g) The details of Primary Segments information for the Year Ended March 31, 2012 and March 31, 2011 are given below:

Business Segments	EPC and Construction		Power		Property Development		Infrastructure		Resources		Unallocable		Eliminations		TOTAL	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Revenue																
External Customers	5,13,821.33	2,74,499.00	4,31,031.51	4,94,743.94	7,525.10	16,728.14	-	-	69,025.47	13,370.24	5,770.63	1,317.72	-	-	10,27,174.04	8,00,659.04
Inter Segment Revenue	4,78,541.23	3,21,667.15	30,226.17	-	-	-	-	-	-	-	2,383.55	4,411.11	[5,11,150.95]	[3,26,078.26]	-	-
Total Revenues	9,92,362.56	5,96,166.15	4,61,257.68	4,94,743.94	7,525.10	16,728.14	-	-	69,025.47	13,370.24	8,154.18	5,728.83	[5,11,150.95]	[3,26,078.26]	10,27,174.04	8,00,659.04
Segment Result before Eliminations	1,29,521.07	80,842.84	1,11,115.67	1,42,086.74	[459.09]	[299.57]	-	-	[22,182.07]	3,494.28	[3,393.15]	[4,240.36]	-	-	2,14,602.42	2,21,883.93
Inter Segment Profit	75,553.46	45,263.18	202.24	-	-	-	-	-	-	-	106.64	548.05	-	-	75,862.34	-
Segment Result	53,967.61	35,579.66	1,10,913.43	1,42,086.74	[459.09]	[299.57]	-	-	[22,182.07]	3,494.28	[3,499.79]	[4,788.41]	-	-	1,38,740.08	1,76,072.70
Interest	-	-	-	-	-	-	-	-	-	-	1,05,385.04	75,766.78	-	-	1,05,385.04	75,766.78
Unallocated Other Income	-	-	-	-	-	-	-	-	-	-	1,483.28	3,752.51	-	-	1,483.28	3,752.51
Profit/(Loss) before tax	24,504.37	38,029.13	5,44,826.57	3,35,147.88	16,298.96	14,974.51	2,609.82	43.88	73,218.69	-	552.34	4.34	-	-	34,838.31	1,04,058.43
Provision for Current tax	8,951.52	6,880.26	29,284.91	26,768.40	255.26	336.31	-	-	17,759.01	1,380.50	28.84	7.94	-	-	19,717.00	31,875.91
Provision for Deferred tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,745.24	6,619.99
Net Profit/(Loss) after taxation	12,325.33	4,450.54	4,851.08	106.39	105.61	279.26	-	-	[556.71]	-	-	-	-	-	12,376.07	45,562.53
Other Information																
Segment Assets	5,60,224.92	5,55,938.23	32,64,870.58	15,52,087.10	2,28,799.85	1,90,281.22	55,094.12	46,144.69	6,89,785.93	5,50,443.34	42,594.64	24,779.25	-	-	48,41,370.04	29,19,673.83
Segment Liabilities	8,77,988.17	5,44,780.01	94,459.68	38,231.72	38,573.46	36,750.22	1,521.12	847.41	57,183.53	22,746.01	32,056,50.75	17,29,473.35	-	-	42,75,576.71	23,72,828.72
Capital Expenditure	24,504.37	38,029.13	5,44,826.57	3,35,147.88	16,298.96	14,974.51	2,609.82	43.88	73,218.69	-	552.34	4.34	-	-	6,62,010.75	3,88,199.74
Depreciation / Amortisation	8,951.52	6,880.26	29,284.91	26,768.40	255.26	336.31	-	-	17,759.01	1,380.50	28.84	7.94	-	-	56,279.54	35,373.41
Other Non Cash Expenses	12,325.33	4,450.54	4,851.08	106.39	105.61	279.26	-	-	[556.71]	-	-	-	-	-	16,725.31	4,836.19

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 summarises the geographical information for the year ended March 31, 2012 and March 31, 2011:

Geographical Segments	India			Singapore			Australia			Other			Total		
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2012	31.03.2011	31.03.2011	31.03.2012	31.03.2012	31.03.2011
Particulars															
External Revenue by Location of Customers	9,56,887.41	7,88,531.42	-	-	45,488.01	9,083.01	24,798.62	3,044.61	10,27,174.04	8,00,659.04	-	-	10,27,174.04	8,00,659.04	-
Carrying Amount of Segment Assets by Location of Assets	40,02,392.92	22,41,088.80	1,36,283.75	1,24,148.63	6,79,429.17	5,69,643.81	23,264.20	4,792.59	48,41,370.04	29,19,673.83	-	-	48,41,370.04	29,19,673.83	-
Capital expenditure	5,89,647.07	3,87,950.86	902.95	60.81	67,652.60	-	3,808.13	188.07	6,62,010.75	3,88,199.74	-	-	6,62,010.75	3,88,199.74	-

Notes

to consolidated financial statements for the year ended March 31, 2012

48 RELATED PARTY TRANSACTIONS

a) Name of the related parties and description of relationship:

Relation	S.No	Related Party Name
Holding Company	01	Lanco Group Limited (LGL) (from October 25, 2011)
Fellow Subsidiary	01	Lanco Babandh Power Limited (LBPL) (from October 25, 2011)
Enterprises where Significant Influence Exists	01	Lanco Anpara Power Limited (LANPL) (upto March 27, 2012)
	02	Avior Power Private Limited (AvPPL)
	03	Basava Power Private Limited (BPPL)
	04	Bay of Bengal Gateway Terminal Private Limited (BBGTPL)
	05	Belinda Properties Private Limited (BePPL)
	06	Bianca Properties Private Limited (BiPPL)
	07	Charon Trading Private Limited (CTPL)
	08	DDE Renewable Energy Pvt. Ltd. (DREPL)
	09	Electromech Maritech Pvt. Ltd. (EMPL)
	10	Finehope Allied Engg. Pvt. Ltd. (FAEPL)
	11	Genting Lanco Power (India) Private Limited (GLPIPL)
	12	Himavat Power Private Limited (HPPL) (from December 2, 2011)
	13	KVK Energy Ventures Pvt. Ltd.(KEVPL)
	14	Lanco Babandh Power Limited (LBPL) (upto March 30, 2012)
	15	Lanco Devihalli Highways Limited (LDHL) (Formerly Lanco Devihali Highways Private Limited)
	16	Lanco Hoskote Highway Limited (LHHL) (Formerly Lanco Hoskote Highway Private Limited)
	17	Lanco Vidarbha Thermal Power Limited (LVTPL) (from September 21, 2011)
	18	Mimas Trading Private Limited (MTPL)
	19	Mirach Power Limited (MiPL) (Formerly Mirach Power Private Limited)
	20	Newton Solar Private Limited (NSPL)
	21	Phoebe Trading Private Limited (PTPL)
	22	Portia Properties Private Limited (PPPL)
	23	Pragdisa Power Private Limited (PrPPL)
	24	Regulus Power Private Limited (RPPL) (from March 30, 2012)
	25	Saidham Overseas Pvt. Ltd (SOPL)
	26	Siddheswara Power Private Limited (SiPPL)
	27	Tethys Properties Private Limited (TPPL)
	28	Udupi Power Corporation Limited (UPCL) (upto March 28, 2012)
	29	Unique Corporate Consultants Pvt Ltd. (UCCPL) (upto February 8, 2012)
	30	Vainateya Power Private Limited (VPPL)
	31	Vasavi Solar Power Pvt Ltd (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)
Relatives of Key Management Personnel	1	Smt. L.Rajya Lakshmi (Spouse of LMR) (LRL)
	2	Smt. G.Padmavathi (Spouse of GBR) (GP)
	3	Smt. L.Sirisha (Spouse of LS) (LSi)
	4	Sri G.Avinash (Son of GBR) (SGA)
	5	Sri L.Sridhar (Brother of LMR) (LS)
	6	Sri L. Rajagopal (Brother of LMR) (LRG)

