

February 14, 2018

M/s. National Stock Exchange of India Limited  
Regd. Office: "Exchange Plaza"  
Bandra-Kurla Complex, Bandra (E)  
MUMBAI – 400 051.  
Ph : 022-2659 8235 / 36, 2659 8346

M/s. BSE Limited  
Regd. Office: Floor 25, P J Towers, Dalal Street  
MUMBAI – 400 001  
Ph : 022-2272 1234 / 33

Dear Sirs,

**Sub: Un-Audited Financial Results for Quarter Ended December 31, 2017.**

In continuation of our letter dated February 06, 2018, this is to inform that Mr. Savan Godiawala, being the Resolution Professional for Lanco Infratech Limited ("Company"), has today, February 14, 2018, considered and approved the un-audited financial results and taken on record limited review report for the quarter and 9 months ended December 31, 2017. The un-audited financial results and limited review report is enclosed herewith.

It may be noted that these un-audited financial results have been examined by the directors of the Company in a meeting called by the Resolution Professional which was held today and are certified by Mr. G. Venkatesh Babu, Managing Director and Chief Executive Officer. The Resolution Professional has relied upon the review of the audit committee and examination by the board of directors of the Company along with certifications, representations and statements made by Mr. T. Adi Babu, Chief Financial Officer and the management in relation to the financial accounts and records.

Further, please note that the Company has already made necessary arrangement to publish the same in newspapers as required under SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.

The meeting concluded at 04.00 p.m.

The above is for your information and record.

Thanking you,

Yours faithfully,

For LANCO INFRA TECH 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

## STATEMENT OF STANDALONE RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2017

| PARTICULARS  | Quarter Ended             |                           | Nine Months Ended         |                           | Year Ended                |                         |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
|  | 31.12.2017<br>(Unaudited) | 30.09.2017<br>(Unaudited) | 31.12.2016<br>(Unaudited) | 31.12.2017<br>(Unaudited) | 31.12.2016<br>(Unaudited) | 31.03.2017<br>(Audited) |
| 1 Revenue from operations  | 10.96                     | 12.64                     | 226.64                    | 266.65                    | 1049.07                   | 1634.90                 |
| 2 Other income   | 6.86                      | 8.57                      | 11.98                     | 27.12                     | 39.50                     | 122.63                  |
| 3 Total Income (1 + 2)   | 17.82                     | 21.21                     | 238.62                    | 293.77                    | 1088.57                   | 1757.53                 |
| 4 Expenses   |                           |                           |                           |                           |                           |                         |
| Cost of Materials Consumed                                       | 14.34                     | 8.87                      | 167.19                    | 80.33                     | 589.09                    | 750.10                  |
| Purchase of stock-in-trade                                       | -                         | -                         | -                         | -                         | -                         | 49.37                   |
| Subcontract Cost   | 10.05                     | 14.57                     | 63.33                     | 107.87                    | 229.13                    | 368.20                  |
| Construction and Site Expenses                                   | 2.86                      | 3.79                      | 41.01                     | 34.95                     | 82.81                     | 122.21                  |
| Change in inventories of construction work in progress           | 73.91                     | 57.18                     | (5.40)                    | 403.16                    | (180.84)                  | (82.81)                 |
| Employee benefits expenses                                       | 21.00                     | 34.30                     | 46.06                     | 99.13                     | 150.07                    | 186.49                  |
| Finance cost   | 292.75                    | 287.78                    | 267.88                    | 846.53                    | 755.25                    | 1032.13                 |
| Depreciation and Amortization expense                            | 13.01                     | 13.86                     | 23.53                     | 41.93                     | 70.31                     | 87.78                   |
| Other expenses   | 16.12                     | 45.73                     | 23.54                     | 110.76                    | 59.67                     | 133.58                  |
| Total Expenses (4)   | 444.04                    | 466.08                    | 627.14                    | 1724.66                   | 1755.49                   | 2647.05                 |
| 5 Profit / (Loss) before exceptional items and Tax (3 - 4)       | (426.22)                  | (444.87)                  | (388.52)                  | (1430.89)                 | (666.92)                  | (889.52)                |
| 6 Exceptional items  | -                         | (130.56)                  | -                         | (1262.39)                 | -                         | -                       |
| 7 Profit / (Loss) before Tax (5 + 6)                             | (426.22)                  | (575.43)                  | (388.52)                  | (2693.28)                 | (666.92)                  | (889.52)                |
| 8 Tax Expense  | -                         | -                         | -                         | -                         | -                         | -                       |
| 9 Profit / (Loss) for the Period (7- 8)                          | (426.22)                  | (575.43)                  | (388.52)                  | (2693.28)                 | (666.92)                  | (889.52)                |
| 10 Other comprehensive income                                    |                           |                           |                           |                           |                           |                         |
| Items that will not be reclassified to profit and loss           | 0.14                      | 0.14                      | (0.10)                    | 0.41                      | (0.31)                    | 0.55                    |
| 11 Total comprehensive income for the period (9+10)              | (426.08)                  | (575.29)                  | (388.62)                  | (2692.87)                 | (667.23)                  | (888.97)                |
| 12 Paid-up equity share capital (face value of Re.1/- per share) | 330.26                    | 330.26                    | 273.78                    | 330.26                    | 273.78                    | 330.26                  |
| Earning per share (EPS) not annualised                           |                           |                           |                           |                           |                           |                         |
| - Basic  | (1.30)                    | (1.76)                    | (1.44)                    | (8.24)                    | (2.47)                    | (3.25)                  |
| - Diluted  | (1.30)                    | (1.76)                    | (1.44)                    | (8.24)                    | (2.47)                    | (3.25)                  |


