

May 30, 2017

<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:- Audited Financial Results for the Quarter and Year ended 31<sup>st</sup> March, 2017 – 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 30<sup>th</sup> May, 2017 has approved the Audited Financial Results (Standalone and Consolidated) for the Year ended 31<sup>st</sup> March, 2017 duly reviewed by the Audit Committee.

In this connection, please find enclosed herewith the following:

1. Audited Financial Results (Standalone and Consolidated) of the Company for the Year ended 31<sup>st</sup> March, 2017 along with Statement on Impact of Audit Qualifications for the Year ended 31<sup>st</sup> March, 2017 and copy of the Audit Report (Standalone and Consolidated) by Statutory Auditors of the Company, dated 30<sup>th</sup> May, 2017 duly taken on record by Board and
2. Copy of the Press Release by the Company being released to the Media with regard to Audited Financial Results for the Year ended 31<sup>st</sup> March, 2017.

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 E: info@lancogroup.com

**Registered Office:** Lanco House, Plot No. 4, Software Units Layout, HITEC City, Madhapur, Hyderabad-500 081, Telangana, India.

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www.lancogroup.com

Corporate Identity Number: L45200TG1993PLC015545

**STATEMENT OF CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2017**

Rs. Cr

PARTICULARS	Quarter Ended			Year Ended	
	31.03.2017 (Audited)	31.12.2016 (Unaudited)	31.03.2016 (Audited)	31.03.2017 (Audited)	31.03.2016 (Audited)
1 Revenue from Operations	1982.68	1616.20	2066.01	7343.69	8098.47
2 Other Income	29.80	29.70	25.70	166.38	236.43
3 Total Income (1 + 2)	2012.48	1645.90	2091.71	7510.07	8334.90
4 EXPENSES					
Cost of Materials Consumed	1037.01	920.71	1215.37	4095.66	4114.94
Purchase of stock-in-trade	130.72	51.54	41.98	307.59	200.17
Subcontract Cost	66.84	42.82	136.99	173.87	264.50
Construction, Transmission, Plant / Site and Mining Expenses	198.35	201.38	173.16	744.34	682.39
Change in Inventories of Finished Goods and Work in Progress	103.35	(27.77)	(73.12)	(124.73)	(208.73)
Employee benefits expenses	72.49	82.41	98.48	335.23	352.86
Finance cost	829.87	731.54	680.94	2995.31	2658.00
Depreciation and Amortization expense	239.19	222.06	253.43	903.88	817.54
Other expenses	(60.38)	286.39	(161.71)	365.12	129.08
Total Expenses (4)	2617.44	2511.08	2365.52	9796.27	9012.75
5 Profit / (Loss) before Exceptional Items and Tax (3 - 4)	(604.96)	(865.18)	(273.81)	(2286.20)	(677.85)
6 Exceptional Items	(4.52)	-	114.43	(4.52)	279.86
7 Profit / (Loss) before Tax (5 - 6)	(609.48)	(865.18)	(159.38)	(2290.72)	(397.99)
8 Tax Expense	(25.21)	18.95	(31.38)	(29.90)	(125.57)
9 Profit / (Loss) after Taxation, before Non Controlling Interests and Share of Profit of Associates (7-8)	(584.27)	(884.13)	(128.00)	(2260.82)	(272.42)
Add: Share of Profit / (Loss) of Associates	(0.32)	(0.28)	0.16	0.76	(0.29)
Less: Elimination of Unrealised Profit on Transactions with Associate Companies	0.14	(0.19)	0.35	(0.09)	0.49
10 Profit / (Loss) after Taxation and Share of Profit of Associates	(584.73)	(884.22)	(128.19)	(2259.97)	(273.20)
11 Other Comprehensive Income					
a) Items that will not be reclassified to profit and loss	0.87	0.22	(0.35)	0.47	(1.05)
Income tax relating to items that will not be reclassified to profit and loss	-	-	-	-	-
b) Items that will be reclassified to profit and loss	-	-	-	-	-
Income tax relating to items that will be reclassified to profit and loss	-	-	-	-	-
12 Total Comprehensive Income for the period (10 + 11)	(583.86)	(884.00)	(128.54)	(2259.50)	(274.25)
13 Total comprehensive income for the period attributable to:					
Owners of the Company	(527.42)	(813.43)	(105.72)	(2048.66)	(270.15)
Non controlling interests	(56.44)	(70.57)	(22.82)	(210.84)	(4.10)
14 Paid-up equity share capital (face value of Re. 1/- per share)	330.26	273.78	273.78	330.26	273.78
Earning per share (EPS) not annualised					
- Basic	(1.88)	(3.01)	(0.39)	(7.50)	(1.05)
- Diluted	(1.88)	(3.01)	(0.39)	(7.50)	(1.05)

**Lanco Infratech Limited**

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**SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND YEAR ENDED  
March 31, 2017 - CONSOLIDATED**

		Quarter Ended			Year Ended		Rs. Cr
	PARTICULARS	31.03.2017 (Audited)	31.12.2016 (Unaudited)	31.03.2016 (Audited)	31.03.2017 (Audited)	31.03.2016 (Audited)	
1	<b>(a) Income from operations</b>						
	(a) EPC & Construction	969.69	349.12	974.18	2202.72	2875.27	
	(b) Power	1142.91	1190.06	1339.09	5382.87	6322.68	
	(c) Property Development	25.44	36.33	47.68	161.10	162.57	
	(d) Infrastructure	27.47	31.55	31.25	126.43	116.89	
	(e) Resources	116.75	153.55	141.12	521.93	493.05	
	(f) Unallocated	8.31	7.44	19.90	37.88	69.98	
	<b>Total</b>	<b>2290.57</b>	<b>1768.05</b>	<b>2553.22</b>	<b>8432.93</b>	<b>10040.44</b>	
	Less: Inter Segment Revenue	279.47	124.11	485.39	935.41	1763.01	
	<b>Net Sales/Income from Operations</b>	<b>2011.10</b>	<b>1643.94</b>	<b>2067.83</b>	<b>7497.52</b>	<b>8277.43</b>	
2	<b>Segment Results (Profit(+)/ Loss(-) before tax and interest from each segment)</b>						
	(a) EPC & Construction	(5.56)	(144.51)	172.06	29.57	472.26	
	(b) Power	122.53	232.10	244.16	919.05	1868.67	
	(c) Property Development	8.38	(2.94)	(0.55)	27.93	3.74	
	(d) Infrastructure	(10.28)	11.92	5.60	27.30	36.92	
	(e) Resources	153.74	(227.31)	131.69	(137.70)	(157.28)	
	(f) Unallocated	(2.31)	3.68	(16.67)	3.37	(30.22)	
	<b>Total</b>	<b>266.50</b>	<b>(127.06)</b>	<b>536.29</b>	<b>869.52</b>	<b>2194.09</b>	
	Less: Inter Segment Profit on transactions with Subsidiaries	42.97	8.55	153.04	172.96	271.41	
	<b>Total</b>	<b>223.53</b>	<b>(135.61)</b>	<b>383.25</b>	<b>696.56</b>	<b>1922.68</b>	
	Less :						
	(i) Interest	829.87	731.54	680.94	2995.31	2658.00	
	(ii) Other Un-allocable Expenses (Net of Un-allocable income)	3.14	(1.97)	(138.31)	(8.03)	(337.33)	
	<b>Total Profit Before Tax</b>	<b>(609.48)</b>	<b>(865.18)</b>	<b>(159.38)</b>	<b>(2290.72)</b>	<b>(397.99)</b>	
3	<b>Segment Assets</b>						
	(a) EPC & Construction	5797.67	5869.75	5544.66	5797.67	5544.66	
	(b) Power	37654.56	37362.46	35633.96	37654.56	35633.96	
	(c) Property Development	2824.74	2770.10	2578.43	2824.74	2578.43	
	(d) Infrastructure	1475.93	1538.24	1475.92	1475.93	1475.92	
	(e) Resources	7739.73	7836.45	7763.38	7739.73	7763.38	
	(f) Unallocated	763.28	917.00	895.33	763.28	895.33	
	<b>Total Segment Assets</b>	<b>56255.91</b>	<b>56294.00</b>	<b>53891.68</b>	<b>56255.91</b>	<b>53891.68</b>	
4	<b>Segment Liabilities</b>						
	(a) EPC & Construction	5149.22	4975.80	4893.65	5149.22	4893.65	
	(b) Power	2287.66	2478.98	1778.44	2287.66	1778.44	
	(c) Property Development	472.03	447.93	573.89	472.03	573.89	
	(d) Infrastructure	230.55	174.85	181.92	230.55	181.92	
	(e) Resources	502.80	453.67	438.93	502.80	438.93	
	(f) Unallocated	48562.68	48143.21	44672.90	48562.68	44672.90	
	<b>Total Segment Liabilities</b>	<b>57204.94</b>	<b>56674.44</b>	<b>52539.73</b>	<b>57204.94</b>	<b>52539.73</b>	