Notes

to consolidated financial statements for the year ended March 31, 2012

Relation	S.No	Related Party Name
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 (Formerly Callisto Trading Private Limited.) (CSPPL)
	3	Himachal Hydro Power Private Limited (HHPPL)
	4	Infra India Ventures Private Limited (IIVPL) (Formerly Lanfin Ventures Private Limited) (LVPL)
	5	Lanco Bay Technology Park Private Limited (LBTPPL)
	6	Lanco Foundation (LF)
	7	Lanco Group Limited (LGL)
	8	Lanco Horizon Properties Private Limited (LHrPPL)
	9	Lanco Operation and Maintenance Company Private Limited (LOMPL)
	10	Lanco Kerala Seaports Private Limited (LKSPL)
	11	Lanco Rani Joint Venture (LR)
	12	Lanco Transport Network Company Private Limited (LTNCPL)
	13	LCL Foundation (LCL)
	14	Nekkar Power Private Limited (NePPL)
	15	Orion Solar Projects Private Limited (OrSPPL)
	16	Ravi Hydro Electric Private Limited (RHEPL)
	17	Sabitha Solar Projects Private Limited (SSPPL)
	18	S.V. Contractors (SVC)

b) Summary of transactions with related parties are as follows:

(₹ in Lakhs)										
		March 31, 2012								
Nature of Transaction	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
Contract Services Rendered			LBPL	1,19,604.42						
			LVTPL	67,754.26						
			UPCL	35,260.78						
			LAnPL	22,765.12						
			FAEPL	7,603.40						
			VSPPL	7,603.40						
			SOPL	7,603.40						
			NSPL	6,953.61						
			EMPL	6,815.78						
			DREPL	6,815.78						
		OTHERS	9,688.79							
			2,98,468.74							
Contract Services/ Shared Services Provided / (Availed)			LAnPL	100.40						
			LBPL	100.40						
			HPPL	16.73						
			217.53							

Notes

to consolidated financial statements for the year ended March 31, 2012

b) Summary of transactions with related parties are as follows: (Contd.)

										(₹ in Lakhs)
										March 31, 2012
Nature of Transaction	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
Interest Paid/ (Received)			UPCL	3,108.49						
			KEVPL	345.01						
			LBPL	(62.53)						
			LAnPL	(5.56)						
				3,385.41						
Donations Paid									LF	825.99
										825.99
Managerial Remuneration					GVB	580.62				
					SCM	392.45				
					GBR	386.39				
					LMR	380.58				
						1,740.04				
Sitting Fee					LMR	0.80	LS	2.20		
						0.80		2.20		
Purchase / (Sale) of Shares			PTPL	103.19	GBR	3.50	GP	1.70		
			PPPL	8.00	LMR	1.20	LRL	1.20		
			RPPL	(85.71)			SGA	0.75		
							LS	1.70		
							LSi	0.85		
							LRG	0.35		
				25.48		4.70		6.55		
Share Application Money Paid during the year			LBPL	41,062.00					LHrPPL	15.37
			LVTPL	17,500.00						
			RPPL	10,420.00						
			OTHERS	1,143.15						
				70,125.15						15.37
Share Application Money Refunded during the year			RPPL	10,400.00						
			OTHERS	1,315.00						
				11,715.00						
Management Consultancy Fee Charged			UPCL	720.00						
			LHHL	153.41						
			LDHL	127.68						
				1,001.09						
Work Contract Expenses			UPCL	220.44						
				220.44						
Operation & Maintenance Expenses			GLPIPL	2,617.77						
				2,617.77						
Other Expenses / (Incomes) / (Recoveries)			LAnPL	(13,310.58)					LHrPPL	(0.01)
			LBPL	(6,696.60)						
			LVTPL	(3,856.13)						
			OTHERS	(49.97)						
				(23,913.28)						(0.01)

Notes

to consolidated financial statements for the year ended March 31, 2012

b) Summary of transactions with related parties are as follows: (Contd.)

										(₹ in Lakhs)
										March 31, 2012
Nature of Transaction	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
Purchase / (Sale) of Goods / Power			UPCL	(5,081.64)						
				(5,081.64)						
Inter Corporate Deposits given / (taken) / (refunded) during the year			LBPL	(15,400.00)						
				(15,400.00)						
Purchase of Fixed Assets			LAnPL	15.41						
			LHHL	0.75						
				16.16						
Sale of Fixed Assets			HPPL	13.91						
			LAnPL	0.13						
				14.04						
Corporate Guarantee given to Banks / Financial Institutions on behalf of Related Parties (balance as at the year end)	LBPL	2,47,924.00	HPPL	35,000.00						
			LHHL	34,685.47						
			LDHL	25,578.00						
			KEVPL	5,000.00						
		2,47,924.00		1,00,263.47						
Balance Receivable at the year end-Share Application Money			VPPL	30,529.10					LHrPPL	31.87
			PrPPL	30,444.50					CaPTL	3.00
			AnPPL	3,313.88					NePPL	10.00
			BePPL	3,293.90						
			BiPPL	3,293.90						
			TPPL	3,293.90						
			OTHERS	1,222.22						
				75,391.40						44.87

Notes

to consolidated financial statements for the year ended March 31, 2012

b) Summary of transactions with related parties are as follows: (Contd.)

(₹ in Lakhs)										
March 31, 2012										
Nature of Transaction	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
Balance Receivable at the year end-Others (Trade Receivables and Other Receivables)	LBPL	31,391.89	LVTPPL	16,136.68	SCM	5.04			LR	1,387.36
			LHHL	14,520.69					OTHERS	81.36
			LDHL	10,403.07						
			VSPPL	6,208.87						
			SOPL	6,210.98						
			FAEPL	6,190.70						
			NSPL	5,411.75						
			DREPL	5,391.16						
			EMPL	5,395.18						
			OTHERS	3,609.57						
		31,391.89		79,478.65		5.04				1,468.72
Balance Payable at the year end-Others (Trade Payables and Other Payables)	LBPL	1,46,438.15	LVTPPL	1,14,793.72	SCM	31.16			LF	53.76
			HPPL	73,747.06	GVB	0.08			LCL	13.72
			PrPPL	30,167.89					LHRPPL	6.81
			VPPL	28,375.69					LR	0.74
			KEVPL	4,500.00						
			GLPIPL	1,083.69						
			OTHERS	95.19						
		1,46,438.15		2,52,763.24		31.24				75.03

(₹ in Lakhs)										
March 31, 2011										
Nature of Transaction	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	
Contract Services Rendered			LAnPL	90,283.30					LR	35.99
			LBPL	45,199.49						
			UPCL	34,140.10						
			OTHERS	22,044.50						
				1,91,667.39						35.99
Contract Services/ Shared Services Provided			LAnPL	83.60					LOMPL	10.45
			LBPL	83.60						
				167.20						10.45
O&M Services Availed			GLPIPL	2,049.77						
				2,049.77						
Interest Paid/ (Received)			UPCL	3,062.47						
			LBPL	(502.41)						
				2,560.06						

Notes

to consolidated financial statements for the year ended March 31, 2012

b) Summary of transactions with related parties are as follows: (Contd.)

(₹ in Lakhs)										
March 31, 2011										
Nature of Transaction	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
Donations Paid									LF	775.34
										775.34
Managerial Remuneration					GVB	584.43				
					GBR	417.64				
					LMR	379.61				
					SCM	211.96				
						1,593.64				
Sitting Fee					GBR	0.60	LS	1.80		
					LMR	0.40				
						1.00		1.80		
Purchase / (Sale) of Shares			LBPL	12,100.00	GBR	2.53	LS	2.14		
			OTHERS	0.52			OTHERS	3.07		
				12,100.52		2.53		5.21		
Share Application Money Paid during the year			UPCL	72,500.00					LHrPPL	31.24
			LBPL	56,518.00					OrSPPL	31.00
			LAnPL	50,300.00					NePPL	10.00
			AnPPL	32,783.80						
			PrPPL	31,605.00						
			VPPL	30,526.00						
			OTHERS	3,076.47						
				2,77,309.27						72.24
Share Application Money Refunded during the year			LBPL	8,400.00					LVPL	20.00
			LHHL	1,000.00						
			PrPPL	211.00						
				9,611.00						20.00
Management Consultancy Fee Charged			UPCL	280.00						
			LHHL	153.41						
			LDHL	127.68						
				561.09						
Works Contract Expense			UPCL	225.29						
				225.29						
Other Expenses / (Incomes) / (Recoveries)			UPCL	141.17					LOMPL	319.87
			LAnPL	131.14					LBTPL	1.36
			LBPL	42.09					LOMPL	(17.28)
			OTHERS	10.12						
				324.52						303.95
Loan and Advances Given / (Taken) during the year			DREPL	(1,500.00)						
			EMPL	(1,500.00)						
				(3,000.00)						

Notes

to consolidated financial statements for the year ended March 31, 2012

b) Summary of transactions with related parties are as follows: (Contd.)

