

September 09, 2016

<b>M/s. National Stock Exchange of India Limited</b> Regd. Office: "Exchange Plaza" Bandra-Kurla Complex, Bandra (E) MUMBAI – 400 051. Ph : 022-2659 8235 / 36, 2659 8346 Fax : 022-6641 8124 / 25 / 26 022-2659 8237 / 38, 2659 8347 / 48	<b>M/s. BSE Limited</b> Regd. Office: Floor 25, P J Towers, Dalal Street MUMBAI – 400 001 Ph : 022-2272 1234 / 33 Fax : 022-2272 3121 / 1278 / 3577 / 1557
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Dear Sir,

Sub:- Un-audited Financial Results for the Quarter ended 30<sup>th</sup> June, 2016 – Reg.

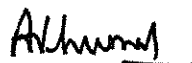
Pursuant to Regulation 33 and Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors at their Meeting held on 9<sup>th</sup> September, 2016 has approved the Un-audited Financial Results (Standalone and Consolidated) for the Quarter ended 30<sup>th</sup> June, 2016 duly reviewed by the Audit Committee.

In this connection, please find enclosed herewith the Un-audited Financial Results (Standalone and Consolidated) of the Company for the Quarter ended 30<sup>th</sup> June, 2016 along with copy of the Limited Review Report (Standalone and Consolidated) by Statutory Auditors of the Company, dated 9<sup>th</sup> September, 2016 duly taken on record by Board.

Thanking you,

Yours faithfully,

For LANCO INFRATECH LIMITED



A. VEERENDRA KUMAR  
COMPANY SECRETARY

Encl: As above

**Lanco Infratech Limited**

**Corporate Office:** Lanco House, Plot # 397, Udyog Vihar, Phase -3, Gurgaon- 122 016, New Delhi Region, India.

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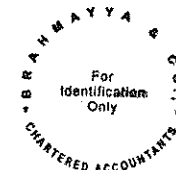
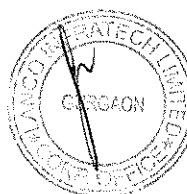
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Corporate Identity Number: L45200TG1993PLC015545

**STATEMENT OF CONSOLIDATED RESULTS FOR THE QUARTER ENDED JUNE 30, 2016**

Rs. Cr

PARTICULARS	Quarter Ended	
	30.06.2016 (Un Audited)	30.06.2015 (Un Audited)
1 (a) Income from operations	1862.49	1493.58
(b) Income from power trading	70.43	97.74
(c) Other operating income	7.43	46.82
Total income from operations (Gross)	1940.35	1638.14
Less: Elimination of intersegment operating income	212.36	68.67
Total income from operations (Net)	1727.99	1569.47
2 Expenses		
(a) Cost of materials consumed	1024.77	901.82
(b) Purchase of traded goods	69.60	96.47
(c) Subcontract cost	51.13	63.99
(d) Construction, transmission, site and mining expenses	167.02	123.58
(e) Change in inventories of finished goods and work in progress	(221.76)	(82.95)
(f) Employee benefits expense	90.63	80.78
(g) Depreciation & amortisation expenses	220.13	181.62
(h) Other expenses	61.95	68.53
Total expenses	1463.47	1433.84
3 Profit / (loss) from operations before other income, foreign exchange fluctuations, finance costs & exceptional items (1-2)	264.52	135.63
4 Other income	44.41	26.52
5 Add: Eliminated profit on transactions with subsidiaries	102.62	8.01
6 Profit / (loss) from ordinary activities before foreign exchange fluctuations, finance costs & exceptional items plus elimination (3+4+5)	411.55	170.16
7 (Gain) / loss on foreign exchange fluctuations (Net)	113.92	(36.23)
8 Finance costs	715.54	631.07
9 Profit / (loss) from ordinary activities after finance costs but before exceptional items plus elimination (6-7-8)	(417.91)	(424.68)
10 Exceptional items	-	115.02
11 Profit / (loss) from ordinary activities before tax plus elimination (9+10)	(417.91)	(309.66)
12 Tax expense	(21.58)	41.64
13 Net profit / (loss) from ordinary activities after tax plus elimination (11-12)	(396.33)	(351.30)
Less: Share of Non controlling interest in subsidiaries	(49.09)	(41.07)
Add: Share of profit / (loss) of associates	0.96	1.93
14 Net profit / (loss) for the period plus elimination after share of Non controlling interest and profit / (loss) of associates	(346.28)	(308.30)
15 Less: Elimination of profit on transactions with subsidiaries and associates	102.60	7.97
16 Net profit / (loss) after taxes, Non controlling interest and share of profits / (loss) of associates (14-15)	(448.88)	(316.27)
17 Other comprehensive income after tax (including share of Associates)	(0.31)	(0.25)
18 Total comprehensive income after tax	(449.19)	(316.52)
19 Cash profit / (loss) (14 + 2(g) + deferred tax - MAT credit + forex loss - forex gain + Non cash exceptional item	(45.42)	(195.31)
20 Profit (+) / Loss (-) from ordinary activities before tax (11 - 5)	(520.53)	(317.67)
21 Paid-up equity share capital (face value of Re.1/- per share)	273.78	247.27
22 Earning per share (EPS) not annualised		
- Basic	(1.66)	(1.31)
- Diluted	(1.66)	(1.31)

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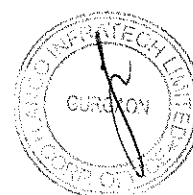
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**SEGMENT-WISE REVENUE, RESULTS, ASSETS AND LIABILITIES UNDER  
REGULATION 33 OF THE LISTING AGREEMENT- CONSOLIDATED**

Rs. Cr

	PARTICULARS	Quarter Ended	
		30.06.2016 (Un Audited)	30.06.2015 (Un Audited)
<b>1</b>	<b>(a) Income from operations</b>		
	(a) EPC & Construction	359.86	196.46
	(b) Power	1412.46	1269.71
	(c) Property Development	40.22	10.23
	(d) Infrastructure	34.30	26.89
	(e) Resources	123.03	99.60
	(f) Unallocated	6.51	44.87
	<b>Total</b>	<b>1976.38</b>	<b>1647.76</b>
	Less: Inter Segment Revenue	212.36	68.67
	<b>Net Sales/Income from Operations</b>	<b>1764.02</b>	<b>1579.09</b>
<b>2</b>	<b>Segment Results (Profit(+)/ Loss(-) before tax and interest from each segment)</b>		
	(a) EPC & Construction	76.95	22.46
	(b) Power	302.33	252.42
	(c) Property Development	13.84	(1.50)
	(d) Infrastructure	13.18	10.21
	(e) Resources	(118.09)	(56.31)
	(f) Unallocated	1.04	(37.79)
	<b>Total</b>	<b>289.25</b>	<b>189.49</b>
	Less: Inter segment profit on transactions with subsidiaries	102.62	8.01
	<b>Total</b>	<b>186.63</b>	<b>181.48</b>
	Less :		
	(i) Interest	715.54	631.07
	(ii) Other Un-allocable Exp. (Net of Un-allocable income)	(8.38)	(131.92)
	<b>Total Profit Before Tax</b>	<b>(520.53)</b>	<b>(317.67)</b>
<b>3</b>	<b>Segment Assets</b>		
	(a) EPC & Construction	5560.39	5793.76
	(b) Power	36292.75	34332.67
	(c) Property Development	2708.96	2479.85
	(d) Infrastructure	1530.44	1464.12
	(e) Resources	7926.99	7090.13
	(f) Unallocated	894.99	738.33
	<b>Total Segment Assets</b>	<b>54914.52</b>	<b>51898.86</b>
<b>4</b>	<b>Segment Liabilities</b>		
	(a) EPC & Construction	4762.37	4567.12
	(b) Power	2165.99	2165.75
	(c) Property Development	499.26	565.81
	(d) Infrastructure	151.54	70.02
	(e) Resources	414.91	570.52
	(f) Unallocated	46283.47	42740.24
	<b>Total Segment Liabilities</b>	<b>54277.54</b>	<b>50679.46</b>