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**SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND NINE MONTHS ENDED  
DECEMBER 31, 2017 - STANDALONE**

| PARTICULARS   | Quarter Ended             |                           | Nine Months Ended         |                           | Year Ended                |                         |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
|   | 31.12.2017<br>(Unaudited) | 30.09.2017<br>(Unaudited) | 31.12.2016<br>(Unaudited) | 31.12.2017<br>(Unaudited) | 31.12.2016<br>(Unaudited) | 31.03.2017<br>(Audited) |
| <b>1 Segment Revenue</b>  |                           |                           |                           |                           |                           |                         |
| a) EPC & Construction   | 2.30                      | 4.77                      | 199.63                    | 240.80                    | 964.33                    | 1533.39                 |
| b) Power  | 1.55                      | 1.36                      | 19.57                     | 5.72                      | 55.17                     | 63.63                   |
| c) Infrastructure   | 7.11                      | 6.51                      | 7.44                      | 20.13                     | 29.57                     | 37.88                   |
| <b>Net Sales/Income from Operations</b>   | <b>10.96</b>              | <b>12.64</b>              | <b>226.64</b>             | <b>266.65</b>             | <b>1049.07</b>            | <b>1634.90</b>          |
| <b>2 Segment Results (Profit(+)/ Loss(-) before tax and interest from each segment)</b> |                           |                           |                           |                           |                           |                         |
| a) EPC & Construction   | (141.21)                  | (166.20)                  | (145.13)                  | (613.28)                  | 5.22                      | (24.58)                 |
| b) Power  | (0.19)                    | (0.43)                    | 9.39                      | 0.32                      | 24.12                     | 27.93                   |
| c) Infrastructure   | 1.07                      | 0.97                      | 1.12                      | 3.02                      | 4.44                      | 5.68                    |
| d) Unallocated  | -                         | -                         | 2.00                      | (1.54)                    | 15.05                     | 10.95                   |
| <b>Total</b>  | <b>(140.33)</b>           | <b>(165.66)</b>           | <b>(132.62)</b>           | <b>(611.48)</b>           | <b>48.83</b>              | <b>19.98</b>            |
| <b>Less:</b>  |                           |                           |                           |                           |                           |                         |
| i) Interest   | 292.75                    | 287.78                    | 267.88                    | 846.53                    | 755.25                    | 1032.13                 |
| ii) Other Un-allocable Expenses (Net off Un-allocable income)                           | (6.86)                    | 121.99                    | (11.98)                   | 1235.27                   | (39.50)                   | (122.63)                |
| <b>Total Profit/(Loss) Before Tax</b>   | <b>(426.22)</b>           | <b>(575.43)</b>           | <b>(388.52)</b>           | <b>(2693.28)</b>          | <b>(666.92)</b>           | <b>(889.52)</b>         |
| <b>3 Segment Assets</b>   |                           |                           |                           |                           |                           |                         |
| a) EPC & Construction   | 5136.63                   | 5118.20                   | 5615.99                   | 5136.63                   | 5615.99                   | 5247.78                 |
| b) Power  | 63.80                     | 64.76                     | 456.49                    | 63.80                     | 456.49                    | 69.94                   |
| c) Infrastructure   | 10697.80                  | 10693.96                  | 11486.63                  | 10697.80                  | 11486.63                  | 11336.42                |
| d) Unallocated  | 838.96                    | 836.54                    | 1313.36                   | 838.96                    | 1313.36                   | 1413.82                 |
|   | <b>16737.19</b>           | <b>16713.46</b>           | <b>18872.47</b>           | <b>16737.19</b>           | <b>18872.47</b>           | <b>18067.96</b>         |
| <b>4 Segment Liabilities</b>  |                           |                           |                           |                           |                           |                         |
| a) EPC & Construction   | 8521.27                   | 8741.06                   | 9144.93                   | 8521.27                   | 9144.93                   | 8876.80                 |
| b) Power  | 6.29                      | 5.96                      | 5.25                      | 6.29                      | 5.25                      | 6.45                    |
| c) Infrastructure   | 3.08                      | 3.08                      | 182.14                    | 3.08                      | 182.14                    | 3.08                    |
| d) Unallocated  | 9844.77                   | 9183.28                   | 8321.89                   | 9844.77                   | 8321.89                   | 8143.97                 |
|   | <b>18375.41</b>           | <b>17933.38</b>           | <b>17654.21</b>           | <b>18375.41</b>           | <b>17654.21</b>           | <b>17030.30</b>         |