(₹ in Lakhs)										
March 31, 2011										
Nature of Transaction	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
Purchase of Fixed Assets			UPCL	18.89					LGL	18.61
			LBPL	10.82						
				29.71						18.61
Sale of Fixed Assets			LBPL	10.03					LOMPL	23.02
			UPCL	0.37						
				10.40						23.02
Corporate Guarantee given to Banks / Financial Institutions on behalf of Related Parties (balance as at the year end)			UPCL	3,98,066.00						
			OTHERS	58,052.00						
				4,56,118.00						
Balance Receivable at the year end-Share Application Money			LAnPL	32,825.00					OrSPPL	31.00
			PrPPL	31,395.00					SSPPL	27.60
			VPPL	30,529.10					LHrPPL	16.50
			LBPL	28,545.40					NePPL	10.00
			OTHERS	14,662.78					CaPTL	3.00
				1,37,957.28						88.10
Balance Receivable at the year end-Inter Corporate Deposits			LBPL	15,400.00						
				15,400.00						
Balance Receivable at the year end-Others (Trade Receivables and Other Receivables)			UPCL	60,921.61	GVB	6.39			LR	664.93
			LAnPL	33,203.91	SCM	2.46			LCL	206.12
			LBPL	27,060.98					OTHERS	146.86
			OTHERS	2,138.34						
				1,23,324.84		8.85				1,017.91
Balance Payable at the year end-Inter Corporate Deposits			UPCL	20,000.00						
				20,000.00						
Balance Payable at the year end- Others (Trade Payables and Other Payables)			LBPL	90,835.77	SCM	6.98			LR	135.54
			LAnPL	35,254.50					OTHERS	13.73
			PrPPL	30,167.89						
			UPCL	29,959.75						
			VPPL	28,375.69						
			OTHERS	1,934.38						
				2,16,527.98		6.98				149.27

Notes

to consolidated financial statements for the year ended March 31, 2012

49 FORWARD CONTRACTS

(₹ in Lakhs)

	Currency	March 31, 2012	March 31, 2011
Details of Forward Cover for amount outstanding as on Balance sheet date			
For Buy (Hedge for foreign currency loan repayment)	USD	97,787.92	-
For Sale (Hedge for future sale proceeds)	USD	1,074.29	4,353.38
Interest Rate Swaps (Hedge against exposure to variable interest outflow)	USD	45,017.72	49,115.00

(₹ in Lakhs)

	Currency	March 31, 2012	March 31, 2011
Details of Forward Cover for Firm Commitments and highly probable forecast transaction			
For Buy (Against AUD)	USD	64,778.58	6,697.50
For Sale (Against AUD)	USD	1,16,971.90	1,02,096.69
Currency Swaps (Against CNY)	USD	2,49,142.37	2,48,655.85

			March 31, 2012	
	Currency	Exchange Rate	Amount in Foreign Currency (Lakhs)	Amount in INR (Lakhs)
Details of Unhedged Foreign Currency Exposure				
Trade Payables	EURO	68.34	6.52	445.58
Trade Payables	USD	51.16	847.15	43,337.05
Secured foreign currency loans (Buyers Credit)	EURO	68.34	112.16	7,665.04
Secured foreign currency loans (Buyers Credit)	USD	51.16	4,774.60	2,44,252.05
Secured foreign currency term loans including interest	USD	51.16	6,450.78	3,29,999.18
Advance from Customers	USD	44.90	3,092.88	1,38,866.39
Trade receivables	USD	51.16	873.31	44,675.53
Advances Recoverable in Cash or in kind (Advance to Supplier)	USD	44.68	11.09	495.36
Advances Recoverable in Cash or in kind (Advance to Supplier)	EURO	68.34	0.25	16.96
Advances Recoverable in Cash or in kind (Advance to Supplier)	GBP	81.80	0.02	1.65
Net Exposure				7,19,375.79

Notes

to consolidated financial statements for the year ended March 31, 2012

March 31, 2011				
	Currency	Exchange Rate	Amount in Foreign Currency (Lakhs)	Amount in INR (Lakhs)
Trade Payables	USD	44.65	1,406.02	62,778.79
Trade Payables	GBP	71.93	0.02	1.44
Trade Payables	EURO	63.24	1.66	104.98
Secured foreign currency loans (Buyers Credit)	USD	44.65	1,311.03	58,537.49
Secured foreign currency loans (Buyers Credit)	EURO	63.24	84.83	5,364.65
Secured foreign currency loans (Buyers Credit)	CHF	48.71	13.65	664.89
Secured foreign currency term loans including interest	USD	44.65	6,696.17	2,98,983.99
Advance from Customers	USD	44.65	3,283.40	1,46,603.86
Trade receivables	USD	44.65	366.04	16,343.57
Advances Recoverable in Cash or in kind (Advance to Supplier)	USD	44.65	92.40	4,125.50
Advances Recoverable in Cash or in kind (Advance to Supplier)	EURO	63.24	0.91	57.55
Net Exposure				5,52,513.48

50 MOVEMENT IN PROVISIONS

(₹ in Lakhs)			
Particulars	Mine Restoration	Operations & Maintenance	Warranties
(a) Balance as on April 1, 2011	10,067.09	1,309.78	-
(b) Additional Provision made during the year	12,738.83	9,956.54	25,998.90
(c) Provision reversed / used during the year	1,245.60	8,716.47	-
(d) Foreign exchange rate variation	1,453.75	-	-
(e) Balance as on March 31, 2012 (a+b-c+d)	23,014.07	2,549.85	25,998.90

51 CAPITAL AND OTHER COMMITMENTS

(₹ in Lakhs)		
	March 31, 2012	March 31, 2011
Estimated amount of contracts remaining to be executed on capital account and not provided for	20,18,551.85	23,08,069.00
Investment Commitment in Associates	2,57,282.74	1,20,357.36
Contractual obligations for purchase of coal under fuel supply agreement	1,060.88	843.88
Contractual obligation for Long Term Access for transmission of power	12,126.75	4,290.00

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52 CONTINGENT LIABILITIES - NOT PROBABLE AND THEREFORE NOT PROVIDED FOR

(A) Claims disputed by Group

	(₹ in Lakhs)	
	March 31, 2012	March 31, 2011
Duty Draw Back **	728.05	-
Sales tax Liability	1,080.29	576.65
Service tax Liability	11,356.33	5,116.09
Income tax Liability	1,465.50	265.42
Construction Cess under Building and Other Construction Workers Act, 1996	345.46	-
Seignorage Fees	1,929.31	1,929.31
Bond for SEZ *	6,369.64	-

** 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 ₹ 17,124 lakhs. 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 authorised operations as per SEZ Act 2005. The amount of utilisation till March 31, 2012 is ₹ 6,369.64 lakhs.

* In case of LBHPPL, pursuant to the demand notices received on refund of excess duty draw back from the office of DGFT dated May 26, 2011, August 4, 2011 and September 8, 2011 LBHPPL has made its representation on January 19, 2012 requesting to give opportunity of being heard. Pending the status of the same and based on the estimation of the management no provision is made in the books of account.

(B) Company's share of contingent liabilities of associate companies is ₹ 306.30 (March 31, 2011: ₹ 381.07) lakhs.

(C) Outstanding corporate guarantees - ₹ 3,48,187.47 lakhs, March 31, 2011: ₹ 4,56,118.00 lakhs

(D) Claims not acknowledged as debts

(i) In case of LKPL, customs duty related cases under appeal not acknowledged as debt are ₹ 6,957.77 (March 31, 2011: ₹ 6,957.77) lakhs. The management, based on an internal assessment and legal opinion, is confident that the above matters will be decided in its favour.