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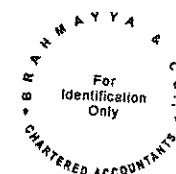
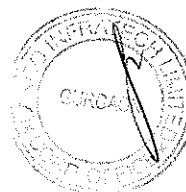
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**STATEMENT OF STANDALONE RESULTS FOR THE QUARTER ENDED JUNE 30, 2016**

(Rs. Cr)

PARTICULARS	Quarter Ended	
	30.06.2016 (Unaudited)	30.06.2015 (Unaudited)
1 (a) Income from operations	343.03	237.25
(b) Other operating income	0.37	1.28
<b>Total income from operations</b>	<b>343.40</b>	<b>238.53</b>
2 Expenditure		
(a) Cost of materials consumed	164.59	108.99
(b) Subcontract cost	82.20	75.51
(c) Construction and Site Expenses	19.62	14.29
(d) Change in inventories of construction work in progress	(133.37)	(48.03)
(e) Employee benefits expense	54.89	46.05
(f) Depreciation & amortisation expenses	23.23	25.79
(g) Other expenses	36.19	26.22
<b>Total expenses</b>	<b>247.35</b>	<b>248.82</b>
3 Profit / (Loss) from operations before other income, foreign exchange fluctuations, finance costs & exceptional items (1-2)	96.05	(10.29)
4 Other income	16.57	20.10
5 Profit / (Loss) from ordinary activities before foreign exchange fluctuations, finance costs & exceptional items (3+4)	112.62	9.81
6 (Gain)/Loss on foreign exchange fluctuations (Net)	(1.15)	(33.42)
7 Finance costs	241.54	223.87
8 Profit / (Loss) from ordinary activities after foreign exchange fluctuations, finance costs but before exceptional items (5-6-7)	(127.77)	(180.64)
9 Exceptional items	-	84.62
10 Profit / (Loss) from ordinary activities before tax (8+9)	(127.77)	(96.02)
11 Tax expense	-	-
12 Net Profit / (Loss) from ordinary activities after tax (10-11)	(127.77)	(96.02)
13 Extraordinary item (net of tax expense)	-	-
14 Net profit / (loss) for the period (12+13)	(127.77)	(96.02)
15 Other Comprehensive Income	(0.10)	(0.06)
16 Total Comprehensive Income	(127.87)	(96.08)
17 Paid-up equity share capital (face value of Re.1/- per share)	273.78	247.27
18 Earning per share (EPS) in Rupees before & after extraordinary items (not annualised)		
- Basic	(0.47)	(0.40)
- Diluted	(0.47)	(0.40)


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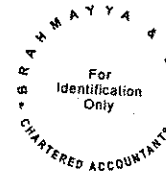
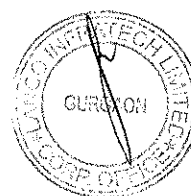
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**SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER ENDED JUNE 30,  
2016 - STANDALONE**

(Rs. Cr)

PARTICULARS	Quarter Ended	
	30.06.2016 (Unaudited)	30.06.2015 (Unaudited)
<b>1 Segment Revenue</b>		
(a) EPC & Construction	315.87	172.16
(b) Power	21.02	21.50
(c) Infrastructure	6.51	44.87
<b>Net Sales/Income from operations</b>	<b>343.40</b>	<b>238.53</b>
<b>2 Segment Results (Profit(+)/ Loss(-) before tax and interest from each segment)</b>		
(a) EPC & Construction	75.80	3.93
(b) Power	10.38	10.73
(c) Infrastructure	0.98	6.73
(d) Unallocated	10.04	1.74
<b>Total</b>	<b>97.20</b>	<b>23.13</b>
Less :		
(i) Interest	241.54	223.87
(ii) Other Un-allocable Expenses (Net off Un-allocable income)	(16.57)	(104.72)
<b>Total Profit/(Loss) Before Tax</b>	<b>(127.77)</b>	<b>(96.02)</b>
<b>3 Segment Assets</b>		
(a) EPC & Construction	5558.73	6169.51
(b) Power	475.07	534.18
(c) Infrastructure	11262.30	11007.21
(d) Unallocated	1439.46	1393.80
<b>Total</b>	<b>18735.56</b>	<b>19104.70</b>
<b>4 Segment Liabilities</b>		
(a) EPC & Construction	8634.16	9832.76
(b) Power	7.19	9.48
(c) Infrastructure	182.14	179.06
(d) Unallocated	8153.23	7132.80
<b>Total</b>	<b>16976.72</b>	<b>17154.10</b>



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## NOTES IN RELATION TO THE FINANCIAL RESULTS

1. The reported consolidated Net Operating Income and Net Profit / (Loss) have been arrived at after eliminating inter-company transactions as per IND AS 110 "Consolidated Financial Statements" and IND AS 28 "Investments in Associates and Joint Ventures". It may be noted that the above eliminations do not reduce the cash earnings of the Company on the standalone / consolidated basis. The impact of these eliminations on Net Operating Income and Net Profit / (Loss) is presented as under:

Particulars	Quarter Ended	
	June 30, 2016	June 30, 2015
	(Unaudited)	(Unaudited)
Reported Net Operating Income	1727.99	1569.47
Elimination of Intersegment Operating Income	212.36	68.67
Total Income before elimination	1940.35	1638.14
Reported Net Profit /(Loss)	(448.88)	(316.27)
Elimination as per Ind AS 110 & 28	102.60	7.97
Forex loss / (gain)	113.92	(36.23)
Net Profit or (Loss) before elimination & Forex loss / (gain)	(232.36)	(344.53)

2. The Information on Standalone Financial Results

Particulars	Quarter Ended	
	June 30, 2016	June 30, 2015
	(Unaudited)	(Unaudited)
Income from operations	343.40	238.53
PBT	(127.77)	(96.02)
PAT	(127.77)	(96.02)
Forex loss / (gain)	(1.15)	(33.42)
PAT before forex loss / (gain)	(128.92)	(129.44)

3. The financial results for the quarter ended June 30, 2016 are in compliance with Indian Accounting Standards (Ind-AS), consequently results for the quarter ended June 30, 2015 have been restated to comply with Ind-AS to make them comparable. The Group has adopted Ind-AS with effect from April 01, 2016 with comparatives being restated. Accordingly impact of transition has been provided in the opening reserves as at April 01, 2015.
4. As at June 30, 2016 the Group has receivables from various State Electricity Utility Companies and other customers for sale of power aggregating to Rs.1,793.40 Cr, net current Assets of Rs. 506.03 Cr and current maturities of long term borrowings of Rs. 3,030.88 Cr. Based on internal assessment and various discussions with the customers, the management is confident of recovery of receivables. At present the Group's operating assets are not generating envisaged revenues on account of various factors beyond the control of the company, such as short supply of gas, pending tariff clarity and part payments from the customers is posing challenges for meeting the cash flow needs. However the Group has actively engaged in resolving each of the aspects associated with the respective revenue generating units by effectively addressing the core issues which would enable a quick turnaround in the situation and the management is confident that the efforts would result in the operating units generating positive cash flows. The approved CDR scheme & additional funding to the company and the lenders approvals of the cost overrun proposals for the projects under construction and the effort to bring strategic investors, disposal of assets, would also bring in the additional cash flows into the system. Cumulatively, the Group is confident that the initiatives narrated above would address the bottlenecks



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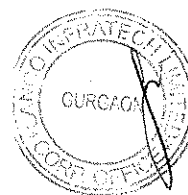
and make the operating units viable, augmenting the EPC activity to normal level and thus does not foresee any eventual cash flow mismatch in terms of meeting its financial obligations including that of the lenders, vendors and others and also will have adequate cash flows to support the implementation of ongoing projects which are capitalizing interest and expenses during the period of construction including the low level period of construction. This is an emphasis of matter in the auditor's report for the year ended March 31, 2014, March 31, 2015, March 31, 2016 and for the quarter ended June 30, 2016.