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## Extract from the Unaudited Standalone Financial Results for the Quarter and Nine Months ended December 31, 2017

| Particulars                  | Rs. Cr                                      |   |   |  |  |                                       |
|------------------------------|---|---|---|--|--|---------------------------------------|
|                              | Quarter Ended<br>31/12/2017<br>(Un Audited) | Quarter Ended<br>30/09/2017<br>(Un Audited) | Quarter Ended<br>31/12/2016<br>(Un Audited) | Nine Months<br>Ended<br>31/12/2017<br>(Un Audited) | Nine Months<br>Ended<br>31/12/2016<br>(Un Audited) | Year Ended<br>31/03/2017<br>(Audited) |
| 1 Income from operations     | 10.96                                       | 12.64                                       | 226.64                                      | 266.65   | 1,049.07   | 1,634.90                              |
| 2 Profit / (loss) before tax | (426.22)                                    | (575.43)                                    | (388.52)                                    | (2,693.28)   | (666.92)   | (889.52)                              |
| 3 Profit / (loss) after tax  | (426.22)                                    | (575.43)                                    | (388.52)                                    | (2,693.28)   | (666.92)   | (889.52)                              |

## Notes:


1) Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench vide order dated August 07, 2017 has initiated Corporate Insolvency Resolution Process (CIRP) in the Company under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC), based on the application filed by IDBI Bank Limited, Financial Creditor of the Company. Mr. Savan Godiawala (IP Registration No. IBB1.IPA-001/IP-P00239/2017-18/10468) was appointed as Interim Resolution Professional (IRP) with effect from August 07, 2017 under the provisions of IBC. In the first Committee of Creditors meeting dated September 12, 2017, Mr. Savan Godiawala has been confirmed as Resolution Professional.

2) The above is an extract of the detailed format of Quarter and Nine months ended Financial Results drawn up, on a Standalone basis, filed with the Stock Exchanges on February 14, 2018 under Regulations 33 of SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarter and Nine months ended Financial Results are available on the Stock Exchange websites (www.bseindia.com and www.nseindia.com) and on the company's website www.lancogroup.com.