(ii) In case of LKPL, In respect of the Phase I project where LKPL 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, LKPL has recognised 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.

(iii) In case of LKPL, On December 15, 2005, APPCC raised a claim of liquidated damages amounting to ₹ 9,516 lakhs (March 31, 2011: ₹ 9,516 lakhs) towards alleged delay in commissioning of the Phase I project as stipulated in power purchase agreement by LKPL and has unilaterally adjusted dues to extent of ₹ 11,735.11 lakhs (March 31, 2011: 4,743.81 lakhs) against this claim.

On June 13, 2011, APERC passed an order stating there was a delay in the commissioning of the Phase I project and thus, the Liquidated damages amounted to ₹ 7,487 lakhs. However, such claims by APPCC are barred by limitation of time. Whilst the matter stood thus, APPCC adjusted ₹ 6,214 lakhs against the tariff bill dated June 13, 2011 and demanded balance amount of ₹ 2,862 lakhs. LKPL in response filed a review petition with APERC against the order dated June 13, 2011 and APERC by its order dated July 12, 2011 stayed demand for further deduction of ₹ 2,862 lakhs. Presently, the matter is pending with APERC. The Management on the basis of a legal advice, is confident that the amounts so deducted are recoverable and no adjustments are required in respect of such dues recognised as receivable as at March 31, 2012.

(iv) In case of LTPCL - Tamil Nadu Generation and Distribution Company (TANGEDCO) raised a claim of ₹ 717.96 (March 31, 2011: ₹ 717.96) lakhs in the prior years, towards refund of fixed charges paid by them for power supplies made by

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LTPCL prior to the date of commercial operations. Further, in the prior years, LTPCL has received a demand from TANGEDCO towards non-payment of development charges, maximum demand charges and low power factor penalty relating to testing and commissioning power from December 31, 2004 to August 11, 2005 amounting to ₹159.57 (March 31, 2011: ₹ 159.57) lakhs. Based on legal advice obtained, the management is of the view that the above claims are not tenable and the same can be successfully contested and hence no provision has been made in the accounts. As per the direction of High Court, cases have been referred to Tamil Nadu Electricity Regulatory Commission (TNERC) for adjudication.

- (v) In case of UPCL, a claim raised by one of the contractor amounting ₹ 11,883 lakhs. The Management, based on its internal assessment, is confident that the claim is not tenable.
- (vi) In case of NETS, during the previous year, NETS had contracted with a supplier for purchase of power from May 2010 to March 2011 at pre determined prices. Due to the drastic fall in power demand arising out of widespread monsoons and change in law due to new UI Regulations (falling under the force majeure clause of the tender document) and consequential significant reduction in prices, NETS could not schedule the sale of power onwards at the contracted price, after June, 2010. NETS had accordingly suspended the contract in November 2010 and also proposed the customer to off-take power at the average prevailing market price and to extend the contract period beyond March 31, 2011 if the contracted power could not be sold by then. The supplier had not responded to the proposal, but has raised bills for compensation charges amounting to ₹ 8,655.40 lakhs which has not been accepted by NETS.

During the year, the supplier encashed the Letter of Credit of ₹ 500 lakhs given by NETS and has not refunded earnest money deposit of ₹ 25 lakhs. The supplier also filed a petition before the MPERC under section 86(1)(f) of the Electricity Act, 2003 for adjudication of dispute with NETS. By order dated October 1, 2011, MPERC held that it has jurisdiction to adjudicate the dispute between licensees. NETS filed an Appeal against the aforesaid order before the Appellate Tribunal of Electricity ("APTEL"). The Appeal was admitted on February 13, 2012 and further proceeding before the MPERC was stayed pending the appeal in APTEL.

The management, based upon its assessment and legal advice obtained, is confident of the outcome of the matter in its favour and accordingly considered trade receivable of ₹ 500 lakhs and earnest money deposit of ₹ 25 lakhs as recoverable and also of the view that this will not have any material financial impact on NETS (including preparation of the financial statements on going concern basis) and there is a strong case that it can be successfully defended. Accordingly no adjustments have been made in respect of this matter, in the accompanying

consolidated financial statements.

- (vii) In case of LWPPL- ₹ 116.82 (March 31, 2011 ₹ 332.80) lakhs on account of claims from the technology partner towards compliance of collaboration agreement. The management, based upon its internal assessment, is confident of the outcome of the matter in its favour.
- (viii) In Case of GCM, on May 31, 2011, GCM received a writ filed in the Supreme Court of Western Australia by Perdaman Chemicals and Fertilisers Pty Ltd seeking damages of AUD 1800 lakhs against Griffin Coal for alleged breach of contract and seeking damages of AUD 35,000 lakhs against various Lanco parties (GCM, LITL, LRAPL, LRIPL and some directors / employees of these companies) alleging breach of Australian Consumer Law and interference with contractual relations. Additional parties have subsequently been added as defendants.

Perdaman has filed a statement of claim in the action and a defence has also been filed. The defence seeks a declaration that GCM's termination of the Coal Supply Agreement on August 30, 2011 was valid, although further counterclaims have been foreshadowed. The allegations made by Perdaman in its statement of claim are denied by the group and will be vigorously defended in the court of law.

As part of the proceedings, on September 29, 2011, Perdaman sought and obtained an undertaking from GCM that it will give 10 days' prior notice to Perdaman before it enters into specific charges, pledges or other security pursuant to a finance document. The defendants counsel has requested that the matter be listed for a hearing in September 2012. A number of interlocutory issues regarding discovery and documents returned on subpoena are outstanding, however the court is resolving these issues efficiently and the management do not expect them to cause substantial delay to the matter being listed for trial.

The defendants have also filed and served a minute of proposed counterclaim by Griffin against Perdaman and its directors. The management, based upon legal advice obtained and its internal assessment, is confident of the outcome of the matter in its favour.

- (ix) GCM has been served with application for forfeiture by Genbow Pty Ltd (Genbow) in respect of the coal mining leases that are the subject of the colliery coal (Griffin) agreement act 1979 (WA) (CML's). Genbow alleges that GCM has not complied with expenditure conditions which apply in respect to the CML's. GCM believes that the applications for forfeiture by Genbow is misconceived and / or otherwise invalid for a variety of reasons. GCM intends to vigorously defend the applications.
- (x) GCM entered into an Indemnity Deed on June 9, 2006 to secure borrowings for WR Carpenter No. 2 Pty Ltd (WRC No2) from the National Australia Bank (NAB). The amount of the borrowings

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totalled AUD 52.50 lakhs. The loan fell due for repayment on June 30, 2011, which WRC No2 did not repay. The NAB then sought payment of the outstanding monies from GCM under the Indemnity Deed. GCM has claimed that the liability owing under this Deed was transferred to the Griffin Energy Group Pty Ltd (Administrators appointed) as part of a Deed of Company Arrangement entered into with the creditors of GCM. NAB is arguing that GCM's liability under the Indemnity Deed has not been transferred to Griffin Energy Group and GCM is arguing that its liability has transferred. The management, based upon its internal assessment, is confident of the outcome of the matter in its favour.

- (xi) GCM is currently mining through some leases that overlay land owned by a company WR Carpenter Agriculture Pty Ltd (WRC Ag). WRC Ag used to be a related entity until LRAPL acquired GCM. Until that point WRC Ag knowingly allowed GCM to continue to mine through its land, which commenced in early 2009. At that point, the directors of both entities were common and did not enter into formal access or compensation arrangements. GCM is arguing that there is implied access with no compensation payable as that was the common arrangement in place prior to company assuming control. This matter is currently before the Warden's Court. The management, based upon its internal assessment, is confident of the outcome of the matter in its favour.