5. During the quarter ended June 30, 2016 some of the foreign subsidiaries could not complete the audit of their financial statements, hence the financial statements prepared by the management have been considered in consolidation. Accordingly total assets of Rs. 2,389.61 Cr as at June 30, 2016, the total revenue of Rs. 16.38 Cr and total net loss of Rs. 41.40 Cr for the quarter ended June 30, 2016 has been taken from the financials prepared by the Management under Ind - AS. This is a subject matter of qualification in auditor's report for the quarter ended June 30, 2016.
6. (a) Lanco Amarkantak Power Limited (LAPL), one of the step down subsidiary of the Company commenced supply of power to PTC and CSPTCL w.e.f. May 07, 2011, as per interim order dated March 23, 2011 of APTEL. LAPL filed a civil appeal along with an application for stay against APTEL final order dated November 04, 2011 in the Supreme Court. The Hon'ble Supreme Court in its order dated December 16, 2011 directed LAPL to continue supplying power in terms of the APTEL interim order dated March 23, 2011. The said appeal is still pending for adjudication before the Hon'ble Supreme Court which has also stayed further proceedings of the petition filed by HPGCL before HERC challenging the termination of PPA. Further, the Hon'ble Supreme Court in its order dated December 16, 2011 directed HERC to fix/ approve the tariff of sale and purchase of power for the period in dispute uninfluenced with any earlier orders. LAPL recognized revenue on the basis of CERC Tariff Regulations, 2009, whereas the payments were released by PTC (Haryana) on the basis of erstwhile PPA capped tariff rate resulting in income higher by Rs.19.15 Cr for sale of power during April 01, 2016 to June 30, 2016 and receivables being higher by Rs.232.86 Cr for the power sold up to June 30, 2016. APTEL in its judgment dated January 03, 2014 directed LAPL to file necessary details of project cost before HERC and directed it to re-determine the tariff dehorn the PPA in accordance with HERC Tariff Regulations 2008.

On January 23, 2015, HERC re-determined the tariff as per HERC Tariff Regulations 2008 comprising fixed charges and energy charges for FY 2011-12 to FY 2014-15. LAPL has filed an appeal in APTEL challenging methodology followed by HERC in the computation of energy charges. LAPL based upon its assessment and legal opinion obtained, is confident of the outcome of the matter in its favour and recovery of the above said receivables in full hence no provision has been made. Meanwhile, for recovery of differential amount computed as per HERC order dated January 23, 2015 for the power supplied from May 07, 2011 till March 31, 2013, LAPL filed a petition before HERC & HERC in its order dated July 12, 2016 directed PTC/HPPC to pay Rs. 93.4 Cr. (including ED & Cess) in three equal monthly instalments. Further, for the period beyond FY 2012-13, HERC also directed PTC/HPPC to pay tariff as per the cost parameters and norms approved in its earlier order dated January 23, 2015 till further order is passed in the matter by the Hon'ble Supreme Court.

(b) Lanco Amarkantak Power Limited (LAPL) has filed a writ petition before the Hon'ble High Court of Delhi on applicability of certain norms of CERC Tariff Regulations, 2014 for Unit 1. Pending disposal of the said writ petition by the Hon'ble High Court of Delhi, LAPL has submitted duly filled tariff filing formats in accordance with CERC Tariff Regulations 2014-19 to PTC for onward submission to MP Power Management Company Ltd (MPPMC) for approval of tariff for the period 2014-19. Till such time the tariff is approved by MPERC, MPPMC has agreed for provisional tariff as per the tariff filing formats submitted by the LAPL.

These are emphasis of matters in the audit report for the year ended March 31, 2015, March 31, 2016 and for the quarter ended June 30, 2016.

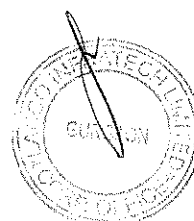


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7. One of the Associate of the company i.e., Lanco Teesta Hydro Power Limited – 500 MW (LTHPL), Due to delay in diversion of forest land, poor geology and earthquake, leading to substantial time and cost overrun, LTHPL had requested the power purchaser to revise PPA Tariff for viability of the project. As there was no positive response from the power purchaser, LTHPL filed a petition seeking tariff revision before the Regulatory Commission. The Hon'ble Commission after hearing the matter disposed off the petition through final order dated August 20, 2014 stating that LTHPL may approach the Hon'ble Commission once the Project is nearing COD. With no immediate relief available regarding tariff increase, LTHPL terminated the PPA with effect from September 18, 2014 in line with the provisions of PPA. LTHPL is exploring power sale tie up with new power purchasers and PPA will be executed once the potential buyer is finalised. Ministry of Power, Government of India reviewed the project during the year and directed the committee appointed for this purpose to submit a revival plan in consultation with LTHPL, Lenders and Government of Sikkim for which necessary submissions were made by LTHPL pending finalisation of the revival plan. The Management is confident of getting the revised funding from the lenders, complete the project as per the revised timelines and resolution of PPA issues. Even after considering the cost overrun and delay in execution, there is viability in the project and hence the Management does not foresee any requirement for adjustment for carrying value of assets in the financial statements. This is an emphasis of matter in the auditor's report for the year ended March 31, 2014, March 31, 2015, March 31, 2016 and for the quarter ended June 30, 2016.
8. a) With respect to Lanco Hills Technology Park Private Limited (LHTPPL) one of the subsidiary of the Company is developing a 100 acre integrated township called 'Lanco Hills' at Hyderabad, Telangana. With regard to dispute of the title of the land between the Wakf Board and Government of Telangana, the Wakf tribunal restricted the LHTPPL from alienating the property which was upheld by the Hon'ble High Court of Andhra Pradesh. LHTPPL has appealed against the order of the Honorable High Court of Andhra Pradesh before the Honorable Supreme Court, which granted an interim stay against the orders of Honorable High Court of Andhra Pradesh and the Wakf Tribunal. Pending the final outcome of appeal before the Honorable Supreme Court, the Management based upon its assessment and legal opinion obtained, is confident of the outcome of the matter in its favour and no adjustments have been made in respect of this matter in the accompanying results. This is an emphasis of matter in the auditor's report for the year ended March 31, 2014, March 31, 2015, March 31, 2016 and for the quarter ended June 30, 2016.
- b) The Management has multiple plans for development of Commercial, Residential and office space in the land held by the LHTPPL. Considering the business plans, the management is confident of recovering the cost incurred on the development of projects including the interest cost which is grouped under the head Development work in progress and capital work in progress.
9. Lanco Mandakini Hydro Energy Private Limited (LMHEPL) one of the step down subsidiary of the company developing 76 MW Hydro Electric Project on river Mandakini in Uttarakhand, has been impacted and considerable damage has been witnessed across the project site due to devastating flash floods occurred in the Rudraprayag district of Uttarakhand in the month of June, 2013. The said Project is insured under CAR & ALOP policies to cover the damages including Act of God. Against the claims lodged with the insurer, on-account payment was received from the insurer. The Management is confident that the potential damage to carrying value of the asset is unlikely to exceed the expected insurance claim. This is an emphasis of matter in the auditor's report for the year ended March 31, 2014, March 31, 2015, March 31, 2016 and for the quarter ended June 30, 2016.
10. Mahatamil Mining and Thermal Energy Limited (MMTEL), a subsidiary of the company had entered into Coal Mining Services (CMS) agreement with Mahatamil Collieries Limited (MCL) for developing and mining of Gare pelma II Coal block located in the state of Chhattisgarh, the said coal block was cancelled by the Hon'ble Supreme Court's order dated September 24, 2014. As per CMSA MMTEL has incurred an amount of Rs. 204.66 Cr till March 31, 2015 towards exploration, infrastructure and earnest money deposit. The amount incurred has been claimed by MMTEL as per terms of CMSA and the provisions of the Coal Mines (Special Provisions) Ordinance, 2014 and the management is confident on recoverability of the claim. This is an emphasis of matter in the auditor's report for the year ended March 31, 2015, March 31, 2016 and for the quarter ended June 30, 2016.