Place : Gurgaon  
Date : February 14, 2018



For Lanco Infratech Limited

  
G. Venkatesh Babu  
Managing Director & Chief Executive Officer

**Lanco Infratech Limited**

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**NOTES IN RELATION TO THE FINANCIAL RESULTS**

1. Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench vide order dated August 07, 2017 has initiated Corporate Insolvency Resolution Process (CIRP) in the Company under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC), based on the application filed by IDBI Bank Limited, Financial Creditor of the Company. Mr. Savan Godiawala (IP Registration No. IBBI.IPA-001/IP-P00239/2017-18/10468) was appointed as Interim Resolution Professional (IRP) with effect from August 07, 2017 under the provisions of IBC. In the first Committee of Creditors meeting dated September 12, 2017, Mr. Savan Godiawala has been confirmed as Resolution Professional. The Resolution Professional has relied upon assistance provided by members of the Audit Committee in review of the aforesaid unaudited financial results and representations, clarifications and explanations provided by the Managing Director<sup>1</sup> & Chief Executive Officer, Chief Financial Officer, other directors and Key Managerial Personnel of the Company in relation to such financial results in the meetings called by the Resolution Professional. The reviewed financial results have been examined by the directors of the Company constituting the Board of Directors of the company (powers of whom stand suspended in accordance with IBC) and accordingly, the Resolution Professional, in reliance of such examination by the directors of the Company and the aforesaid representations, clarifications and explanations, has approved the same. It is clarified however that the Resolution Professional has not conducted an independent verification of these unaudited financial results and has not certified on the truthfulness, fairness, accuracy or completeness of these results, in so far as it pertains to the period prior to commencement of the CIRP and his appointment. The Resolution Professional has approved the financial results only to the limited extent of discharging the power of the board of directors of the company which has been conferred upon him inter alia in terms of provisions of section 17 of Insolvency and Bankruptcy Code, 2016.

2. Exceptional item includes:

- a) The company acquired Griffin Coal Mining Company Pty Limited and Carpenter Mine Management Pty Limited referred as Griffin Coal Mine Operations through its erstwhile wholly owned subsidiary Lanco Resources International Pte Limited (LRIPL) to further invest in expansion to enhance the capacity. Post-acquisition many approvals were obtained for mine expansion and other infrastructure related facilities. LRIPL along with its subsidiary companies (Griffin Coal Mine Operations) has been incurring losses from acquisition onwards. Due to circumstances beyond the control of company, the mine expansion got delayed, resultantly anticipated incremental EBIDTA could not be earned, thus increasing the loans from the lenders to meet the interest obligations. Due to default in debt servicing, as per the Security Agreement entered by LRIPL with lenders, lenders appointed the Receivers and Managers on April 27, 2017 and transferred the pledged shares to the nominee of the Security Agent of the lenders. Consequent to this, during the quarter ended June 30, 2017, impairment provision has been created against the receivables in respect of said share transfer at carrying value of Rs. 534.16 Cr, Loans receivable along with interest Rs. 567.27 Cr, and charged off the balance existing in the Foreign Currency Monetary item Translation Difference account of Rs. 9.83 Cr pertaining to the said loans receivable.
- b) A provision of Rs. 20.57 Cr is created in the quarter ended June 30, 2017 for diminution in the value of investment of Lanco Wind Power Private Limited, a subsidiary of the company.
- c) A provision of Rs. 130.56 Cr is created in the previous quarter ended September 30, 2017 for possible diminution in the value of investment of Lanco Power Limited (LPL), a subsidiary of the company which is holding the shares of Lanco Mandakini Hydro Energy Private Limited (LMHEPL) directly and indirectly, on account of lenders proposal to invoke change in management (outside SDR) by exercising the pledged shares of the LMHEPL.

<sup>1</sup> The powers of the Managing Director stand suspended in accordance with the provisions of the IBC and the Managing Director has provided the certifications and representations with responsibility pursuant to the authorization given by the Resolution Professional in respect of the matters pertaining to period prior to insolvency commencement date.