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**STATEMENT OF CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2017**

Rs. Cr

	PARTICULARS	Quarter Ended			Year Ended	
		31.03.2017 (Audited)	31.12.2016 (Unaudited)	31.03.2016 (Audited)	31.03.2017 (Audited)	31.03.2016 (Audited)
1	(a) Income from operations	2104.73	1679.74	2488.64	7911.26	9580.65
	(b) Income from power trading	146.73	52.08	41.54	325.06	203.24
	(c) Other operating income	10.69	8.49	21.22	42.78	77.59
	Total income from operations (Gross)	2262.15	1740.31	2551.40	8279.10	9861.48
	Less: Elimination of intersegment operating income	279.47	124.11	485.39	935.41	1763.01
	Total income from operations (Net)	1982.68	1616.20	2066.01	7343.69	8098.47
2	Expenses					
	(a) Cost of materials consumed	1037.01	920.71	1215.37	4095.66	4114.94
	(b) Purchase of traded goods	130.72	51.54	41.98	307.59	200.17
	(c) Subcontract cost	66.84	42.82	136.99	173.87	264.50
	(d) Construction, transmission, site and mining expenses	198.35	201.38	173.16	744.34	682.39
	(e) Change in inventories of finished goods and work in progress	103.35	(27.77)	(73.12)	(124.73)	(206.73)
	(f) Employee benefits expense	72.49	82.41	98.48	335.23	352.86
	(g) Depreciation & amortisation expenses	239.19	222.06	253.43	903.88	817.54
	(h) Other expenses	184.37	79.81	46.25	409.18	247.62
	Total expenses	2032.32	1572.96	1892.54	6845.02	6473.29
3	Profit / (loss) from operations before other income, foreign exchange fluctuations, finance costs & exceptional items (1-2)	(49.64)	43.24	173.47	498.67	1625.18
4	Other income	29.80	29.70	25.70	166.38	236.43
5	Add: Eliminated profit on transactions with subsidiaries	42.97	8.55	153.04	172.96	271.41
6	Profit / (loss) from ordinary activities before foreign exchange fluctuations, finance costs & exceptional items plus elimination (3+4+5)	23.13	81.49	352.21	838.01	2133.02
7	(Gain) / loss on foreign exchange fluctuations (Net)	(244.75)	206.58	(207.96)	(44.06)	(118.54)
8	Finance costs	829.87	731.54	680.94	2995.31	2658.00
9	Profit / (loss) from ordinary activities after finance costs but before exceptional items plus elimination (6-7-8)	(561.99)	(856.63)	(120.77)	(2113.24)	(406.44)
10	Exceptional items	(4.52)	-	114.43	(4.52)	279.86
	Profit / (loss) from ordinary activities before tax plus elimination (9+10)	(566.51)	(856.63)	(6.34)	(2117.76)	(126.58)
12	Tax expense	(25.21)	18.95	(31.38)	(29.90)	(125.57)
13	Net profit / (loss) from ordinary activities after tax plus elimination (11-12)	(541.30)	(875.58)	25.04	(2087.86)	(1.01)
	Less: Share of Non controlling interest in subsidiaries	(56.44)	(70.57)	(22.82)	(210.84)	(4.10)
	Add: Share of profit / (loss) of associates	(0.32)	(0.28)	0.16	0.76	(0.29)
14	Net profit / (loss) for the period plus elimination after share of Non controlling interest and profit / (loss) of associates	(485.18)	(805.29)	48.02	(1876.26)	2.80
15	Less: Elimination of profit on transactions with subsidiaries and associates	43.11	8.36	153.39	172.87	271.90
16	Net profit / (loss) after taxes, Non controlling interest and share of profits / (loss) of associates (14-15)	(528.29)	(813.65)	(105.37)	(2049.13)	(269.10)
17	Other comprehensive income after tax (including share of Associates)	0.87	0.22	(0.35)	0.47	(1.05)
18	Total comprehensive income after tax	(527.42)	(813.43)	(105.72)	(2048.66)	(270.15)
19	Cash profit / (loss) (14 + 2(g) + 7 + Deferred tax - MAT credit - Non cash Exceptional Item)	(504.35)	(377.76)	161.66	(1068.38)	592.84
20	Profit (+) / Loss (-) from ordinary activities before tax (11 - 5)	(609.48)	(865.18)	(159.38)	(2290.72)	(397.99)
21	Paid-up equity share capital (face value of Re.1/- per share)	330.26	273.78	273.78	330.26	273.78
22	Earning per share (EPS) not annualised					
	- Basic	(1.88)	(3.01)	(0.39)	(7.50)	(1.05)
	- Diluted	(1.88)	(3.01)	(0.39)	(7.50)	(1.05)


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## CONSOLIDATED STATEMENT OF ASSETS &amp; LIABILITIES