53 LAPL entered into a Power Purchase Agreement ("PPA") with PTC India Limited ("PTC") for sale of Power from its Unit 1. PTC further signed a Power Sale Agreement ("PSA") with Madhya Pradesh State Electricity Board ("MPSEB"). MPPTC (erstwhile MPSEB) filed a petition before Madhya Pradesh Electricity Regulatory Commission ("MPERC") for approval of the same. MPERC granted conditional and provisional approval to the aforesaid PSA subject to the fulfilment of certain conditions requiring LAPL to submit itself to the jurisdiction of the MPERC. LAPL disputed the MPERC's jurisdiction in the above said matters by filing an appeal before the Appellate Tribunal for electricity ("APTEL"). APTEL held that MPERC had exceeded its jurisdiction for the purpose of determination of tariff under the PPA. LAPL had also terminated the aforesaid PPA due to failure of PTC in its obligation under the PPA to obtain regulatory approval of tariff by the appropriate commission within the specified time which was a condition precedent to the agreement required to be fulfilled by PTC. Against the termination of the aforesaid PPA, PTC filed a case against LAPL in MPERC and obtained interim stay on PPA termination. Against the order of MPERC, LAPL filed another appeal before APTEL and APTEL held that MPERC had no jurisdiction to adjudicate the matter of PPA. PTC, MPPTC and MPERC preferred separate appeals in the Hon'ble Supreme Court of India against the order of APTEL and the same are pending. PTC has also initiated arbitration proceedings against LAPL. The management, based upon its assessment and legal advices obtained, is confident of the outcome of these matters in its favour and accordingly is of the

view that these will not have any material financial impact on LAPL and the group and there is a strong case that it can be successfully defended.

In February 2012, LAPL has received a communication from Energy Department, Government Of Madhya Pradesh (GOMP), debarring LAPL and other Lanco Group Companies of its promoters for further business for a period of 5 years with all subsidiaries / undertaking / institutions / companies etc of the GOMP, with immediate effect. The reasons cited by GOMP are in relation to ongoing litigation on the PPA executed between LAPL and PTC. LAPL has filed an application for stay in the High Court of M.P., Jabalpur Bench against the aforesaid communication of GOMP. The management, based upon its assessment and legal advices obtained, is confident of the outcome of these matters in its favour and accordingly is of the view that these will not have any material financial impact on LAPL and the group and there is a strong case that it can be successfully defended.

54 LAPL entered into a Power Purchase Agreement ("PPA") with PTC India Ltd. (PTC) for sale of power generated from its Unit 2. PTC further signed a Power Sale Agreement ("PSA") with Haryana Power Generation Corporation Limited ("HPGCL") for sale of power purchased from LAPL. LAPL's aforesaid unit is synchronised on February 22, 2010 and LAPL had started supplying "Infirm power" to the Western Region Load Dispatch Centre ("WRLDC") as "Unscheduled Interchange ("UI") pending declaration of commercial operation date ("COD") due to certain technical reasons and has accounted for 'Sale of electrical energy' of ₹ 47,113.36 lakhs upto May 6, 2011 (including ₹ 42,456.84 lakhs till March 31, 2011) under "sale of electrical energy". HPGCL had filed a case with HERC against the LAPL, PTC and WRLDC to restrain LAPL from selling the contracted capacity to third party, to supply contracted power to them, to get the UI Charges for Unit 2 and to return of the amounts received by LAPL against UI charges to HPGCL or adjust the same against future billing. HERC had passed an order upholding the validity of the PPA, restraining LAPL to supply power to third party stating that entire 300 MW power should go to HPGCL and directing HPGCL and PTC to file a petition before CERC, the competent authority to issue directions to WRLDC to make payment for infirm power since the date of synchronisation of LAPL's unit II from UI pool to HPGCL instead of LAPL. LAPL has also terminated the aforesaid PPA, as PTC failed in its obligation under the PPA to obtain long term open access within the specified time which is a condition precedent to be fulfilled by PTC under the PPA. LAPL, thereafter, 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 LAPL with the Government of Chhattisgarh. LAPL filed an appeal and stay application with the Appellate Tribunal of Electricity ("APTEL") against the order of the HERC. The APTEL has granted a limited and conditional stay of the order and directed that 35% of the power generated from LAPL's unit 2 should be sold to the state of Chattisgarh and the balance power is to be sold to PTC. PTC has also initiated arbitration

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proceedings on the aforesaid termination to declare that the PPA termination to be illegal, baseless, void and unsustainable. PTC has claimed compensation of ₹ 16,255 lakhs and to reimburse for any charge/ claim which HPGCL may claim from PTC and also to direct LAPL to pay PTC damages for the loss of business due to illegal termination of the PPA by LAPL.

As per interim order dated March 23, 2011, LAPL started supplying power to PTC and CSPTCL w.e.f. May 7, 2011. APTEL passed the final order, dismissing the appeal of LAPL and remanding the matter to HERC and also asked HERC to grant an opportunity of being heard to CSPTCL while confirming the said interim order. Against the order of APTEL, LAPL filed a civil appeal along with an application for stay before the Hon'ble Supreme Court of India. Hon'ble Supreme court via its order dated December 16, 2011 has directed LAPL to continue to supply electricity in terms of the APTEL order and also directed HERC to fix / approve the tariff of sell and purchase of power for a period in dispute uninfluenced with the earlier orders. Further, the Hon'ble Supreme Court also stayed further proceedings pending before HERC related to the petition filed by HPGCL challenging the termination of PPA. Pursuant to the Hon'ble Supreme Court order, LAPL has filed an application to fix / approve the tariff before HERC for the dispute period. A hearing in the matter of tariff application is likely to be called by HERC shortly. The management, based upon its assessment and legal advice obtained, is confident of the outcome of the matter in its favour and has recognised the revenue of ₹ 29,793.78 lakhs on the basis of the CERC tariff computed by LAPL every month, where as the payments have been released by the customer on the basis of erstwhile PPA rate resulting in revenue for the year and closing receivables being higher by ₹ 9,598.56 lakhs.

Further as at the year end, LAPL is carrying recoverable of Minimum alternate tax ('MAT') credit entitlement aggregating ₹ 3,504.97 (March 31, 2011: ₹ 5,080) lakhs as at March 31, 2012 and believes that the legal matter referred above shall be settled in LAPL's favour and accordingly there will be sufficient future taxable profits to utilise the aforementioned MAT credit entitlement within the stipulated period and after considering the tax holiday period that LAPL is entitled to as per provisions of Section 80-IA of the aforesaid Act. The management, based upon its assessment and legal advice obtained, is confident of the outcome of the matter in its favour and believes that this will not have any material adverse financial impact on LAPL.

- 55** In case of LKPL, Pending notification of Central Electricity Regulatory Commission Tariff Orders for 2009-14 for certain assets commissioned and put in to use, Power Grid Corporation of India Limited (PGCIL) has levied transmission charges based on 2008-09 Tariff Orders. Accordingly, provision aggregating to ₹ 400.00 (March 31, 2011: ₹ 2,001.80) lakhs has been made towards the estimated differential transmission charges on the basis of an intimation from PGCIL. The Management does not expect material difference between such estimate and final amounts to be levied by PGCIL.

- 56** In case of LKPL, On March 13, 2012, APERC passed an order that 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 realisation of the said amount. Pending acceptance by the Board, the revenue in respect of MAT reimbursements from April 2006 have been postponed. In respect of the claims prior to April 2006, LKPL has filed an appeal before Appellate Tribunal for Electricity (APTEL) and the same is pending.

In respect of the amounts billed by 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. LKPL has initiated proceedings in APERC for resolution of all such pending issues regarding outstanding amounts with APTRANSCO."