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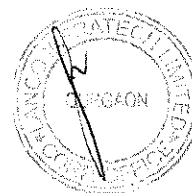




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11. Lanco Resources International Pte Limited (LRIPL) along with its subsidiary companies (Griffin Coal Mine Operations, Australia) has been incurring losses from acquisition onwards. The management is taking necessary steps to optimise its mining cost and to improve the coal mining capacity by expanding the associated infrastructure including development of port to scale up the export sales. Upon implementation of long term initiatives, the management is confident of improving the profitability of the business in long period and carrying value of the assets are realizable at the value stated in the books. Accordingly, no adjustments have been made in these financials results. This is an emphasis of matter in the auditor's report for the year ended March 31, 2015, March 31, 2016 and for the quarter ended June 30, 2016.
12. Lanco Hoskote Highways Limited, a subsidiary of the company has been incurring losses since commencement of operations and also due to de-recognition of Capital Grant from Reserves as per requirement of Ind AS 11 Appendix A on Service Concession Arrangement, the Net Worth fell below 50% of paid-up capital as at 30-06-2016. The Management is taking necessary steps to improve the profitability in future and is of the view that the carrying value of Assets of LHHL is realizable at the value stated therein. Accordingly, no adjustments have been made in these financials results. This is an emphasis of matter in the limited review report for the quarter ended June 30, 2016.
13. Lanco Kanpur Highways Limited (LKHL), a subsidiary of the company had entered into concession agreement with NHAI for developing a road project in Uttar Pradesh state under BOOT mechanism. The construction work is delayed due to pending approvals and right of way to be arranged by NHAI. During the previous year LKHL had received notice of termination of concession agreement from NHAI and issued a notice of termination of concession agreement to NHAI. Arbitration proceedings have been initiated to settle the claims and the counter claims associated with the termination as per the Concession Agreement. Based on the expert legal opinion, the management is confident on the recoverability of its claims submitted and is not expecting any liability on counter claims filed by NHAI. This is an emphasis of matter in the audit report for the year ended March 31, 2015, March 31, 2016 and for the quarter ended June 30, 2016.
14. During the quarter ended March 31, 2012, the Company has put in place two level power holding company structure wherein Lanco Power Limited (LPL) subsidiary of the Company as the power holding vehicle for the Group. LPL has further two subsidiaries namely Lanco Thermal Power Limited (LTPL) and Lanco Hydro Power Limited (LHPL) 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 to its wholly owned step down subsidiaries i.e., LTPL and LHPL on March 30, 2012 for cash consideration. The Group has obtained approvals from 96% in Value of the lenders / one customer and share transfer process is in progress. However, this transaction has no impact in the consolidated financials. This is an emphasis of matter in the auditor's report for the year ended March 31, 2015, March 31, 2016 and for the quarter ended June 30, 2016.
15. Lanco Vidarbha Thermal Power Limited (LVTPL), a step down subsidiary of the Company is developing a 2x660 MW Coal based Thermal Power Project near Wardha in Maharashtra. The execution of the Project got affected due to the High Court Order with respect to the PIL filed by a group of people thereby causing litigation on Environment Clearance (EC) granted for the Project. The process of re-public hearing by MPCB and revalidation of EC by MOEF led to the delay of more than three years which was beyond the control of LVTPL and which is a Force Majeure event in accordance with the PPA provisions, causing time & cost overrun.

LVTPL approached the power purchaser i.e., Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) to extend the scheduled commencement date and provide the reliefs in accordance with PPA provisions on force majeure, which was not accepted by MSEDCL. MSEDCL encashed the Bank Guarantee of Rs. 51 Cr and unilaterally demanded liquidated damages of Rs 351.90 Cr. LVTPL made attempts for an amicable resolution, however MSEDCL didn't responded positively and hence, LVTPL terminated the PPA with MSEDCL in September, 2014, which was not accepted by MSEDCL.



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The LVTPL filed a writ petition before MERC for adjudication of dispute between LVTPL & MSEDCL with the prayer to declare the PPA termination as valid, direct MSEDCL to return the PG of Rs.51 Cr and declare the additional LD claim by MSEDCL as illegal and wrongful.

The LVTPL is confident of getting the refund of encashed bank guarantee and reversal of MSEDCL's demand of Liquidated Damages, hence no provision has been made in the books of accounts on account of liquidated damages. LVTPL approached lenders for funding the cost and time overrun, which was approved. The management is confident of tying up of power sale in due course. This is an emphasis of matter in the auditor's report for the year ended March 31, 2016 and for the quarter ended June 30, 2016.

16. Reconciliation of Net profit between IND-AS and previous Indian GAAP for the period ended June 30, 2015.

Particulars	Rs. Cr	
	Quarter Ended June 30, 2015 (Refer note 17)	
	Standalone	Console
<b>Net Profit after Tax as per the Previous Indian GAAP</b>	<b>(87.32)</b>	<b>(325.21)</b>
De capitalisation of ineligible expenses	-	(74.28)
Measurement of financial assets at amortised cost	(0.83)	(0.55)
Measurement of financial liabilities at amortised cost	(1.83)	(1.83)
Discounting / Unwinding of provisions	-	0.49
Actuarial Gain / (Loss) on employee defined benefit obligation recognised in Other Comprehensive Income (OCI)	0.06	0.25
Provision for expected credit losses	(6.10)	(1.53)
Impact on Service concession arrangements	-	1.91
Impact on Embedded leases	-	27.75
Impact on Consolidation of entities on control assessment	-	70.12
Impact on adjustment of Prior period items	-	(20.31)
Other adjustments	-	(0.22)
Deferred Tax on the above adjustments	-	(9.95)
Deferred Tax adjustment on profits eliminated resulting from Intra group transactions	-	(23.97)
<b>Net Profit after Tax before OCI as per the IND-AS</b>	<b>(96.02)</b>	<b>(357.33)</b>