Rs. Cr

	PARTICULARS	As at (Audited)	
		31.03.2017	31.03.2016
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non - current assets</b>		
	(a) Property, Plant and Equipment	17812.69	18505.69
	(b) Capital work-in-progress	23898.77	20469.87
	(c) Investment Property	303.96	313.88
	(d) Investment Property Under Development	1864.75	1629.70
	(e) Other Intangible assets	1517.94	1574.19
	(f) Financial Assets		
	(i) Investments	790.97	863.25
	(ii) Trade receivables	302.01	234.47
	(iii) Loans	148.52	187.99
	(iv) Other financial assets	94.23	91.24
	(g) Deferred tax assets (net)	629.15	577.62
	(h) Other non current assets	678.92	596.31
	<b>Sub-total - Non - current assets</b>	<b>48041.91</b>	<b>45044.21</b>
<b>2</b>	<b>Current Assets</b>		
	(a) Inventories	2306.21	2321.92
	(b) Financial Assets		
	(i) Investments	19.03	52.93
	(ii) Trade receivables	2544.96	3013.88
	(iii) Loans	111.85	54.43
	(iv) Cash and cash equivalents	274.22	355.01
	(v) Bank balances	278.86	268.10
	(vi) Other financial assets	536.57	500.01
	(c) Current tax assets (Net)	24.14	32.59
	(d) Other current assets	2118.16	2248.80
	<b>Sub-total - Current assets</b>	<b>8214.00</b>	<b>8847.47</b>
	<b>TOTAL - ASSETS</b>	<b>56255.91</b>	<b>53891.68</b>
<b>B</b>	<b>EQUITY &amp; LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	(a) Equity Share capital	330.26	273.78
	(b) Other Equity	(2404.54)	(304.12)
	Equity attributable to owners of the Company	(2074.28)	(30.34)
	Add: Eliminated profit on transactions with subsidiaries and associates (Elimination)	1039.30	941.64
	Owners' fund plus Elimination	(1034.98)	911.30
<b>2</b>	<b>Non-controlling Interests</b>	1125.25	1382.29
	Net worth plus elimination (1+2)	90.27	2293.59
	Less: Elimination	1039.30	941.64
	<b>Sub total - Equity</b>	<b>(949.03)</b>	<b>1351.95</b>
<b>3</b>	<b>Liabilities</b>		
<b>(i)</b>	<b>Non - Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	40600.73	38921.99
	(ii) Trade payables	302.00	363.80
	(iii) Other financial liabilities	1.81	11.96
	(b) Provisions	611.16	560.11
	(c) Deferred tax liabilities (Net)	863.33	656.25
	(d) Other non current liabilities	933.73	986.35
	<b>Sub-total - Non current liabilities</b>	<b>43112.76</b>	<b>41480.46</b>
<b>(ii)</b>	<b>Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	2901.02	2921.48
	(ii) Trade payables	4145.12	3798.03
	(iii) Other financial liabilities	6358.99	3647.65
	(b) Other current liabilities	606.68	598.00
	(c) Provisions	73.46	69.90
	(d) Current tax liabilities (Net)	8.91	24.21
	<b>Sub-total - Current liabilities</b>	<b>14092.18</b>	<b>11059.27</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>56255.91</b>	<b>53891.68</b>

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**1. Extract from the Audited Consolidated Financial Results for the Quarter and Year ended March 31, 2017**

Particulars	Quarter Ended 31/03/2017 (Audited)	Quarter Ended 31/12/2016 (Unaudited)	Quarter Ended 31/03/2016 (Audited)	Year Ended 31/03/2017 (Audited)	Year Ended 31/03/2016 (Audited)
1 (a) Total income from operations	2262.15	1740.31	2551.40	8279.10	9861.48
1 (b) Elimination of intersegment operating income as per Ind AS - 110	279.47	124.11	485.39	935.41	1763.01
1 (c) Total income from operations (net)	1982.68	1616.20	2066.01	7343.69	8098.47
2(a) Net Profit / (Loss) from ordinary activities after tax, share of Non controlling interest and before eliminations as per Ind AS 110 & 28	(485.18)	(805.29)	48.02	(1876.26)	2.80
2(b) Eliminations as per Ind AS 110 & 28	43.11	8.36	153.39	172.87	271.90
2(c) Net Profit / (Loss) from ordinary activities after tax, share of Non controlling interest and eliminations as per Ind AS 110 & 28	(528.29)	(813.65)	(105.37)	(2049.13)	(269.10)
3 Equity share capital	330.26	273.78	273.78	330.26	273.78
4 Reserves (excluding revaluation reserve as shown in the Balance Sheet)					
5 Earnings / (loss) per share (of Re.1/- each)					
Basic (Rs.)	(1.88)	(3.01)	(0.39)	(7.50)	(1.05)
Diluted (Rs.)	(1.88)	(3.01)	(0.39)	(7.50)	(1.05)

**2. Extract from the Unaudited Standalone Financial Results for the Quarter and Year ended March 31, 2017**

Particulars	Quarter Ended 31/03/2017 (Audited)	Quarter Ended 31/12/2016 (Unaudited)	Quarter Ended 31/03/2016 (Audited)	Year Ended 31/03/2017 (Audited)	Year Ended 31/03/2016 (Audited)
1 Income from operations	585.83	226.64	807.32	1634.90	2671.33
2 Profit / (loss) before tax	(222.60)	(388.52)	(162.40)	(889.52)	(452.54)
3 Profit / (loss) after tax	(222.60)	(388.52)	(162.48)	(889.52)	(452.62)

Note: The above is an extract of the detailed format of Quarter and Year ended Financial Results drawn up, both on a Standalone and Consolidated basis, filed with the Stock Exchanges on May 30, 2017 under Regulations 33 of SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarter and Year ended Financial Results are available on the Stock Exchange websites ([www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)) and on the company's website [www.lancogroup.com](http://www.lancogroup.com).

Place : Gurgaon  
 Date : May 30, 2017



For Lanco Infratech Limited

G. Venkatesh Babu  
 Managing Director

**Lanco Infratech Limited**

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Corporate Identity Number: L45200TG1993PLC015545