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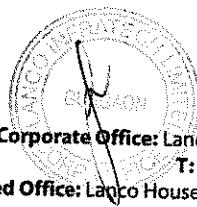
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Identification Only

CHARTERED ACCOUNTANTS

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3. Mahatamil Mining and Thermal Energy Limited (MMTEL), a subsidiary of the company had entered into Coal Mining Services Agreement (CMSA) with Mahatamil Collieries Limited (MCL) for developing and mining of Gare Pelma Sector II Coal block located in Raigarh district in the state of Chhattisgarh. The allocation of 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 performance security deposit. The amount incurred has been claimed by MMTEL as per terms of the Coal Mines (Special Provisions) Ordinance, 2014. The company's investment of Rs. 90.42 Cr and other advances amounting to Rs. 80.84 Cr made in MMTEL as on December 31, 2017 is considered recoverable from MCL by the management based on the said claim. This is an emphasis of matter in the auditor's limited review report.
4. Lanco Hoskote Highways Limited (LHHL) and Lanco Devihalli Highways Limited (LDHL), subsidiaries of the company have been incurring losses since commencement of operations and also due to de-recognition of Capital Grant from Reserves as per the requirement of Ind AS 11 Appendix - A on Service Concession Arrangement, the Net Worth has eroded significantly as at December 31, 2017. The Management is taking necessary steps to improve the profitability in future and is of the view that the carrying value of Investment of the company along with its subsidiaries aggregating to Rs. 805.66 Cr in LHHL & LDHL 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 auditor's limited review report.
5. Lanco Hills Technology Park Private Limited (LHTPPL), a subsidiary of the company has been incurring losses and the Net Worth has eroded significantly as at December 31, 2017. The Management is taking various initiatives to improve the profitability, and completion of certain project components through development partners and is of the view that the carrying value of the Investment Rs. 1,332.08 Cr in LHTPPL 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 auditor's limited review report.
6. 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 right of way to be arranged by NHAI. During the FY 2015-16, LKHL had received notice of termination of concession agreement from NHAI, and LKHL 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. The company invested in LKHL Rs. 196.50 Cr, other advances receivable Rs. 0.23 Cr and received EPC contract mobilisation advance of Rs. 143.54 Cr as on December 31, 2017. This is an emphasis of matter in the auditor's limited review report.
7. Diwakar Solar Projects Limited (DSPL), a subsidiary of the Company engaged in setting up solar thermal power plant (100 MW), is affected on account of various factors beyond the control of the management. DSPL has filed petition with Central Electricity Regulatory Commission (CERC) for extension of Commercial Operation Date (COD) and to revise the Power Purchase Agreement (PPA) Tariff for viability of the project on the ground that the bid Direct Normal Irradiation (DNI) was different from the actual DNI. The Management is confident upon tariff revision and extension of COD for executing the project. In view of this the company does not foresee any requirement for adjustment in carrying value of investment of Rs. 219.59 Cr as at December 31, 2017. This is an emphasis of matter in the auditor's limited review report.

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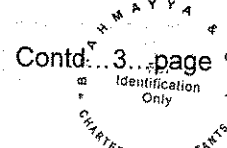
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8. During the previous quarter ended September 30, 2017, one of the lenders has recalled its loans given to the Lanco Teesta Hydro Power Limited (LTHPL) an associate of the company and invoked the pledged shares issued by LTHPL as security towards the loan facility amounting to Rs. 296.63 Cr. Vide share purchase agreement dated March 30, 2012, shares held by the company in LTHPL were transferred to Lanco Hydro Power Limited, a subsidiary of the company. The eventual financial obligation on the company is yet to be determined hence no adjustments have been made in these financial results. This is an emphasis of matter in the auditor's limited review report.
9. During the previous quarter ended September 30, 2017, one of the lenders has recalled its loans given to the group companies and invoked the Corporate Guarantees issued by the company in favour of those group companies amounting to Rs. 7,266.17 Cr. The eventual financial obligation on the company is yet to be determined, hence no adjustments have been made in these financial results including changes that may be warranted due to exchange fluctuations. This is a matter of qualification in the auditor's limited review report.
10. During the nine months period ended December 31, 2017, certain customers of the Company encashed Bank Guarantees (BG) provided by the Company towards advances received and performance security. In the opinion of the management against the encashed BGs, value amounting to Rs. 519.69 Cr is recoverable from the customers and necessary steps are being initiated. Consequently, no adjustments have been made in these financial results. This is a matter of qualification in the auditor's limited review report.
11. The Company had been referred to NCLT by one of its lenders and consequently CIRP has been initiated, as detailed in Note 1. During the quarter ended June 30, 2017 the Company's Net worth has been fully eroded. The Company's ability to meet its contractual obligations involving EPC Contracts, financial obligations to its lenders and investment commitments to group companies is dependent on resolution of the matters as part of CIRP. Currently the Company is in the process of identifying the resolution alternatives, accordingly the financial results are prepared on a going concern basis. This is a matter of qualification in the auditor's limited review report.
12. As reported in the previous periods, during the quarter the lenders of Lanco Kondapalli Power Limited (LKPL) converted portion of their debt into equity shares of LKPL under Strategic Debt Restructuring Scheme (SDR), RBI guidelines. On account of SDR the effective shareholding of the company in LKPL reduced to 28.15% from 58.91% and ceased to be subsidiary with effect from November 22, 2017.
13. Previous period figures have been regrouped, reclassified and restated to conform to those of the current period.
14. The company opted for publishing results on standalone basis as per the Regulation 33 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Gurgaon  
Date : February 14, 2018