- 57** In case of LKPL, as at March 31, 2012, LKPL has so far incurred ₹ 2,46,575.49 lakhs [March 31, 2011 ₹ 1,22,256.23 lakhs] towards Phase III expansion project which is in progress. Meanwhile LKPL is actively pursuing / making representations with various government authorities to secure the gas, which is in short supply now. LKPL is closely monitoring the macro situation and is evaluating various approaches / alternatives to deal with gas supply. The Management is confident that the Government of India would take necessary steps/initiatives in this regard.
- 58** In case of LANPL, Unscheduled Interchange (UI) charges has been accounted on the estimates of the management which is amounting to ₹ 201 lakhs, pending invoicing this charges from SLDC. The management does not expect any material difference affecting the current year's financials statements due to the same.
- 59** In case of UPCL, it has recognised revenue against sale of power amounting to ₹ 1,41,010.59 lakhs. Against the revenue recognised, the Principal Buyers, pending approval from the Central Electricity Regulatory Commission (CERC), have been considering only provisional tariff approved by the Government of Karnataka for making payments. The difference will be paid after the approval of CERC. The tariff computed is based on the CERC Notified Regulations, 2009, containing inter-alia the terms and conditions for determination of tariff applicable for a period of five years with effect from April 1, 2009. Trade receivables includes ₹ 54,569.72 lakhs towards revenue accounted and awaiting approval from CERC.
- 60** In case of LTHPPL, Order from the Forest, Environment and Wildlife management Department cum Appellate Authority received, imposing a penalty of ₹ 20.79 lakhs for violating environment permissions granted. Based on representation the LTHPPL is in process to recover the same from the Contractor.
- 61** LTHPPL has provided ₹ 313.75 lakhs towards Environmental Cess in the books of accounts on import of goods from outside Sikkim as on Balance sheet date under the Sikkim Ecology Fund and Environmental

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Cess Act but the same has not been remitted to the Government of Sikkim as LTHPPL has represented to the Government of Sikkim to waive the Cess on the project and LTHPPL is awaiting the Government's direction / order in this respect.

62 In case of LBHPPL, the dispute with reference to the cancellation of Power Purchase Agreement (PPA) entered with PTC India Limited (PTC) as disputed by Haryana Power Generation Corporation Limited (HPGCL) as the PTC had in turn entered a Power Sale Agreement (PSA) with HPGCL. HPGCL had approached the Honourable HERC seeking inter alia that (i) the termination of the PPA be declared illegal and invalid and (ii) that both LBHPPL and PTC be directed to comply with their obligations qua HPGCL ("HPGCL Petition"). Wherein LBHPPL filed its reply to the HPGCL Petition and filed its sur-rejoinder reiterating that the Hon'ble HERC did not have jurisdiction to entertain the HPGCL Petition and the same was not maintainable qua LBHPPL. On August 25, 2011 the Hon'ble HERC passed its order holding that it has jurisdiction to hear the HPGCL Petition. Against which LBHPPL has preferred an appeal in Appellate Tribunal for Electricity (APTEL). APTEL has directed the HERC to proceed on the HPGCL Petition but no final order would be passed before the disposal of the case at APTEL. Presently the arguments and all written submissions were filed with the APTEL and the judgement is reserved. Based on the Legal opinion obtained, Management is of the view that LBHPPL is having good case to win.

63 Investments of the Group include investments made in line with the Request for Selection (RFS) and Power Purchase Agreement (PPA) in companies which had won bids for solar projects under JNNSM Phase - I bid conducted by NTPC Vidyut Vyapar Nigam Ltd (NVVN). NVVN has examined these investments and advised some changes in the investments, which were complied with. The participation in bids by these investee companies and the shareholding pattern is being looked into by a committee set up by the Government of India, pending the outcome of the same, the investments in these investee companies are carried at cost. Accordingly no adjustments have been made in respect of this matter, in the accompanying consolidated financial statements.

64 In case of LSEPL, receivables include a sum of ₹ 34,499.99 lakhs being the amounts due towards EPC Contracts executed for investee companies who were yet to get the financial disbursement in respect of funding the respective cost of projects. The management is taking steps to recover these amounts and is confident of realising the underlying outstanding.

65 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 LHTPPL. The land has been obtained for developing residential and commercial space and amenities. The transfer of ownership to LHTPPL of such land is subject to the fulfilment of the commitment to develop the land as

stipulated in the agreement. Accordingly to the extent of development commitment already executed by LHTPPL, proportionate land admeasuring 26.97 Acres has been transferred in favour of LHTPPL on June 22, 2010. The management is hopeful to get the balance land transferred in favour of LHTPPL in due course.

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 before at various levels of judiciary bodies. Further, during the year, The Andhra Pradesh Wakf Tribunal ('the tribunal') passed a temporary injunction against LHTPPL and restrained LHTPPL from alienating the land. LHTPPL, in response to the temporary injunction, has filed review petitions in the High Court of Andhra Pradesh for setting aside the said injunction of the tribunal and the same is dismissed. Further LHTPPL has 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, on the basis of an expert legal opinion, is of the view that no adjustments are required in the consolidated financial statements in respect of such disputes. Pending the final outcome of the above matter, no adjustments have been made in the accompanying consolidated financial statements.

66 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 LITL ('the Company'). Consequent to the interim order of the Hon'ble Supreme Court, the management is estimating that the cash flows 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.

67 In case of LHTPPL, as per 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 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. The balance land admeasuring 53.26 acres approximately will be classified under fixed assets, investment properties and inventories, as the case may be, based on ultimate end use pattern as per final business plan of LHTPPL. Pending such reclassification the cost incurred on development of projects is included under the head "Development works in progress."

During the year LHTPPL has revisited its earlier assumptions / estimates in relation to time and cost budgets in respect of execution of its ongoing residential and special economic zones (SEZ) and commercial

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development projects. LHTPPL has now re-evaluated by taking into account the prevailing market conditions into consideration and the supply demand scenario and has completely revised its business plans in terms of execution of its project and phases of execution have been rescheduled in a manner that the entire project is scheduled to be completed by the year 2019. Consequent to the revisiting of budgets both time and cost LHTPPL continue to apply the principles of AS 7 in respect of its ongoing projects with revised estimates of time and cost. LHTPPL also continued the practice of capitalising the borrowing cost to the projects as stipulated under AS 16 by reckoning the rescheduled dates for completion and thus effectively treated all the projects as 'qualified assets' for the purpose of AS 16. The assumption of treating the asset as qualifying for the purpose of capitalising interest under AS 16 is mainly dependent on the fact that the revised schedule of execution period is being brought into play where LHTPPL is expected to complete the project in the revised timeframe.

- 68** In respect of Associates in Construction Stage, the group has conducted a detailed review of all expenditure incurred during the construction stage and identified the expenditure which are not directly related to construction activity. The share of the expenditure to the extent of the Company's interest in those associates is ₹ 339.97 (March 31, 2011 - ₹ 50.91) lakhs recognised as loss of associates in the statement of profit and loss as per Equity method of AS - 23 'Accounting for Investments in Associates in Consolidated Financial Statements'.
- 69** Duty Drawback Claims recognised during the year ₹ 23,331.69 (March 31, 2011: ₹ 21,445.19) lakhs as deduction from Construction Material Consumed.
- 70** Amounts paid to Associates and other companies, towards share application money, to the extent not refunded / allotted, have been considered as Advance for Investment in Note 18 of the financial statements and will be adjusted on the allotment.
- 71** The Company has entered into transactions with related parties, including some of its associates namely Lanco Vidarbha Thermal Power Limited (LVTPL), Himavat Power Private Limited (HPPL), Lanco Hoskote Highway Limited (LHHL), Lanco Devihalli Highways Limited (LDHL), Vainateya Power Private

Limited (VPPL) and Lanco Babandh Power Limited (LBPL) (fellow Subsidiary) whose details are shown in summary of the transactions with related parties, under note no. 48. The Company along with Lanco Group Limited (Holding Company) and through various intermediate companies holds the remainder of shares in these associates and LBPL. In case of LVTPL, LBPL and HPPL, the Group holds cumulative compulsorily convertible preference shares which when exercised for conversion as per the terms of these shares would result in these companies becoming subsidiaries of the Company or its step down subsidiaries.

Regulus Power Private Limited (RPPL) and Ananke Properties Private Limited (APPL), associate of the step down subsidiary and associate of the Company respectively, which have the associates / subsidiaries, do not prepare consolidated financial statements. LBPL is an associate of RPPL and Banas Thermal Power Private Limited (BTPPL) is a subsidiary of APPL.

Under Indian GAAP, the Company is not required to consolidate these associates and LBPL. The Group has made investments of ₹ 10,503.30 lakhs as equity shares and ₹ 2,44,852.41 lakhs as preference shares and made advance for investment of ₹ 43,882.76 lakhs and trade receivables of ₹ 47,597.11 lakhs with these associates, LBPL and intermediate companies.

The management based upon forecast and financial closure of the underlying projects being undertaken for these associates and LBPL believes that these balances are fully recoverable and no provision is required against these balances."