**STATEMENT OF STANDALONE RESULTS FOR THE QUARTER AND YEAR ENDED  
MARCH 31, 2017**

Rs. Cr

S. No	Particulars	Quarter Ended			Year Ended	
		31.03.2017 (Audited)	31.12.2016 (Unaudited)	31.03.2016 (Audited)	31.03.2017 (Audited)	31.03.2016 (Audited)
I	Revenue from Operations	585.83	226.64	807.33	1634.90	2671.34
II	Other Income	83.13	11.98	27.25	122.63	73.60
III	<b>Total Income (I + II)</b>	<b>668.96</b>	<b>238.62</b>	<b>834.58</b>	<b>1757.53</b>	<b>2744.94</b>
IV	<b>EXPENSES</b>					
	Cost of Materials Consumed	161.01	167.19	513.39	750.10	1323.47
	Purchase of stock-in-trade	49.37	-	132.11	49.37	143.39
	Subcontract Cost	139.07	63.33	133.41	368.20	419.32
	Construction and Site Expenses	39.40	41.01	41.27	122.21	101.04
	Change in inventories of construction work in progress	98.03	(5.40)	(83.42)	(82.81)	67.74
	Employee benefits expenses	36.42	46.06	58.35	186.49	205.28
	Finance cost	274.88	267.88	232.89	1030.13	932.53
	Depreciation and Amortization expense	17.47	23.53	28.54	87.78	110.50
	Other expenses	75.91	23.54	(59.57)	135.58	(21.18)
	<b>Total Expenses (IV)</b>	<b>891.56</b>	<b>627.14</b>	<b>996.97</b>	<b>2647.05</b>	<b>3282.09</b>
V	<b>Profit / (Loss) before Exceptional Items and Tax (III - IV)</b>	<b>(222.60)</b>	<b>(388.52)</b>	<b>(162.39)</b>	<b>(889.52)</b>	<b>(537.15)</b>
VI	Exceptional Items	-	-	-	-	84.62
VII	<b>Profit / (Loss) before Tax (V + VI)</b>	<b>(222.60)</b>	<b>(388.52)</b>	<b>(162.39)</b>	<b>(889.52)</b>	<b>(452.53)</b>
VIII	Tax Expense	-	-	0.09	-	0.09
IX	<b>Profit / (Loss) for the Period (VII - VIII)</b>	<b>(222.60)</b>	<b>(388.52)</b>	<b>(162.48)</b>	<b>(889.52)</b>	<b>(452.62)</b>
X	<b>Other Comprehensive Income</b>					
	a (i) Items that will not be reclassified to profit and loss	0.86	(0.10)	(0.24)	0.55	(0.41)
	Income tax relating to items that will not be reclassified to profit and loss	-	-	-	-	-
	b (i) Items that will be reclassified to profit and loss	-	-	-	-	-
	Income tax relating to items that will be reclassified to profit and loss	-	-	-	-	-
XI	<b>Total Comprehensive Income for the period (IX + X)</b>	<b>(221.74)</b>	<b>(388.62)</b>	<b>(162.72)</b>	<b>(888.97)</b>	<b>(453.03)</b>
XII	Paid up equity share capital (face value of Re. 1/- per share)	330.26	273.28	273.28	330.26	273.28
	Earnings Per Share (EPS) not annualised					
	Basic (Rs.)	(0.79)	(1.44)	(0.60)	(3.25)	(1.76)
	Diluted (Rs.)	(0.79)	(1.44)	(0.60)	(3.25)	(1.76)



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**SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND YEAR ENDED  
MARCH 31, 2017 - STANDALONE**

		Quarter Ended			Year Ended	
PARTICULARS		31.03.2017 (Audited)	31.12.2016 (Unaudited)	31.03.2016 (Audited)	31.03.2017 (Audited)	31.03.2016 (Audited)
1	<b>Segment Revenue</b>					
	(a) EPC & Construction	569.06	199.63	764.04	1533.39	2520.23
	(b) Power	8.46	19.57	22.26	63.63	77.59
	(c) Infrastructure	8.31	7.44	21.03	37.88	73.52
	<b>Net Sales/Income from Operations</b>	<b>585.83</b>	<b>226.64</b>	<b>807.33</b>	<b>1634.90</b>	<b>2671.34</b>
2	<b>Segment Results (Profit(+)/ Loss(-) before tax and interest from each segment)</b>					
	(a) EPC & Construction	(31.81)	(145.13)	22.84	(26.58)	258.63
	(b) Power	3.81	9.39	10.53	27.93	33.88
	(c) Infrastructure	1.25	1.12	3.15	5.68	11.03
	(d) Unallocated	(4.10)	2.00	6.73	10.95	18.24
	<b>Total</b>	<b>(30.85)</b>	<b>(132.62)</b>	<b>43.25</b>	<b>17.98</b>	<b>321.78</b>
	Less :					
	(i) Interest	274.88	267.88	232.89	1030.13	932.53
	(ii) Other Un-allocable Expenses (Net off Un-allocable income)	(83.13)	(11.98)	(27.25)	(122.63)	(158.22)
	<b>Total Profit/(Loss) Before Tax</b>	<b>(222.60)</b>	<b>(388.52)</b>	<b>(162.39)</b>	<b>(889.52)</b>	<b>(452.53)</b>
3	<b>Segment Assets</b>					
	(a) EPC & Construction	5247.78	5615.99	5920.20	5247.78	5920.20
	(b) Power	69.94	456.49	493.60	69.94	493.60
	(c) Infrastructure	11336.42	11486.63	11158.47	11336.42	11158.47
	(d) Unallocated	1413.82	1313.36	1266.36	1413.82	1266.36
	<b>Total</b>	<b>18067.96</b>	<b>18872.47</b>	<b>18838.63</b>	<b>18067.96</b>	<b>18838.63</b>
4	<b>Segment Liabilities</b>					
	(a) EPC & Construction	8876.80	9144.93	8923.28	8876.80	8923.28
	(b) Power	6.45	5.25	20.22	6.45	20.22
	(c) Infrastructure	3.08	182.14	193.64	3.08	193.64
	(d) Unallocated	8143.97	8321.89	7796.93	8143.97	7796.93
	<b>Total</b>	<b>17030.30</b>	<b>17654.21</b>	<b>16934.07</b>	<b>17030.30</b>	<b>16934.07</b>



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**STATEMENT OF STANDALONE ASSETS & LIABILITIES FOR THE YEAR  
ENDED MARCH 31, 2017**

S. No	PARTICULARS	Rs. Cr	
		As at 31.03.2017 (Audited)	31.03.2016 (Audited)
<b>I</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non Current Assets</b>		
	(a) Property, Plant and Equipment	310.11	767.74
	(b) Capital work-in-progress	1.08	1.34
	(c) Investment Property	1.25	1.31
	(d) Other Intangible assets	1.33	1.82
	(e) Financial Assets		
	(i) Investments	10144.43	9979.20
	(ii) Trade receivables	479.28	411.31
	(iii) Loans	496.33	507.40
	(iv) Other financial assets	4.41	11.33
	<b>Total Financial Asset</b>	<b>11124.45</b>	<b>10909.24</b>
	(f) Deferred tax assets (net)	17.75	17.75
	(g) Other non current assets	512.90	733.07
	<b>Total Non Current Assets</b>	<b>11968.87</b>	<b>12432.27</b>
<b>2</b>	<b>Current assets</b>		
	(a) Inventories	1448.81	1403.23
	(b) Financial Assets		
	(i) Trade receivables	1571.57	2135.32
	(ii) Loans	537.95	454.16
	(iii) Cash and cash equivalents	32.76	24.89
	(iv) Bank balances	20.12	40.49
	(v) Other financial assets	1455.03	1456.53
	<b>Total Financial Asset</b>	<b>3617.43</b>	<b>4111.39</b>
	(c) Other current assets	1032.85	891.74
	<b>Total Current Assets</b>	<b>6099.09</b>	<b>6408.36</b>
	<b>Total Assets</b>	<b>18067.96</b>	<b>18838.63</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>		
<b>A</b>	<b>EQUITY</b>		
	(a) Equity Share Capital	330.26	273.78
	(b) Other Equity	707.40	1630.78
	<b>Total Equity</b>	<b>1037.66</b>	<b>1904.56</b>
<b>B</b>	<b>LIABILITIES</b>		
<b>1</b>	<b>Non Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	3824.17	5142.78
	(ii) Trade payables	726.97	784.30
	(iii) Other financial liabilities	-	2.03
	<b>Total Financial Liabilities</b>	<b>4551.14</b>	<b>5929.11</b>
	(b) Provisions	27.70	33.96
	(c) Other non current liabilities	2508.00	2894.27
	<b>Total Non Current Liabilities</b>	<b>7086.84</b>	<b>8857.34</b>
<b>2</b>	<b>Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	1392.41	1258.65
	(ii) Trade payables	2432.67	2634.00
	(iii) Other financial liabilities	3017.81	1655.99
	<b>Total Financial Liabilities</b>	<b>6842.89</b>	<b>5548.64</b>
	(b) Other current liabilities	3089.24	2511.19
	(c) Provisions	10.69	16.26
	(d) Current tax liabilities (Net)	0.64	0.64
	<b>Total Current Liabilities</b>	<b>9943.46</b>	<b>8076.73</b>
	<b>Total Equity and Liabilities</b>	<b>18067.96</b>	<b>18838.63</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:

Rs. Cr

Particulars	Quarter Ended			Year Ended	
	Mar 31, 2017	Dec 31, 2016	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
	Audited	Unaudited	Audited	Audited	Audited
Reported Net Operating Income	1982.68	1616.20	2066.01	7343.69	8098.47
Elimination of Intersegment Operating Income	279.47	124.11	485.39	935.41	1763.01
Total Income before elimination	2262.15	1740.31	2551.40	8279.10	9861.48
Reported Net Profit /(Loss)	(528.29)	(813.65)	(105.37)	(2049.13)	(269.10)
Elimination as per IND AS 110 & 28	43.11	8.36	153.39	172.87	271.90
Forex loss / (gain)	(244.75)	206.58	(207.96)	(44.06)	(118.54)
Net Profit or (Loss) before elimination & Forex loss / (gain)	(729.93)	(598.71)	(159.94)	(1920.32)	(115.74)

2. The Information on Standalone Financial Results:

Rs. Cr

Particulars	Quarter Ended			Year Ended	
	Mar 31, 2017	Dec 31, 2016	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
	Audited	Unaudited	Audited	Audited	Audited
Income from operations	585.83	226.64	807.33	1634.90	2671.34
PBT	(222.60)	(388.52)	(162.39)	(889.52)	(452.53)
PAT	(222.60)	(388.52)	(162.47)	(889.52)	(452.61)
Forex loss / (gain)	(20.74)	9.96	(76.47)	(37.77)	(110.10)
PAT before forex loss / (gain)	(243.34)	(378.56)	(238.94)	(927.29)	(562.71)

3. The financial results are in compliance with Indian Accounting Standards (Ind-AS) Rules 2015 prescribed under Section 133 of the Companies Act, 2013. 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.



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4. As at March 31, 2017 the Group has receivables from various State Electricity Utility Companies and other customers for sale of power aggregating to Rs.1,377.30 Cr, net current liabilities of Rs.2,419.86 Cr and current maturities of long term borrowings of Rs.3,458.32 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, partial procurement of power, 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 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.

5. (a) Lanco Amarkantak Power Limited (LAPL), one of the step down subsidiary of the Company is having tariff disputes for its unit – II power purchase agreement which is under review with regulatory authorities. Against the total differential tariff claim made by LAPL to the power procurer amounting to Rs.195.23 Cr, LAPL received Rs. 94.30 Cr during the year ended, pursuant to the Haryana Electricity Regulatory Commission (HERC) order. For the balance amount the appeal is pending before APTEL and is being pursued. LAPL recognised Rs. 24.42 Cr during the year ended March 31, 2017 towards partial interest on the arrears released by PTC/Haryana. LAPL has filed an appeal before APTEL against HERC order for recovery of the interest. The Management is confident of realising the balance receivables along with interest.

(b) 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 submitted duly filled tariff filing formats in line with CERC Tariff Regulations 2014-19 to PTC for onward submission to MP Power Management Company Limited (MPPMC) for approval of tariff for the period 2014-19. MPPMC has filed the same before MPERC and has been admitted. Pending tariff approval by MPERC, MPPMC accepted monthly billing based on the tariff filed on provisional basis and is accordingly releasing payments.

These are an emphasis of matters in the auditor's report.

6. 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. In the interest of the project the project lenders have opted for Strategic Debt Restructuring Scheme (SDR) to facilitate subsequent strategic divestment and converted some portion of their debt into equity in the previous financial year.



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The company and lenders is in the process of bringing strategic partner for the project which is taking considerable time. 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.

7. 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.

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 investment property under construction.

These are an emphasis of matters in the auditor's report.

8. 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 and the management is confident on recoverability of the claim. This is an emphasis of matter in the auditor's report.
9. The company acquired Griffin coal mine operations, Australia through its wholly owned subsidiary Lanco Resources International Pte Limited (LRIPL) to further invest in expansion to enhance the capacity. Post-acquisition certain approvals obtained for mine expansion and other infrastructure related facilities. LRIPL along with its subsidiary companies (Griffin Coal Mine Operations, Australia) has been incurring losses from acquisition onwards. Due to circumstance beyond the control of company, the mine expansion got delayed resultantly anticipated incremental EBITDA 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. It was clarified by the counsel of the lenders that the transfer was to have legal title on the shares to the lenders with the beneficial interest continued with the company, as part of perfection of security under the Singapore laws.

To transfer the beneficial interest to the lenders, foreclosure of security through a Singapore court order is mandatory. The foreclosure of share transfer requires valuation of the shares and finalisation of the consideration payable by the lenders or lender agents to the company for the share transfer. Since the valuation for transfer of shares is not completed accordingly no adjustments have been made in these financial results. This is an emphasis of matter in the auditor's report.

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10. 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 requirement of Ind AS 11 Appendix A on Service Concession Arrangement, the Net Worth fell below 50% of paid-up capital as at March 31, 2017. 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 & 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 report.
11. 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 auditor's report.
12. 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 about 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 relief 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 (LD) 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.

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. MSEDCL also filed a petition with MERC seeking PPA validity which has been opposed by LVTPL and proceedings are taking place in MERC.

LVTPL is confident of getting the refund of encashed bank guarantee as well as reversal of MSEDCL's demand of LD, hence no provision has been made in the books of accounts on account of LD. The management is confident of tying up of power sale in due course. This is an emphasis of matter in the auditor's report.

13. Lanco Anpara Power Limited – 1200 MW (LAnPL) one of the step down subsidiary of the company started its operations in December 2011 (COD) and plant had been operating at sub optimal levels on account of coal and infrastructure constraints which are due to non-fulfilment of certain obligations by buyers i.e., Uttar Pradesh State Power Distribution Companies under RFP / PPA with LAnPL for sale of 1,100 MW power. LAnPL had terminated the PPA and exercised the option available under PPA by filing petition before Uttar Pradesh Electricity Regulatory Commission (UPERC) seeking resolution of its claims. LAnPL received tariff order dated November 23, 2015 from UPERC to compensate for changes in RFP / PPA conditions in respect of coal supply and power purchase payments.



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#### Lanco Infratech Limited

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Consequent to the order the company recognized revenue of Rs.712.48 Cr (including Rs. Nil and Rs.132.54 Cr for the quarter and year ended March 31, 2017 respectively) up to March 31, 2017. LANPL received an order from APTEL on November 30, 2016, which has set aside UPERC's order dated November 23, 2015 and remanded the matter to UPERC for a fresh consideration. At present, the proceedings on the matter are in progress at UPERC. The financial impact if any, arising on account of the APTEL Order is not reckoned in these financial results. This is an emphasis of matter in the auditor's report.