for Lanco Infratech Limited

  
**G. Venkatesh Babu**  
Managing Director & Chief Executive Officer**Lanco Infratech Limited****Corporate Office:** Lanco House, Plot # 397, Udyog Vihar, Phase-3, Gurgaon-122 016, New Delhi Region, India.

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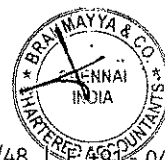


**Independent Auditor's Review Report on Standalone Unaudited Financial Results of  
Lanco Infratech Limited Pursuant to Regulation 33 of the SEBI (Listing Obligations and  
Disclosure Requirements) Regulations, 2015**

To,

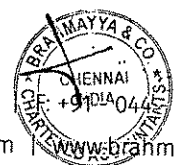
**The Resolution Professional  
Lanco Infratech Limited.**

1. The Hon'ble National Company Law Tribunal ("NCLT"), Hyderabad Bench, admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by a Financial Creditor of **Lanco Infratech Limited** ("the Company"), and appointed an Interim Resolution Professional ("IRP"), in terms of the Insolvency and Bankruptcy Code, 2016 ("the Code") to manage the affairs of the Company as per the provisions of the Code. The Committee of Creditors of the Company, in its meeting dated September 12, 2017, confirmed the IRP as the Resolution Professional ("RP") for the Company. In view of pendency of the CIRP, and in view of suspension of powers of Board of Directors and as explained to us, the powers of adoption of this standalone financial results vests with the RP.
2. We have reviewed the accompanying statement of the unaudited standalone financial results of the Company, for the quarter and nine months ended December 31, 2017 ("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 July 5, 2016. This Statement which is the responsibility of the Company's Management and approved by the RP (Refer Note 1 to the unaudited standalone financial results), 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.
3. 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 inquiries 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.





4. Without qualifying our review conclusion, attention is invited to
- a) Note 3 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 and advances provided aggregating to Rs. 171.26 Crores, the realizability of which is dependent on the compensation to be awarded under the Ordinance issued by the Government of India. The Company obtained a legal opinion in this regard, based on which, the investment is considered to be recoverable, notwithstanding the denial of obligation by the Allottees in regard to certain cost components, and no adjustments have been made in these financial results, pending the final outcome of claims by MMTEL.
- b) Note 4 to the financial results, in relation to the carrying value of investments in Lanco Hoskote Highway Limited (LHHL) and Lanco Devihalli Highways Limited (LDHL), subsidiaries of the Company, which have 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 towards seeking further concessions from grantors, 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.
- c) Note 5 to the financial results, in relation to the carrying value of investment in Lanco Hills Technology Park Private Limited (LHTPPL), a subsidiary of the Company, where the accumulated losses incurred so far eroded the net worth significantly. Taking into consideration the management's assessment of the situation including its efforts to complete certain project components through development partners, 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.
- d) Note 6 to the financial results, in relation to Lanco Kanpur Highways Limited (LKHL), a subsidiary of the Company, which has received a notice of termination to the Concession Agreement from National Highways Authority of India (NHAI) and simultaneously 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. LKHL has incurred certain costs towards the project during the period when the concession was in force and subsequently, aggregating to Rs. 53.19 Crores, the realisability of these amounts is dependent on the outcome of the arbitration proceedings. Accordingly, no adjustments have been made in these financial results.