17. Ind-AS restated figures for the period ended June 30, 2015 have not been subjected to limited review or an audit. However the management has exercised necessary due diligence to ensure that results provide true and fair view.
18. The financial results does not include Ind-AS compliant results for the preceding quarter and for previous year ended March 31, 2016 as the same is not mandatory as per SEBI circular dated July 05, 2016.
19. These unaudited results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings.

for Lanco Infratech Limited

Place : Gurgaon  
Date : September 09, 2016

G. Venkatesh Babu  
Managing Director



**Independent Auditor's Review Report on Quarterly Consolidated Financial Results of Lanco Infratech Limited Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,

**The Board of Directors  
Lanco Infratech Limited**

1. We have reviewed the accompanying Statement of consolidated unaudited financial results of **Lanco Infratech Limited** ("the Company"), and its subsidiaries and associates (collectively referred to as 'the Group') for the quarter ended June 30, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquires of company personnel and analytical procedures applied to the financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Attention is drawn to the fact that the figures for the corresponding quarter ended 30<sup>th</sup> June 2015 including the reconciliation of the consolidated net loss for the quarter under Indian Accounting Standards ("Ind AS") of the corresponding quarter with the consolidated net loss for the quarter reported under previous generally applicable accounting principles ("GAAP"), as reported in these consolidated financial results have been approved by the Board of Directors but have not been subjected to review or audit.
4. To the extent stated in paragraphs 4 (a) to 4 (e) below, we did not review the financial results of certain component entities that comprise the Group and are included in the consolidated financial results.



- a) We did not review financial results of certain subsidiaries, whose financial results reflect total assets of Rs. 2,637.06 Crores as at June 30, 2016 and total revenue of Rs.36.97 Crores for the quarter ended June 30, 2016. These financial results and other financial information for these subsidiaries have been reviewed by other auditors whose reports have been furnished to us by the Management, and our review report on the quarterly consolidated financial results is based solely on the reports of the other auditors.
  - b) We did not review the financial results of certain subsidiaries, whose financial results reflect total assets of Rs. 195.54 Crores as at June 30, 2016 and total revenue of Rs. 0.01 Crores for the quarter ended June 30, 2016. These financial results and other financial information of these subsidiaries have been prepared by the management and our review report on the quarterly consolidated financial results is based solely on the management accounts.
  - c) We did not review the financial results of certain overseas subsidiaries, whose financial results reflect total assets of Rs. 276.13 Crores as at June 30, 2016 and total revenue of Rs. 5.72 Crores for the quarter ended June 30, 2016. These financial results and other financial information of these subsidiaries have been prepared by the management and our review report on the quarterly consolidated financial results is based solely on the management accounts.
  - d) We did not review the financial results of certain associates, whose financial results reflect the Group's share of Profit of Rs. 0.82 Crores for the quarter ended June 30, 2016. These financial results and other financial information for these associates have been reviewed by the other auditors whose reports have been furnished to us by the Management, and our review report on the quarterly consolidated financial results is based solely on the reports of the other auditors.
  - e) We did not review the financial results of certain associates, whose financial results reflect the Group's share of Profit of Rs. 2.37 Crores for the quarter ended June 30, 2016. These financial results and other financial information of these associates have been prepared by the management and our review report on the quarterly consolidated financial results is based solely on the management accounts.
5. Without qualifying our review conclusion, attention is invited to
- a) (i) Note 4 to the consolidated financial results, regarding the adequacy of disclosure concerning the Group's ability to meet its financial obligations including repayment of various loans and unpaid interest and the ability to fund various obligations pertaining to operations including unpaid/overdue creditors, for ensuring/commencing normal operations and further investments required towards ongoing projects. These matters essentially require the Group to garner such additional cash flows to fund and meet the requirements.



(ii) The Group incurred a Net Loss of Rs. 498.29 Crores for the quarter and has unpaid loans and other unpaid dues aggregating Rs.4,837.19 Crores falling due over next twelve month period which also includes repayment of loans sanctioned under restructuring in respect of which, the Group obtained certain reliefs in relation to repayment timelines of loans and accumulation of unpaid interest and additional funding for commencing normal operations.

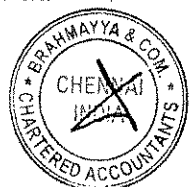
(iii) In view of certain variances in sanctioned/contracted terms under CDR scheme in regard to disbursements made and their utilization thereon, together with considerable delay in implementation of CDR scheme, eventually did not enable the Group to achieve the anticipated performance levels of operations at EPC. Incurrence of further losses and cost overruns in project companies due to delayed execution have been reported. As explained by the management, the Group commenced operations at EPC as well as at the projects which are under construction and in our view, there may be further delays in time lines agreed with project companies which may result in further cost overruns, which in turn may require the Group to arrange the funding for the additional cost. As further explained by the management, the Group is making efforts to reorganise the funding pattern to ensure the completion of under construction projects and disposal of assets to meet the funding gaps. These submissions and assertions by the management, are under evaluation by lenders which envisage that the Company will have the ability to garner the required cash flows, which have not been independently assessed by us.

(iv) Notwithstanding the efforts as stated above to meet the funding obligations which would involve time to materialise, these consolidated financial results have been prepared based on the assumption, and considering the project budgets and estimates of the management which are based on technical aspects and inputs and management's assessment to get requisite further funding from various sources including additional funding from the lenders, disbursement of sanctioned facilities and the Group's efforts in disposing assets. Relying on the above, no adjustments have been made in these consolidated financial results towards any possible impact on account of low key operations and delayed execution of projects under implementation.

- b) Note 6 (a) to the consolidated financial results, which explains the management's assessment with respect to the order of Haryana Electricity Regulatory Commission (HERC) dated January 23, 2015, in regard to the litigation in respect of tariff determination in terms of the power purchase agreement relating to one of the power generating units of Lanco Amarkantak Power Limited (LAPL), a step down subsidiary of the Company. LAPL has sought further relief in Appellate Tribunal for Electricity (APTEL) against the said order of HERC. Consequently, recognition of revenue amounting to Rs. 19.15 Crores for the quarter ended June 30, 2016 (Rs. 232.86 Crores upto June 30, 2016), is treated as recoverable and no provision is considered necessary in these consolidated financial results based on the management's assessment and legal opinion obtained.



- c) Note 6 (b) to the consolidated financial results, in regard to one of the power generating units of Lanco Amarkantak Power Limited (LAPL), a step down subsidiary of the Company, revenue continues to be recognized by LAPL on provisional basis, based on the tariff filing submitted to power purchaser for approval of tariff for the period 2014 - 2019. Pending the tariff determination, no adjustments have been made in these consolidated financial results.
- d) Note 7 to the consolidated financial results, which explains the matter in Lanco Teesta Hydro Power Limited (LTHPL), an associate of the Company relating to termination of Long Term PPA with Maharashtra State Electricity Distribution Company Limited (MSEDCL) and the time and consequential cost overrun of the project and the management's plans to meet the cost overrun of the project. There has been an extension of Commercial Operation Date (COD) due to the circumstances beyond the control of LTHPL resulting in extended execution of the Hydropower project. Lenders in their efforts to revive the Project, resorted to the Strategic Debt Restructuring (SDR) Scheme under the Reserve Bank of India (RBI) guidelines, wherein, the lenders had converted a portion of outstanding debt and unpaid interest into equity shares, to facilitate subsequent strategic divestment. In the opinion of management, the execution of the project with the increased cost and extended timelines for bringing the assets to its intended use is still viable even taking into account the current level of low implementation activities which does not amount to interruption thus continued to capitalise all the costs including interest. The management expects that suitable arrangements for power sale would be completed in the due course and therefore the carrying value of the project asset doesn't warrant any adjustment.
- e) Note 8 (a) to the consolidated financial results, which explain land dispute at Lanco Hills Technology Park Private Limited (LHTPPL), a subsidiary of the Company, the ultimate outcome of these matters cannot presently be determined. The management of LHTPPL, based upon its assessment and legal advice obtained, is confident of the outcome of the matter in its favour.
- f) Note 8 (b) to the consolidated financial results, in relation to LHTPPL, with regard to recoverability of cost of Development Work in Progress and Capital Work in Progress pending capitalization, which in the opinion of the management is based on its business plans envisaged on certain market assertions towards new developmental initiatives, is completely recoverable and does not warrant any adjustments in the financial results towards the carrying value. As the realization of carrying values of both categories of Work in Progress is dependent on certain factors detailed in the note and the impact if any on the financial results on account of non-achievement of envisaged initiatives is currently not ascertainable at this point in time.
- g) Note 9 to the consolidated financial results, which explain the management's view with respect to the impact of unprecedented flash floods in Uttarakhand that seriously affected Lanco Mandakini Hydro Energy Private Limited (LMHEPL), a step down subsidiary of the Company implementing a Hydel Power Project of 76 MW capacity. The insurance survey was completed and the claims were lodged with the insurer. LMHEPL had received an interim