14. Himavat Power Limited (HPL), one of the step down subsidiary of the company entered into Power Purchase Agreement (PPA) with UPPCL, consequent to which the conditions subsequent to PPA were to be achieved by a certain specified date. Due to the pending coal linkage and other factors which are beyond the control of HPL, UPPCL had provided extension towards this up to March 31, 2017 upon request of HPL. The Management is confident of obtaining further time extensions for fulfillment of conditions subsequent to PPA hence no adjustments have been made to the above results. This is an emphasis of matter in the auditor's report.
15. Due to constraints in procurement of gas at viable price and also constraints in ensuring power off take by the Discoms, units pertaining to one of the step down subsidiary of the company i.e. Lanco Kondapalli Power Limited (LKPL), is operating on partial load and partial periods. The company is hopeful of getting gas supply through government gas pooling initiatives and further hopeful of getting power purchase agreements. The financials of the step down subsidiary is prepared on a going concern basis and does not warrant any asset carrying value adjustment.
16. In the case of Diwakar Solar Power Projects Limited & KVK Energy Ventures (P) Ltd, a Subsidiary and an Associate of the Company engaged in setting up concentrated solar power plant (100 MW each), on account of various factors beyond the control of the said companies (like non-availability of additional land, non-availability of Heat Transfer Fluid (HTF), re-designing of the Project, fluctuations in forex), the project has undergone substantial time and also cost overrun. The said companies has filed petition with Central Electricity Regulatory Commission (CERC) for extension of Commercial Operation Date (COD) and to revise the Power Purchase Agreement (PPA) Tariff for viability of the project. As per the petition filed with the CERC, the said companies requested CERC for revised COD of 18 clear months from the date of increased tariff approval received by the said companies. The Management is confident that upon tariff revision and other permissions/approval for the requests made in the petition filed before CERC and also achieving financial closure for executing the project, the company does not foresee any requirement for adjustment in carrying value of assets under construction as at March 31, 2017.
17. In the case of Lanco Thermal Power Limited (LTPL), a step-down subsidiary of the Company, engaged in power generation has cash flow needs in excess of its funds generating ability to meet its debt obligation in respect of which the company has to support such short fall as may be ascertained from time to time. The support in terms of cash flow is temporary till LTPL augments its cash flows and the management is confident that this shall not have any bearing on the carrying cost of investments in the assets. This is an emphasis of matter in the auditor's report.
18. During the year ended March 31, 2017 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.10,279.89 Cr as at March 31, 2017, the total revenue of Rs.685.31 Cr and total net loss of Rs. 597.10 Cr for the year ended March 31, 2017, have 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 year ended March 31, 2017.



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19. Reconciliation of Net profit between IND-AS and previous Indian GAAP for the quarter and year ended March 31, 2016.

Particulars	Rs. Cr			
	Standalone		Console	
	Quarter ended	Year ended	Quarter ended	Year ended
<b>Net Profit / (Loss) after Tax as per the Previous Indian GAAP</b>	<b>(169.00)</b>	<b>(445.00)</b>	<b>(214.26)</b>	<b>(231.59)</b>
De capitalisation of ineligible expenses			2.01	(149.78)
Measurement of financial assets at amortised cost			0.90	3.31
Measurement of financial assets at FVTPL	(1.08)	(3.51)	(1.13)	(3.54)
Measurement of financial liabilities at amortised cost	(1.70)	(7.32)	(3.10)	(9.35)
Discounting / Unwinding of provisions			1.78	3.66
Actuarial Gain / (Loss) on employee defined benefit obligation recognised in Other Comprehensive Income (OCI)	0.24	0.41	0.48	1.19
Provision for expected credit losses	9.07	2.81	0.41	(1.93)
Impact on Service concession arrangements			1.84	19.29
Impact on Embedded leases				98.56
Impact on Consolidation of entities on control assessment				70.12
Impact on adjustment of Prior period items			55.49	35.18
Other adjustments			(1.00)	(3.10)
Deferred Tax adjustments			(1.55)	(145.74)
Deferred Tax adjustment on profits eliminated resulting from Intra group transactions			30.13	41.30
<b>Net Profit / (Loss) after Tax before OCI as per the IND-AS</b>	<b>(162.47)</b>	<b>(452.61)</b>	<b>(128.00)</b>	<b>(272.42)</b>

20. Reconciliation of equity attributable to the shareholders of the company as at March 31, 2016.

Equity under previous GAAP	Rs. Cr	
	Standalone	Console
<b>Ind AS: Adjustments increase / (decrease):</b>	<b>1755.92</b>	<b>(722.52)</b>
Fair value as deemed cost for Property, Plant and Equipment	5.41	1440.78
Equity component of financial instrument	321.45	321.45
De capitalization of ineligible expenses		(952.62)
Measurement of financial assets at amortised cost		(5.16)
Measurement of financial assets at fair value	(0.62)	(0.62)
Measurement of financial liabilities at amortised cost	46.57	62.96
Discounting / Unwinding of provisions		13.61
Provision For Expected Credit Loss	(224.17)	(8.85)
Impact on Service Concession arrangements		(247.48)
Impact on Consolidation of entities on control assessment		0.98
Impact on adjustments of Prior Period Items		55.49
Shared to Non-Controlling Interest		(82.13)
Deferred Tax adjustments		96.23
Others adjustments		(2.46)
<b>Equity as reported under IND AS</b>	<b>1,904.56</b>	<b>(30.34)</b>



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21. The financial results for the last quarter of the current year and of the previous year are the derived figures between the audited figures in respect of the year ended 31<sup>st</sup> March and the published year-to-date figures up to the third quarter ended 31<sup>st</sup> December which were subject to limited review.
22. These Audited results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings.
23. Statement on Impact of the Audit Qualifications to the Financial Results

Impact on	Rs. Cr	
	Total comprehensive income attributable to the owners of the company	
	Quarter Ended 31.03.2017	Year Ended 31.03.2017
Reported total comprehensive income	(527.42)	(2048.66)
Qualification Impact - Non Quantifiable (Refer Note 18)	-	-
PAT / (Loss) with Qualifications Impact	(527.42)	(2048.66)

Impact on	Equity attributable to owners of the company as at March 31, 2017
Reported Equity	(2074.28)
Qualification Impact - Non Quantifiable (Refer Note 18)	-
Equity with Qualification impact	(2074.28)

for Lanco Infratech Limited

Place : Gurgaon  
Date : May 30, 2017

    
**G. Venkatesh Babu**  
Managing Director

**Lanco Infratech Limited**

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# LANCO INFRATECH LIMITED

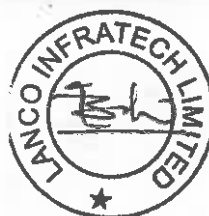
## Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017 - Consolidated Financials

INR in Crores except for earning per share

I.	Sl. no	Particulars	Audited figures (as reported before adjusting for Qualifications)	Audited figures (audited figures after adjusting for Qualifications)
	1	Turnover	7343.69	7343.69
	2	Total Expenditure	9796.27	9796.27
	3	Total Comprehensive Income	(2259.51)	(2259.51)
	4	Earnings per Share	(7.5)	(7.5)
	5	Total Assets	56,255.91	56,255.91
	6	Total Liabilities	57,204.94	57,204.94
	7	Net worth	(2074.28)	(2074.28)
	8	Minority Interest	1125.25	1125.25