72 PREVIOUS YEAR FIGURES

Till the year ended March 31, 2011, the group was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised schedule VI notified under the companies Act 1956, has become applicable to the group. The group has reclassified previous year figures to conform to this year's classification. Except accounting for dividend on investment in subsidiaries, the adoption of revised Schedule VI does not impact recognition and measurement principle followed for preparation of financial statements. However it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

As per our report of even date.

For S. R. Batliboi & Associates
Firm Reg. No 101049W
Chartered Accountants

per Sanjay Vij
Partner
M. No.95169

Place: Gurgaon
Date: May 29, 2012

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

per N. Sri Krishna
Partner
M.No. 26575

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

L. Madhusudhan Rao
Executive Chairman
DIN - 00074790

T. Adi Babu
COO - Finance

Place: Gurgaon
Date: May 29, 2012

G. Venkatesh Babu
Managing Director
DIN - 00075079

C. Krishna Kumar
Executive Director &
Company Secretary

Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies

Sl. No.	Subsidiary Name	Reporting Currency	Capital	Reserves	Total Liabilities	Total Assets	"Investment (Except Investment in Subsidiaries)"	Turnover	Profit Before Taxation	Provision For Taxation	Profit After Taxation	Proposed Dividend
(₹ in Lakhs)												
1	Lanco Power Limited [Formerly Lanco Hydro Power Ventures Private Limited]	INR	4,54,304.21	25.20	1,35,608.11	5,89,937.52	-	150.00	52.78	48.24	4.54	-
2	Lanco Thermal Power Limited [Formerly Vamshi Industrial Power Limited]	INR	3,89,463.00	-516.74	3,66,475.86	7,55,422.12	2,31,923.44	1,070.24	167.39	-	167.39	-
3	Lanco Kondapalli Power Limited	INR	34,000.07	1,24,519.38	3,12,000.02	4,70,519.47	0.55	1,60,879.96	37,348.42	8,823.30	28,525.12	-
4	Lanco Tanjore Power Company Limited	INR	11,504.70	27,935.80	14,956.80	54,397.30	-	24,487.50	6,354.50	1,346.40	5,008.10	-
5	Lanco Amarkantak Power Limited [Formerly Lanco Power Limited]	INR	57,462.26	59,327.79	8,28,197.49	9,44,987.54	-	1,32,715.59	24,971.41	9,520.47	15,450.94	-
6	Udupi Power Corporation Limited	INR	1,93,420.00	-11,116.00	6,20,353.00	8,02,657.00	268.00	1,41,011.00	-5,079.00	3,183.00	-8,262.00	-
7	Lanco Anpara Power Limited	INR	1,22,060.00	-15,917.56	4,37,633.88	5,43,776.32	-	24,026.96	-15,917.56	-	-15,917.56	-
8	Arneb Power Private Limited	INR	206.00	-	1.20	207.20	-	-	-	-	-	-
9	Lanco Hydro Power Private Limited [Formerly Vamshi Hydro Energies Private Limited]	INR	41,507.66	-776.59	65,316.05	1,06,047.12	-	934.16	-152.24	-	-152.24	-
10	Lanco Teesta Hydro Power Private Limited	INR	48,946.33	-	1,60,710.69	2,09,657.02	-	-	-	-	-	-
11	Lanco Budhil Hydro Power Private Limited	INR	8,777.00	-	57,085.22	65,862.22	-	-	-	-	-	-
12	Lanco Mandakini Hydro Energy Private Limited	INR	8,890.50	-	30,821.17	39,711.67	238.07	-	-	-	-	-
13	Diwakar Solar Projects Limited	INR	22,167.02	-	25,210.88	47,377.90	-	-	-	-	-	-
14	Lanco Solar Energy Private Limited	INR	17,500.00	1,695.98	1,51,576.13	1,70,772.11	16,918.85	1,17,195.71	2,333.36	735.44	1,597.92	-
15	Lanco Solar Services Private Limited	INR	60.00	-26.60	131.31	164.71	-	217.30	-30.72	-8.98	-21.74	-
16	Lanco Solar Private Limited	INR	27,093.24	305.08	70,194.11	97,592.43	170.73	30,341.31	404.54	99.46	305.08	-
17	Khaya Solar Projects Private Limited	INR	2,751.23	-238.59	5,738.46	8,251.10	-	38.11	-236.85	-	-236.85	-
18	Bhanu Solar Projects Private Limited	INR	1.00	-3.97	3.51	0.54	-	-	-0.37	-	-0.37	-
19	Lanco Solar Power Projects Private Limited	INR	26.00	-0.70	0.22	25.52	-	-	-0.43	-	-0.43	-
20	Orion Solar Projects Private Limited	INR	1.00	-0.61	49.12	49.51	-	-	-0.30	-	-0.30	-
21	Pasiphae Power Private Limited	INR	1.00	-0.41	0.11	0.70	-	-	-0.14	-	-0.14	-
22	Sabitha Solar Projects Private Limited	INR	1.00	-0.61	42.14	42.53	-	-	-0.24	-	-0.24	-
23	Helene Power Private Limited	INR	1.00	-0.42	0.11	0.69	-	-	-0.16	-	-0.16	-
24	Omega Solar Projects Private limited	INR	1.00	-1.94	1.48	0.54	-	-	-1.68	-	-1.68	-
25	Lanco Wind Power Private Limited	INR	4,062.05	-	128.95	4,191.00	-	-	-	-	-	-
26	Amrutha Power Private Limited	INR	30.68	-	45.55	76.23	-	-	-	-	-	-
27	Spire Rotor Private Limited	INR	1.00	-	0.33	1.33	-	-	-	-	-	-
28	Emerald Orchids Private Limited	INR	7.00	-	0.63	7.63	-	-	-	-	-	-
29	JH Patel Power Project Private Limited	INR	15.86	-	0.97	16.83	-	-	-	-	-	-
30	National Energy Trading and Services Limited	INR	3,652.94	3,152.04	28,317.15	35,122.13	2,501.59	1,94,806.59	222.48	87.36	135.12	-
31	Mahatamil Mining and Thermal Energy Limited [Lanco Mining and Thermal Energy Limited]	INR	5,622.77	-	3,983.43	9,606.20	-	-	-	-	-	-
32	Mercury Projects Private Limited	INR	20,843.13	159.40	22,316.80	43,319.33	4,150.97	2,420.72	228.32	75.78	152.54	-
33	Lanco Hills Technology Park Private Limited	INR	48,050.00	-2,190.05	1,86,665.90	2,32,525.85	-	7,511.51	-350.22	-	-350.22	-