payment from the Insurer in the financial year 2014-15 against the claim lodged. During the quarter, the restoration works were being carried out, and suitable submissions as represented by the management, were made to the Insurance Surveyors. In the assessment of management, the potential damage to the carrying value of asset is unlikely to exceed the expected insurance claim. The management is also confident that the project would achieve its scheduled commercial operation within the timelines approved/to be approved by the lenders and regulator. Relying on the assessment of the management which have not been independently evaluated by us, no adjustments have been made in these consolidated financial results.

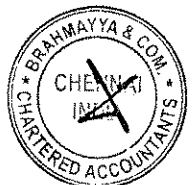
- h) Note 10 to the consolidated financial results, dealing with cancellation of coal blocks by the Honourable Supreme Court, which included coal mine jointly allotted to Tamil Nadu Electricity Board and Maharashtra State Mining Corporation Limited, the Allottees. Mahatamil Mining and Thermal Energy Limited (MMTEL), a subsidiary of the Company, entered into Coal Mining Services Agreement with the Allottees of the mine, pursuant to which, MMTEL incurred an amount of Rs. 204.66 Crores towards the Project, the realizability of which is dependent on the compensation to be awarded under the Ordinance issued by Government of India. The Company has obtained a legal opinion in this regard based on which, the amount incurred is considered to be recoverable and, hence no adjustments have been made in these consolidated financial results.
- i) Note 11 to the consolidated financial results, in relation to the carrying value of assets held by step down subsidiaries of Lanco Resources International Pte Limited (LRIPL) a subsidiary of the Company, in view of continued losses exceeding net worth of LRIPL, considering the management's initiatives to be implemented with significant financial resources to be deployed in the mining activity and the development of associated infrastructure, being the port, the management is of the view that the carrying value of the assets are realizable at the value stated therein. Accordingly, no adjustments have been made in these consolidated financial results.
- j) Note 12 to the financial results, in relation to the carrying value of asset of Lanco Hoskote Highway Limited (LHHL), a subsidiary of the Company which has been incurring losses ever since the commencement of commercial operation and accumulated losses incurred so far eroded the net worth significantly. Taking into consideration the management's assessment of the situation including its efforts, the management of the Company is of the view that the carrying value of the asset is realizable at the value stated therein. Accordingly no adjustments have been made in these consolidated financial results.
- k) Note 13 to the consolidated financial results, in relation to Lanco Kanpur Highways Limited (LKHL), a subsidiary of the Company, has received a notice of termination to the Concession Agreement from National Highways Authority of India (NHAI) and LKHL has also issued a notice of termination to NHAI. Arbitration proceedings have been initiated to settle the claims and the counter claims associated with the termination as per the Concession Agreement. As on June 30, 2016 LKHL has incurred certain costs towards the project, the realizability of these amounts is dependent on the outcome of the arbitration proceedings.



- l) Note 14 to the consolidated financial results, which explain the structuring undertaken by the management during the year ended March 31, 2012. The Company's investment as of March 30, 2012 in various subsidiaries and associates was transferred to wholly owned step down subsidiaries and to an associate of wholly owned step down subsidiary aggregating to Rs. 6,815.51 Crores that required lenders and customer approval. Management has received many such approvals aggregating to 96% in value, of the lenders consenting to the structuring, the management is confident of receiving balance approvals from lenders and customer and has taken the effect of these transfers while preparing these consolidated financial results. In case any of these residual approvals are not granted, the management will have to revisit the structure and the consequential impact would then be recorded in these consolidated financial results.
- m) Note 15 to the consolidated financial results, in relation to Lanco Vidarbha Thermal Power Limited (LVTPL), a step down subsidiary of the Company, which explains the matter before the Maharashtra Electricity Regulatory Commission (MERC) relating to termination of Long Term Power Purchase Agreement (PPA) with Maharashtra State Electricity Distribution Company Limited (MSEDCL) and the Bank Guarantee encashment of Rs. 51 Crores by MSEDCL for delay in commissioning of the project beyond the Scheduled Commercial Operation Date (SCOD) as per PPA. Based on the management analysis and representation and relying on the legal expert opinion, management is of the opinion that the company can recover the Bank Guarantee amount encashed and further it is not liable to pay liquidated damages of Rs. 351.90 Crores claimed by MSEDCL. Relying on the assessment of the management on the non-tenability of the claim towards levy of liquidated damages no adjustment has been made in these consolidated financial results.

Our conclusion is not qualified in the respect of the matters reported in paragraph 4 and 5.

6. *Attention is invited to Note 5 to the consolidated financial results, include financial statements of Lanco International Pte Limited (LIPL) and Lanco Resources International Pte Limited (LRIPL), whose total assets of Rs. 2,389.61 Crores as at June 30, 2016, the total revenue of Rs. 16.38 Crores and total loss of Rs. 41.40 Crores for the quarter then ended June 30, 2016. These financial statements and other financial information have been prepared by the management and which have not been audited.*
7. Based on our review conducted as stated above and based on the consideration of the other reports of the other auditors as referred to in paragraph 4 above and *except for the possible effects of the matters described in paragraph 6 above*, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup>





July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Lokesh Vasudevan  
Partner  
Membership No. 222320



Place : Gurgaon  
Date : September 09, 2016

**Independent Auditor's Review Report on Quarterly Standalone Financial Results of  
Lanco Infratech Limited Pursuant to Regulation 33 of the SEBI (Listing Obligations and  
Disclosure Requirements) Regulations, 2015**

To,

**The Board of Directors  
Lanco Infratech Limited.**

1. We have reviewed the accompanying statement of the unaudited financial results of **Lanco Infratech Limited** ("the Company"), for the quarter ended June 30, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquires of company personnel and analytical procedures applied to the financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Attention is drawn to the fact that the figures for the corresponding quarter ended 30<sup>th</sup> June 2015 including the reconciliation of the net loss for the quarter under Indian Accounting Standards ("Ind AS") of the corresponding quarter with the net loss for the quarter reported under previous generally applicable accounting principles ("GAAP") as reported in these financial results have been approved by the Board of Directors but have not been subjected to review or audit.
4. Without qualifying our review conclusion, attention is invited to
  - a) (i) Note 4 to the financial results, regarding the adequacy of disclosure concerning the Company's ability to meet its financial obligations, repayment of various loans and unpaid interest and the ability to fund various obligations pertaining to operations including unpaid/overdue creditors, for ensuring/commencing normal operations and further investments required towards ongoing projects. These matters essentially require the Company to garner such additional cash flows to fund and meet the requirements.