### II. Audit Qualifications

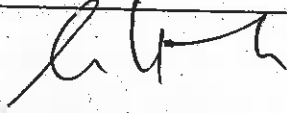
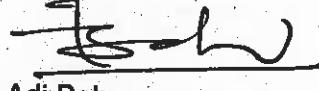
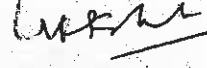


1 (a)	Details of Audit qualification	Note 18 to the Consolidated Results, include Financial Statements of Lanco Resources International Pte Limited (LRIPL) and its subsidiaries, Lanco International Pte Limited (LIPL) and certain subsidiaries, whose consolidated Financial Statements reflect total assets of Rs.10,279.89 Crores as at March 31, 2017, the total revenue of Rs. 685.31 Crores and total loss of Rs. 597.10 Crores for the year ended March 31, 2017. These financial statements and other financial information have been prepared by the management and which have not been audited and our opinion is based solely on the management accounts.
1 (b)	Type of Audit qualification	Qualified Opinion.
1 (c)	Frequency of qualification	Qualified in FY 2016-17



1 (e)	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification	Non Quantifiable.
	(ii) If management is unable to estimate the impact, reasons for the same:	<p>As per local GAAP applicable to subsidiaries of LRIPL, fair valuation of assets is mandatory from the external valuer at the every year ending. During the year ended March 31, 2017 valuation of those foreign subsidiaries assets is under progress and due to that auditor of LRIPL subsidiaries could not complete their audit. As a consequential impact, LRIPL and other subsidiary LIPL could not complete their audit.</p> <p>Hence the financial statements prepared by the management have been considered in consolidation.</p> <p>The qualification by the Auditor is not about deviation from the Accounting Standards but on the consolidation of the un-audited financials of some of the foreign subsidiary companies as on the reporting date.</p> <p>For the year ended March 31, 2016 also the results were published based on the management accounts, which were subsequently updated with the Audited Accounts in the following quarter. There were no material differences between management accounts and audited accounts for the year ended March 31, 2016.</p>
	(iii) Auditors' Comments on (i) or (ii) above:	<p>The financial statements and other financial information having been prepared by the management and not been audited, we are unable to comment on the adjustments that may have been required had such accounts been audited. If the audited financial statements differ from the reported management financial statements, such differences would be adjusted in the subsequent period financial statements.</p>



III. Signatories:-

CEO/Managing Director	 G. Venkatesh Babu Managing Director
CFO	 T. Adi Babu Chief Financial Officer
Audit Chairman	Committee  Dr. Uddesh Kumar Kohli Audit Committee Chairperson
Statutory Auditor	For Brahmayya & Co. Chartered Accountants Firm Registration No. 000511S  Lokesh Vasudevan Partner Membership No. 222320 
Place: Gurgaon Date: May 30, 2017	



**Independent Auditor's Report on Quarterly Consolidated Financial Results and Year to Date 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 audited the quarterly consolidated financial results of **Lanco Infratech Limited** ("the Company"), and its subsidiaries and associates (collectively referred to as 'the Group') for the quarter ended March 31, 2017 and the consolidated financial results for the year ended March 31, 2017 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016. The quarterly consolidated financial results are the derived figures between the audited figures in respect of the year ended March 31, 2017 and the published year to date figures upto December 31, 2016, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The consolidated financial results for the quarter ended March 31, 2017 have been prepared on the basis of the consolidated financial results for the nine month period ended December 31, 2016, the audited annual consolidated financial results as at and for the year ended March 31, 2017 and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016. This consolidated financial which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued and other accounting principles generally accepted in India. Our responsibility is to express an opinion on these consolidated financial results based on our review of the consolidated financial results for the nine month period ended December 31, 2016, which was prepared in accordance with the recognition and measurement principles laid down in 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 audit of the annual consolidated financial results as at and for the year ended March 31, 2017; and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as consolidated financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.



3. To the extent stated in paragraphs 3 (a) to 3 (d) below, we did not audit the financial results of certain component entities that comprise the Group and are included in the consolidated financial results.
- a) We did not audit financial statements of certain subsidiaries; whose financial statements reflect total assets of Rs. 3,046.70 Crores as at March 31, 2017 and total revenue of Rs. 290.15 Crores for the year ended March 31, 2017. These financial statements and other financial information for these subsidiaries have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on these consolidated financial results is based on the reports of the other auditors.
  - b) We did not audit the financial statements of certain overseas subsidiaries, whose financial statements reflect total assets of Rs. 136.87 Crores as at March 31, 2017 and total revenue of Rs. 20.11 Crores for the year ended March 31, 2017. These financial statements and other financial information of these overseas subsidiaries have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on these consolidated financial results is based on the reports of the other auditors.
  - c) We did not audit the financial statements of certain associates, whose financial statements reflect the Group's share of Loss of Rs. 2.17 Crores for the year ended March 31, 2017. These financial statements and other financial information for these associates have been audited by the other auditors whose reports have been furnished to us by the Management, and our opinion on these consolidated financial results is based on the reports of the other auditors.
  - d) We did not audit the financial statements of certain associates, whose financial statements reflect the Group's share of Profit of Rs. 2.04 Crores for the year ended March 31, 2017. These financial statements and other financial information of these associates have been prepared by the management and our opinion on these consolidated financial results is based on the management accounts.
4. Without qualifying our audit opinion, 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 under construction. 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. 2,259.50 Crores for the year and has loans and unpaid dues aggregating Rs. 6,206.32 Crores falling due over next twelve month period which also includes repayment of loans sanctioned under Corporate Debt Restructuring (CDR) scheme 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) The Company obtained approval of CDR Empowered Group for its CDR scheme, envisaging a revival in the activities of EPC. The Company also obtained the approvals towards Long Term Working Capital Loan (LTWCL) from majority of its lenders. However, variances stated to have occurred in sanctioned/contracted terms under CDR scheme and non-approval by certain lenders.

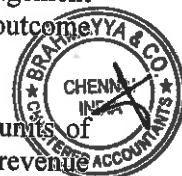


the LTWCL, resulted in delayed and lower disbursements including their variations in utilization thereon. Consequently, the scheme did not enable the Group to achieve the anticipated revival in performance levels of operations at Engineering, Procurement & Construction (EPC). Continued incurrence of further losses and cost overruns in projects under constructions due to delayed execution have been reported. In view of this, the Company has recently approached the lenders with a debt reorganisation scheme which was approved by certain lenders and the management is expecting approvals from balance lenders. As explained by the management, though the Group has recommenced operations at EPC as well as implementation works at the projects which are under construction, taking into account the continued limitations on availability of required funds, in our view, there may be further delays in achieving optimal operations at EPC and in timelines envisaged for implementation of projects under constructions which may result in further cost overruns, requiring the Group to arrange further funding for such additional costs. As further explained by the management, the Group is making efforts to reorganise the funding pattern including participation by strategic investors to ensure the completion of under construction projects and disposal of assets to meet the funding gaps. In regard to projects under implementation, the management's approach includes appraising the lenders on various strategic initiatives, requesting modification in repayment timelines and additional funding for completion of the project including cost overruns. The proposals by the management are under evaluation by lenders which envisage that certain projects under construction have the ability to fulfill its part of obligations both financial and otherwise to complete the projects, which have not been independently assessed by us. The impact, if any on the consolidated financial results on account of non-achievement of any of the envisaged initiatives including the lenders concurrence for the proposals are currently not ascertainable at this point in time.