- e) Note 7 to the financial results, in relation to the carrying value of investment amounting to Rs. 219.59 Crores in Diwakar Solar Projects Ltd (DSPL), a subsidiary of the Company, which explains the management's efforts in obtaining the extension of revised COD and revision in tariff. In the opinion of the management, the execution of the project with the extended timelines for bringing the assets to its intended use with revised tariff being considered favourably, is still viable even after considering low implementation activities and significant time and cost overruns. Accordingly, in the opinion of the management, no provision is required for any diminution in the carrying value of the investment. Pending the final outcome in the matters relating to extension of revised COD and revision of tariff, no adjustments have been carried out to the carrying value of the investment.
- f) Note 8 to the financial results, in regard to invocation of pledged shares of Lanco Teesta Hydro Power Limited (LTHPL), an associate of the Company, issued by the Company in favour of the lender of LTHPL, amounting to Rs. 296.63 Crores. One of the lenders of LTHPL, has filed a petition in NCLT in terms of Section 7 of the Code, which is pending admittance by the NCLT. In view of the factors detailed in the said note and pending determination of the eventual financial obligation on the Company, no adjustments have been made to these financial results.

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

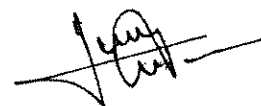
5. Attention is invited to

- a) *Note 9 to the financial results, in regard to the various Corporate Guarantees extended by the Company in favour of one of the lenders of Group Companies. The lender has invoked these guarantees amounting to Rs. 7,266.17 Crores and is pursuing recovery actions against the Company. In view of the factors detailed in the said note and pending determination of the eventual financial obligation on the Company, the impact on the financial results is also not quantifiable, accordingly no adjustments have been made to these financial results.*
- b) *Note 10 to the financial results, regarding encashment of Bank Guarantee by customers of the Company amounting to Rs. 949.35 Crores. The management is of the opinion that the encashment is not in accordance with the conditions specified in the Engineering, Procurement and Construction (EPC) contract and is of the opinion that the encashed value of Bank Guarantee, net of advances, is fully recoverable and no adjustments have been made in these financial results. Pending initiatives by the management against the invocation of Bank Guarantee, had the impact been factored in these financial results, the Loss for the Quarter would have been higher by Rs. 519.69 Crores with a consequential impact on reserves, to the same extent.*



- c) Note 11 to the financial results, regarding application by the Financial Creditor, initiating the insolvency provisions under the Insolvency and Bankruptcy Code, 2016 (the Code) and the consequential appointment of RP under the Code, and adequacy of disclosure concerning the Company's ability to meet its contractual obligation in respect of EPC Contracts including management's technical estimates in regard to estimated cost to completion, realisation of value of inventories and other financial assets, financial obligations including repayment of various loans including invoked guarantees both by lenders and customers, 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 under construction. These matters essentially require the Company to resolve the situations specified therein within the framework specified through the CIRP. Under these circumstances, the possible erosion in the carrying value of Investments is also not ascertainable at this point in time. In the absence of any specific guidance or direction that can be assessed out of CIRP, material uncertainties exist that may cause significant doubt on the Company's ability to continue as a going concern. However, the appropriateness of preparation of financial results on a going concern basis is subject to the Company's ability to resolve the matters through the CIRP or such other forum or manner as specified in the said Note.
6. Based on our review conducted as stated above, *except for possible effects of the matters specified in Paragraph 5 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 July 5, 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 : Gurugram  
Date : February 14, 2018

February 15, 2018

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|---|--|
| <b>M/s. National Stock Exchange of India Limited</b><br>Regd. Office: "Exchange Plaza"<br>Bandra-Kurla Complex, Bandra (E)<br>MUMBAI – 400 051.<br>Ph : 022-2659 8235 / 36, 2659 8346 | <b>M/s. BSE Limited</b><br>Regd. Office: Floor 25, P J Towers, Dalal Street<br>MUMBAI – 400 001<br>Ph : 022-2272 1234 / 33 |
|---|--|

Dear Sir,

**Sub:-** Media Release-Un-audited Financial Results for the Quarter ended 31<sup>st</sup> December, 2017 – 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 31<sup>st</sup> December, 2017.