(ii) The Company incurred a Net Loss of Rs. 127.77 Crores for the quarter and has unpaid loans and other unpaid dues aggregating Rs. 1,857.65 Crores falling due over next twelve month period which also includes repayment of loans sanctioned under restructuring in respect of which, the Company obtained certain reliefs in relation to repayment timelines of loans and accumulation of unpaid interest and additional funding for commencing normal operations.

(iii) Certain variances in sanctioned/contracted terms under CDR scheme in regard to disbursements made and their utilization thereon, together with considerable delay in implementation of CDR scheme, eventually did not enable the Company to achieve the anticipated performance levels of operations at EPC. Incurrence of further losses and cost overruns in project companies due to delayed execution have been reported. As explained by the management, the Company commenced operations at EPC as well as at the projects which are under construction and in our view, there may be further delays in time lines agreed with project companies which may result in further cost overruns, which in turn may require the Company to arrange the funding for the additional cost. As further explained by the management, the Company is making efforts to reorganise the funding pattern to ensure the completion of under construction projects and disposal of assets to meet the funding gaps. These submissions and assertions by the management, are under evaluation by lenders which envisage that the Company will have the ability to garner the required cash flows, which have not been independently assessed by us.

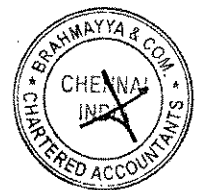
(iv) Notwithstanding the efforts as stated above to meet the funding obligations which would involve time to materialise, these financial results have been prepared based on the assumption, and considering the project budgets and estimates of the management which are based on technical aspects and inputs and management's assessment to get requisite further funding from various sources including additional funding from the lenders, disbursement of sanctioned facilities and the Company's efforts in disposing assets. Relying on the above, no adjustments have been made in these financial results towards any possible impact on account of low key operations and delayed execution of projects under implementation.

- b) Note 10 to the financial results, dealing with cancellation of coal blocks by the Hon'ble Supreme Court, which included coal mine jointly allotted to Tamil Nadu Electricity Board and Maharashtra State Mining Corporation Limited, the Allottees. Mahatamil Mining and Thermal Energy Limited (MMTEL), a subsidiary of the Company, entered into Coal Mining Services Agreement with the Allottees of the mine, pursuant to which, the amount invested amounting to Rs. 171.26 Crores, the realizability of which is dependent on the compensation to be awarded under the Ordinance issued by Government of India. The Company obtained a legal opinion in this regard based on which, the investment is considered to be recoverable and, hence no adjustments have been made in these financial results.



- c) Note 11 to the financial results, in relation to the carrying value of assets held by step down subsidiaries of Lanco Resources International Pte Limited (LRIPL) a subsidiary of the Company, in view of continued losses exceeding net worth of LRIPL, considering the management's initiatives to be implemented with significant financial resources to be deployed in the mining activity and the development of associated infrastructure, being the port, the management is of the view that the carrying value of the assets are realizable at the value stated therein. Accordingly, no adjustments have been made in these financial results.
- d) Note 12 to the financial results, in relation to the carrying value of investment of Lanco Hoskote Highway Limited (LHHL), a subsidiary of the Company, which has been incurring losses ever since the commencement of commercial operation and accumulated losses incurred so far eroded the net worth significantly. Taking into consideration the management's assessment of the situation including its efforts, the management of the Company is of the view that the carrying value of the investment is realizable at the value stated therein. Accordingly no adjustments have been made in these financial results.
- e) Note 13 to the financial results, in relation to Lanco Kanpur Highways Limited (LKHL), a subsidiary of the Company, has received a notice of termination to the Concession Agreement from National Highways Authority of India (NHAI) and LKHL has also issued a notice of termination to NHAI. Arbitration proceedings have been initiated to settle the claims and the counter claims associated with the termination as per the Concession Agreement. As on June 30, 2016 LKHL has incurred certain costs towards the project, the realizability of these amounts is dependent on the outcome of the arbitration proceedings.
- f) Note 14 to the financial results, which explain the structuring undertaken by the management during the year ended March 31, 2012. The Company's investment as of March 30, 2012 in various subsidiaries and associates was transferred to wholly owned step down subsidiaries and to an associate of wholly owned step down subsidiary aggregating to Rs. 6,815.51 Crores that require lenders and customer approvals. Management has received many such approvals aggregating to 96% in value, of the lenders consenting to the structuring, the management is confident of receiving balance approvals from lenders and customer and has taken the effect of these transfers while preparing these financial results. In case any of these residual approvals are not granted, the management will have to revisit the structure and the consequential impact would then be recorded in these financial results.

Our conclusion is not qualified in the respect of the matters reported in paragraph 4.



5. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Lokesh Vasudevan  
Partner  
Membership No. 222320



Place : Gurgaon  
Date : September 09, 2016

September 09, 2016

<b>M/s. National Stock Exchange of India Limited</b> Regd. Office: "Exchange Plaza" Bandra-Kurla Complex, Bandra (E) MUMBAI – 400 051. Ph : 022-2659 8235 / 36, 2659 8346 Fax : 022-6641 8124 / 25 / 26 022-2659 8237 / 38, 2659 8347 / 48	<b>M/s. BSE Limited</b> Regd. Office: Floor 25, P J Towers, Dalal Street MUMBAI – 400 001 Ph : 022-2272 1234 / 33 Fax : 022-2272 3121 / 1278 / 3577 / 1557
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Dear Sir,

**Sub:-** Media Release - Un-audited Financial Results for the Quarter ended 30<sup>th</sup> June, 2016 – Reg.

We send herewith enclosed a copy of the Media Release of the Company being released to the Media with regard to the Un-audited Financial Results of the Company for the Quarter ended 30<sup>th</sup> June, 2016.

This is for your kind information.

Thanking you,

Yours faithfully,  
For LANCO INFRATECH LIMITED



A. VEERENDRA KUMAR  
COMPANY SECRETARY

Encl: As above

**Lanco Infratech Limited**

**Corporate Office:** Lanco House, Plot # 397, Udyog Vihar, Phase -3, Gurgaon- 122 016, New Delhi Region, India.

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Corporate Identity Number: L45200TG1993PLC015545

*Lanco Infratech (LITL) today reported its financial performance for the quarter ended 30th June, 2016.*

*Result for the quarter ended 30th June 2016 are in compliance with Ind-AS notified by the Ministry of Corporate Affairs. Consequently, result for the quarter ended 30th June 2015 has been restated to comply with Ind-AS to make them comparable.*

*Highlights of the un-audited financial results as compared to the previous year are:*

#### CONSOLIDATED FINANCIAL PERFORMANCE

Rs. Mn

Particulars	Q1 FY17	Q1 FY16	Change
Gross Revenue*	19,848	16,647	19%
Reported Revenue	17,280	15,695	10%
Reported PAT	-4,489	-3,163	-42%
Profit Eliminated	1,026	80	1187%
Adj. PAT* (PAT + Profit Eliminated)	-3,463	-3,083	-12%
Cash Profit	-454	-1,953	77%

\*adding back inter-segment elimination & other income to Reported Revenue

#### HIGHLIGHTS OF QUARTER'S PERFORMANCE (Consolidated)

- Gross Revenue before eliminations increased by 19% to Rs.19,848 Mn from Rs.16,647 Mn
- Cash loss of Rs.454 Mn vs. Cash loss of Rs.1,953 Mn.
- Adjusted EBITDA (Excluding Forex) increased by 54% to Rs.5,291 Mn from Rs.3,438 Mn
- Reported loss of Rs.4,489 Mn vs. loss of Rs.3,163 Mn.