STATUTORY REPORTS

STANDALONE FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies

Sl. No.	Subsidiary Name	Reporting Currency	Capital	Reserves	Total Liabilities	Total Assets	"Investment (Except Investment in Subsidiaries)"	Turnover	Profit Before Taxation	Provision For Taxation	Profit After Taxation	Proposed Dividend
												(₹ in Lakhs)
34	Uranus Projects Private Limited	INR	1,758.49	-22.93	0.22	1,735.78	-	-	-22.93	-	-	-22.93
35	Jupiter Infratech Private Limited	INR	148.50	-3.58	2.56	147.48	-	-	-3.58	-	-	-3.58
36	Uranus Infratech Private Limited	INR	131.00	-4.30	2.22	128.92	-	-	-4.30	-	-	-4.30
37	Leda Properties Private Limited	INR	671.00	-7.07	5.82	669.75	-	-	-7.07	-	-	-7.07
38	Coral Orchids Private Limited	INR	477.75	-8.18	1.81	471.38	-	-	-8.18	-	-	-8.18
39	Thebe Properties Private Limited	INR	1,303.00	-12.36	10.39	1,301.03	-	-	-12.36	-	-	-12.36
40	Cressida Properties Private Limited	INR	329.00	-5.40	0.22	323.82	-	-	-5.40	-	-	-5.40
41	Nix Properties Private Limited	INR	611.00	-10.68	5.90	606.22	-	-	-10.68	-	-	-10.68
42	Cordelia Properties Private Limited	INR	193.10	-12.90	7.73	187.93	-	-	-12.90	-	-	-12.90
43	Deimos Properties Private Limited	INR	349.93	-7.65	0.22	342.50	-	-	-7.65	-	-	-7.65
44	Dione Properties Private Limited	INR	426.49	-15.33	0.36	411.52	-	-	-15.33	-	-	-15.33
45	Neptune Projects Private Limited	INR	188.72	-4.55	0.22	184.39	0.30	-	-4.55	-	-	-4.55
46	Pearl Farms Private Limited	INR	566.71	-252.40	0.26	314.57	-	-	-11.68	-	-	-11.68
47	Telesio Properties Private Limited	INR	561.50	-12.48	0.74	549.76	-	-	-12.48	-	-	-12.48
48	Lanco International Pte Limited	USD	5,115.65	53,998.41	2,12,557.43	2,71,671.48	-	3,69,937.17	46,903.91	2,590.96	44,312.95	-
49	Lanco Enterprise Pte Limited	CNY	81.18	100.77	116.91	298.86	-	2,076.59	108.67	33.80	74.87	-
50	Lanco Infratech Nepal Private Limited		-	-	-	-	-	-	-	-	-	-
51	LE New York - LLC	USD	2,138.28	-129.57	-	2,008.71	-	-	-79.61	-	-	-79.61
52	Lanco Power International Pte Limited	USD	51.16	-1.65	0.81	50.32	-	-	-1.04	-	-	-1.04
53	Lanco Solar International Pte Limited	USD	5,115.65	736.55	17,452.65	23,304.85	-	37,432.77	867.22	130.03	737.19	-
54	Lanco Solar Holding Netherlands B.V	EUR	5,399.44	-512.04	7,191.27	12,078.67	-	6,369.25	-177.91	-	-177.91	-
55	Lanco US EPC Branch LLC [Formerly Lanco North Park Land Holdings One LLC]	USD	-	-1.13	1.16	0.03	-	720.65	-1.13	-	-1.13	-
56	Lanco Solar Canada Limited		-	-6.20	74.59	68.39	-	-	-6.20	-	-	-6.20
57	SolarFi SP 07	EUR	0.68	-9.50	669.52	660.70	-	33.57	-7.12	0.07	-7.19	-
58	SolarFi SP 06	EUR	0.68	-5.40	793.89	789.17	-	40.03	-2.71	-	-2.71	-
59	Lexton Trading (Pty.) Limited	ZAR (Rand)	0.25	-	58.75	59.00	-	-	-	-	-	-
60	Approve Choice Investments (Pty.) Limited	ZAR (Rand)	0.25	-	-	0.25	-	-	-	-	-	-
61	Bar Mount Trading (Pty.) Limited	ZAR (Rand)	0.25	-	-	0.25	-	-	-	-	-	-
62	Barrelake Investments (Pty.) Limited	ZAR (Rand)	0.25	-	-	0.25	-	-	-	-	-	-
63	Belara Trading (Pty.) Limited	ZAR (Rand)	0.25	-	-	0.25	-	-	-	-	-	-
64	Caelamen (Pty.) Limited	ZAR (Rand)	0.25	-	-	0.25	-	-	-	-	-	-
65	Dupondius (Pty.) Limited	ZAR (Rand)	0.25	-	-	0.25	-	-	-	-	-	-
66	Gamblegreat Trading (Pty.) Limited	ZAR (Rand)	0.25	-	-	0.25	-	-	-	-	-	-
67	Filtren Trading (Pty.) Limited	ZAR (Rand)	0.25	-	0.16	0.42	-	-	-	-	-	-
68	K201103835 (Pty.) Limited	ZAR (Rand)	0.32	-	-	0.32	-	-	-	-	-	-
69	Lanco Solar International Limited, UK	GBP	1,842.61	-7.29	306.71	2,142.03	-	4,175.35	9.93	-	-	9.93

Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies

Sl. No.	Subsidiary Name	Reporting Currency	Capital	Reserves	Total Liabilities	Total Assets	"Investment (Except Investment in Subsidiaries)"	Turnover	Profit Before Taxation	Provision For Taxation	Profit After Taxation	Proposed Dividend
(₹ in Lakhs)												
70	Lanco Solar International GMBH	EUR0	112.63	3.87	19.24	135.74	-	91.51	3.96	-	3.96	-
71	Lanco Solar International USA Inc.	USD	0.00	144.98	3,045.10	3,190.08	-	-	-8.48	-	-8.48	-
72	Lanco Rocky Face Land Holdings LLC	USD	-	403.93	2.90	406.83	-	-	-0.47	-	-0.47	-
73	Lanco Tracy City Land Holdings LLC	USD	-	403.94	3.08	407.02	-	-	-0.52	-	-0.52	-
74	Lanco IT PV Investments B.V. [Formerly Lanco Italy PV 1 Investments B.V.]	EUR0	12.29	-40.57	2,091.85	2,063.57	-	-	-38.43	-	-38.43	-
75	Tiper Solaire SAS	EUR0	0.68	-0.13	4.28	4.83	-	-	-0.13	-	-0.13	-
76	Apricus S.R.L.	EUR0	61.44	15.42	4,238.17	4,315.03	-	130.38	-44.60	-	-44.60	-
77	Green Solar SRL	EUR0	6.83	-3.78	261.75	264.80	-	-	-3.38	-	-3.38	-
78	Lanco US PV Investments B.V. [Formerly Lanco Italy PV 2 Investments B.V. Utrecht]	EUR0	12.29	47.14	1,154.70	1,214.12	-	-	51.43	-	51.43	-
79	Lanco Solar Holdings LLC (USA) [Formerly Lanco North Park Land holdings Two LLC]	USD	-	-0.10	2,308.84	2,308.74	-	-	-0.10	-	-0.10	-
80	Lanco SP PV 1 Investments B.V. [Formerly Lanco Spain PV 1 Investments B.V.]	EUR0	12.29	-11.57	36.86	37.59	-	-	-8.72	-	-8.72	-
81	Lanco Solar Project Development S.L.U	EUR0	2.05	8.93	225.95	236.94	-	231.18	9.33	-	9.33	-
82	Lanco Resources International Pte Limited	USD	28,443.01	-3,242.79	97,210.12	1,22,410.34	-	-	-2,957.94	-	-2,957.94	-
83	Lanco Holding Nederland B.V	EUR0	13.67	55.65	11.88	81.20	-	-	-528.17	-	-528.17	-
84	Lanco Energy Africa (Proprietary) Limited	ZAR (Rand)	58.02	-54.90	3.19	6.31	-	-	-54.90	-	-54.90	-
85	P.T Lanco Indonesia Energy	IDR	255.78	-363.18	417.27	309.87	-	-	-245.64	-61.45	-184.19	-
86	Lanco Resources Australia Pty. Limited *	AUD	93,099.10	-1,017.92	3,65,141.63	4,57,222.81	-	275.67	-7,563.22	-	-7,563.22	-
87	The Griffin Coal Mining Company Pty Limited *	AUD	3,030.82	3,66,572.20	3,88,551.50	7,58,154.52	-	71,662.84	-30,771.46	-	-30,771.46	-
88	Carpenter Mine Management Pty Limited *	AUD	-	-5,777.43	1,31,293.29	1,25,515.86	-	1,01,737.93	5,893.08	-	5,893.08	-
89	Lanco Infratech (Mauritius) Limited	USD	511.57	-9.55	4.51	506.53	-	-	-2.89	-	-2.89	-
90	Lanco Kanpur Highways Limited	INR	19,650.00	-	10,268.33	29,918.33	44.89	-	-	-	-	-

1 The annual accounts of the subsidiary companies and the related detailed information are available for inspection to shareholders of the holding and subsidiary companies in the corporate office of the holding company and of the subsidiary companies concerned.

2 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 31.03.2012.

INR vs.	USD	GBP	EUR0	CNY	ZAR (Rand)	AUD	IDR (per ₹)
Exchange rate	51.16	81.8	68.34	8.08	6.65	52.66	179.85

* Based on the unaudited financial statements

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Lanco Hills, Hyderabad

A landmark in lifestyle!





Lanco Infratech Limited

Registered Office:

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Andhra Pradesh, India.

Corporate Office:

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