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.  
T + 91 124 474 1000 F +91 124 474 1860/474 1878 E info@lancogroup.com  
**Registered Office:** Lanco House, Plot # 4, Software Units Layout, HITEC City, Madhapur, Hyderabad - 500 081, Telangana, India.  
T+91 40 4009 0400 F +91 40 2311 6127 E info@lancogroup.com  
www.lancogroup.com

Corporate Identity Number: L45200TG1993PLC015545

Gurgaon, Feb 14, 2018

Lanco Infratech Limited is currently under moratorium period of Corporate Insolvency Resolution Process under Insolvency & Bankruptcy code (IBC) 2016, reported its financial performance for the Quarter ended December 31, 2017 on February 14, 2018.

Highlights of the Un-Audited financial results as compared to the previous year are:

**STANDALONE FINANCIAL PERFORMANCE**

| Particulars                   | Rs. Mn  |         |        |         |         |        |
|-------------------------------|---------|---------|--------|---------|---------|--------|
|                               | Q3 FY18 | Q3 FY17 | Change | 9M FY18 | 9M FY17 | Change |
| Gross Income                  | 178     | 2,386   | -93%   | 2,938   | 10,886  | -73%   |
| EBIDTA                        | -1,205  | -971    | -24%   | -5,424  | 1,586   | -442%  |
| PBT (before Exceptional Item) | -4,262  | -3,885  | -10%   | -14,309 | -6,669  | -115%  |
| PBT (after exceptional Item)  | -4,262  | -3,885  | -10%   | -26,933 | -6,669  | -304%  |
| Reported Loss                 | -4,261  | -3,886  | -10%   | -26,929 | -6,672  | -304%  |
| Cash Profit                   | -4,066  | -3,515  | -16%   | -13,354 | -5,966  | -124%  |

**HIGHLIGHTS OF QUARTER'S PERFORMANCE**

- Gross Revenue declined by 93% to Rs.178 Mn in Q3FY18 from Rs.2,386 Mn in Q3FY17
- EBIDTA declined by 24% to loss of Rs.1,205 Mn in Q3FY18 from loss of Rs.971Mn in Q3FY17.
- Cash loss of Rs.4,066 Mn in Q3FY18 vs. Cash loss of Rs.3,515 Mn in Q3FY17.
- PBT (before exceptional items) decreased by 10% to loss of Rs.4,262 Mn in Q3FY18 from loss of Rs. 3,885Mn in Q3FY17.
- Reported loss of Rs.4,261 Mn in Q3FY18 vs. loss of Rs.3,886 Mn in Q3FY17.

**HIGHLIGHTS OF 9MONTH'S PERFORMANCE**

- Gross Revenue declined by 73% to Rs.2,938 Mn in 9M FY18 from Rs.10,886 Mn in 9M FY17
- EBIDTA changed to loss of Rs.5,424 Mn in 9M FY18 from profit of Rs.1,586Mn in 9M FY17.
- Cash loss of Rs.13,354 Mn in 9M FY18 vs. Cash loss of Rs.5,966 Mn in 9M FY17.
- PBT (before exceptional items) decreased by 115% to loss of Rs.14,309 Mn in 9M FY18 from loss of Rs. 6,669Mn in 9M FY17.
- Reported loss of Rs.26,929 Mn in 9M FY18 vs. loss of Rs.6,672 Mn in 9M FY17.

**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 2,100 at group level. 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 3,475 MW and another 4,536 MW under various stages of Construction.

The EPC division of the company is executing various orders worth more than Rs.156,800 Mn. A member of UN Global Compact, Lanco Infratech is recognised for its Corporate Social Responsibility Initiatives led by the Lanco Foundation.