#### HIGHLIGHTS OF QUARTER'S PERFORMANCE (Standalone)

- Gross Revenue increased by 39% to Rs.3,600 Mn from Rs.2,586 Mn
- Cash loss of Rs.1,058 Mn vs. Cash loss of Rs.1,037 Mn.
- Adjusted EBITDA (Excluding Forex) increased by 282% to Rs.1359 Mn from Rs.356 Mn
- Reported loss of Rs.1,278 Mn vs. loss of Rs.960 Mn.

#### KEY DEVELOPMENTS SINCE ANNOUNCEMENT OF Q4 FY16 RESULTS

- Kondapalli got Gas allocation of 3.11MMSCMD under reverse E-auction organised by Power ministry for Utilisation of Stranded Gas Based Generation Capacity, which will enable the company to generate 2.8Bn Units during the period Sept'16 to Mar'17.
- EPC order book (Power, Solar & Others) stands of Rs.267,938 Mn
- Both the toll projects (Devihalli & Hoskote) of about 163 km length, for which the Concession Agreements have been signed with the NHAI recorded highest quarterly Toll collection revenue in Q1 FY 17 since start of commercial operation



**Sector Wise Performance:**

Lanco is present in five sectors

1. EPC
2. Power
3. Solar
4. Natural Resources
5. Infrastructure and Property Development

The EPC sector and the power sector together contributed to 86% of the gross revenues.

- EPC & Construction sector contributed to 17% of the gross revenue
- Power sector contributed to 69% of the gross revenues.

**1. Power:**

Rs. Mn

Particulars	Q1 FY17	Q1 FY16	Change
Revenue	13,778	12,560	10%
Less: Power Trading	713	1,008	-29%
Net Revenue	13,065	11,552	13%
EBITDA	4,307	3,681	17%
Less: Power Trading	16	26	-38%
Adjusted EBITDA	4,291	3,655	17%
Adj EBITDA Margin (%)	33%	32%	

- Total Outstanding Receivables of Rs.17,934 Mn from various State Electric Utilities as of June 2016

**Details of Power Projects under Operation for the Quarter**

Projects	Capacity	Units Generated	PAF	PLF	Total Revenue	EBITDA	PAT	EBITDA Margin
	(MW)	(MUs)	%	%	(Rs. Mn)	(Rs. Mn)	(Rs. Mn)	
Kondapalli 1	368	113	97%	14%	1,959	369	-1,229	19%
Kondapalli 2	366	0	100%	0%				
Kondapalli 3A	371	356	100%	44%				
Kondapalli 3B	371	27	100%	3%				
Amarkantak 1	300	635	98%	97%	3,090	1,219	105	39%
Amarkantak 2	300	624	96%	95%				
Tanjore	120	152	100%	58%	457	53	-3	12%
Anpara	1200	2,317	98%	88%	7,505	2,619	396	35%
Total	3,396	4,224	98%	57%	13,010	4,260	-730	33%



**NETS (Power Trading)**

For the Quarter

- Total 347 MUs traded at an average realization rate of Rs.3.71/Kwh.

**Status of Power Projects under Construction as of June'16**

Projects	Capacity	Cost Incurred	Debt	Equity	% Completion
	(MW)	(Rs Mn)	(Rs Mn)	(Rs Mn)	%
Amarkantak 3&4	1320	86,289	71,300	15,329	78%
Vidarbha	1320	47,238	37,730	9,510	46%
Babandh	1320	65,074	53,713	11,235	62%
Teesta	500	34,663	16,609	13,670	52%
Mandakini	76	8,994	6,782	2,212	68%
<b>Total</b>	<b>4,536</b>	<b>2,42,257</b>	<b>1,86,133</b>	<b>51,956</b>	

**2. EPC**

Particulars	Rs. Mn		
	Q1 FY17	Q1 FY16	Change
Revenue	3,455	2,370	46%
Forex (loss)/Gain	12	334	-97%
EBITDA	1,192	557	114%
Adjusted EBITDA	1,180	223	430%
Adj EBITDA Margin (%)	34%	9%	

**Order Book:**

- Current EPC order book stands at Rs.231,469 Mn (Excluding Solar EPC)
- Internal Projects constitute ~82% of the Power and Construction EPC Order book

**3. Solar:**

- Solar Generation consists of 46 MW

Particulars	Rs. Mn		
	Q1 FY17	Q1 FY16	Change
Revenue	722	577	25%
Forex (loss)/Gain	-25	-29	-15%
EBITDA	285	244	17%
Adjusted EBITDA	310	273	13%
Adj EBITDA Margin (%)	43%	47%	

- Solar EPC: Order Book of Rs.36,468 Mn with 60% orders from external parties.

**4. Natural Resources:**
**Griffin Coal**

Production for quarter was 0.62 MT vs 0.49 MT in Q1FY16. Sales for the quarter was 0.59 MT vs. 0.49 MT in Q1FY16.

- Average realization for the quarter was ~AUD 42.1 per ton vs. ~AUD 41.3 per ton in Q1FY16.

Particulars	Rs. Mn		
	Q1 FY17	Q1 FY16	Change
Revenue	1,230	996	24%
Forex (Loss)/Gain	-931	75	-1341%
EBITDA	-764	-325	-135%
Adj EBITDA	167	-400	142%
Adj EBITDA Margin (%)	14%	-40%	

**5. Property Development & Infrastructure**

Property development consists of the Lanco Hills project at Hyderabad, which is the only Real estate venture of the Group. During the quarter, Lanco Hills recorded revenue of Rs.401 Mn during Q1 FY17 against Rs.102 Mn in Q1 FY 16.

Under infrastructure, Current portfolio consists of highway projects of about 163 km length, for which the Concession Agreements have been signed with the National Highway Authority of India (NHAI):

- Both the toll projects recorded highest quarterly Toll collection revenue in Q1 FY 17 since start of commercial operation

	Distance	Status
Neelamangla Junction (Bangalore) – Devihalli (NH-48)	82 km	Toll collection revenue at Rs.160 Mn during the quarter against Rs.119 Mn in Q1 FY 16
Bangalore – Hoskote – Mulbagal (NH-4)	81 Km	Toll collection revenue at Rs. 167 Mn during the quarter against Rs.149 Mn in Q1 FY16

Particulars	Rs. Mn		
	Q1 FY17	Q1 FY16	Change
Revenue	745	375	99%
EBITDA	381	177	116%
EBITDA Margin (%)	51%	47%	



**About Lanco**

Lanco Infratech Limited, one of the India's largest integrated infrastructure developers, is headquartered in New Delhi Region and has employee strength of over 3,500. It has subsidiaries and divisions across a synergistic span of 5 Business verticals. These include EPC, Power, Natural Resources, Solar and Infrastructure.

Lanco Infratech's projects, both operational and under construction & Development, are spread across India. At present, the power portfolio includes an installed capacity of 3,465 MW and another 5,956 MW under various stages of Construction & Development.

The EPC division of the company is executing various orders worth more than Rs.267,930 Mn. A member of UN Global Compact, Lanco Infratech is recognised for its Corporate Social Responsibility initiatives led by the Lanco Foundation.