(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 additional funding from various sources as explained above. 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 and accordingly these consolidated financial results have been prepared on a going concern basis.

b) Note 5(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. Out of the total claim, of Rs. 195.23 Crores, LAPL, during the previous Quarters, received a sum of Rs. 94.30 Crores pursuant to the orders of HERC. However, LAPL is pursuing its claim for the balance amount before APTEL, in the meanwhile, LAPL also recognised, Rs. 24.42 Crores towards interest as receivable and filed a review petition before HERC in this regard. The said review petition was dismissed by HERC in its Order dated March 03, 2017. LAPL has filed an appeal against the HERC Order at APTEL. The contentions of the management in regard claim pertaining to balance tariff amount as well as interest, is dependent on the outcome of pending petitions before the appropriate forums.

c) Note 5(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) (i) Note 6 to the consolidated financial results which explains the matter with respect to 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). The management expects that arrangements for power sale would be completed in the due course and based on the expert legal opinion obtained, the matters would be suitably resolved.

(ii) Lenders in their efforts to revive the Project under implementation, 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. The standstill period, as stipulated in the SDR Scheme had expired during January 2017. Considering the efforts of the management and the lenders, no adjustments have been envisaged in the consolidated financial results.

(iii) The revised Scheduled Commercial Operation Date (SCOD) in terms of the Lenders Covenants had expired, which in the opinion of the management is due to the circumstances beyond the control of LTHPL resulting in extended execution of the Hydropower project. 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. As the realization of carrying value of the Project under construction is dependent on certain factors detailed in the said note, the impact if any, on the consolidated financial results on account of non-achievement of envisaged initiatives is currently not ascertainable at this point in time. These conditions, cast a significant doubt about the LTHPL's ability to continue as a going concern. However, notwithstanding the prevailing conditions, taking into consideration the efforts of the management and the lenders through SDR scheme towards the implementation of the project, the consolidated financial results have been prepared on a going concern basis.

- e) Note 7(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 7(b) to the consolidated financial results, which explain recoverability of cost of Investment Property under construction at Lanco Hills Technology Park Private Limited (LHTPPL), a subsidiary of the Company which in the opinion of the management is based on business plans envisaged on certain market assertions towards new developmental initiatives, is completely recoverable and does not warrant any adjustments in the consolidated financial results towards the carrying value. As the realization of carrying values of Investment Property under construction is dependent on certain factors detailed in the note and the impact if any on the consolidated financial results on account of non-achievement of envisaged initiatives is currently not ascertainable at this point in time.
- g) Note 8 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 the Government of India. The Company has obtained a legal opinion in this regard based on which, the amount incurred 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 consolidated financial results.

- h) Note 9 to the consolidated financial results, in relation to the carrying value of assets of Lanco Resources International Pte Limited (LRIPL), a subsidiary of the Company. On account of certain events in regard to debt obligations, the lenders have enforced the securities, which comprise the entire investments held by the Company in LRIPL and accordingly, appointed receivers and managers to monitor the assets at LRIPL and transferred the said investment in shares in favour of the lenders nominee. In view of the above, the realization of carrying values of the assets are dependent on certain factors detailed in the note and the impact, if any, on the consolidated financial results is currently not ascertainable at this point in time.
- i) Note 10 to the consolidated financial results, in relation to the carrying value of asset of 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, 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.
- j) Note 11 to the consolidated 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 LKHL has also issued a notice of termination to NHAI. Arbitration proceedings have been initiated to settle the claims and the counter claims associated with the termination as per the Concession Agreement. As on March 31, 2017 LKHL has incurred certain costs towards the project, the realizability of these amounts is dependent on the outcome of the arbitration proceedings. Accordingly, no adjustments have been made in these consolidated financial results.
- k) (i) Note 12 to the consolidated financial results, in relation to Lanco Vidarbha Thermal Power Limited (LVTP), 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 level of liquidated damages, no adjustment has been made in these consolidated financial results.





- (ii) As on the reporting date, the management of LVTPL estimates that the current approved SCOD is not achievable, which in the opinion of the management is due to the circumstances beyond the control of the Company resulting in extended execution of the Project. 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. As the realization of carrying value of Project under construction is dependent on certain factors detailed in the said note, the impact if any, on the consolidated financial results on account of non-achievement of envisaged initiatives is currently not ascertainable at this point in time.
- l) Note 13 to the consolidated financial results, which explains the matter in the case of Lanco Anpara Power Limited (LANPL), a step down subsidiary of the Company, relating to the Order received from APTEL on 30<sup>th</sup> November 2016, which has set aside and remanded the matter concerning compensatory tariff to Uttar Pradesh Electricity Regulatory Commission (UPERC) for a fresh consideration of UPERC's earlier order dated 23<sup>rd</sup> November 2015 towards compensation for changes in RFP/PPA conditions in respect of coal supply and power purchase payments. Whereas, following the Orders of UPERC dated 23<sup>rd</sup> November 2015, LANPL has recognised revenue of Rs. 712.48 Crores upto March 31, 2017, which includes Rs. 132.54 Crores for the period ended March 31, 2017. The management having evaluated the implications of the Order with the legal experts and pending reassessment by UPERC as per the APTEL's Order, the financial impact, if any arising on account of the same is not reckoned in these consolidated financial results. Consequently, the implications of uncertainty arising on account of compensatory tariff on the carrying value of property, plant and equipment is unascertainable.
- m) Note 14 to the consolidated financial results, which explains the contractual commitment of the Himavat Power Limited (HPL), a step down subsidiary of the Company, to supply power to the Power Procurer. Based on the management assertions, that suitable arrangements would be made to obtain extension of time from the power procurer, the execution of the Project with extended timelines for bringing the asset to its intended use is still viable, notwithstanding the allowability of interest costs for the extended period for tariff determination and therefore no adjustments are made to these consolidated financial results.
- n) Note 16 to the consolidated financial results, in relation to the carrying value of asset amounting to Rs. 327.02 Crores in Diwakar Solar Projects Ltd (DSPL), a subsidiary of the Company which explains the management's efforts in obtaining the extension of revised SCOD 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 taking into account low implementation activities. Accordingly, in the opinion of the management, no provision is required for any diminution in the carrying value of the asset. Pending the final outcome in the matters relating to extension of revised SCOD and revision of tariff, no adjustments have been carried out to the carrying value of the assets, the impact, if any is currently unascertainable.
- o) Note 16 to the consolidated financial results, in regard to carrying value of investment Rs.115.82 Crores in KVK Energy Ventures Private Limited (KEVPL), an associate of the Company, which explains the KEVPL management's efforts in obtaining the extension of revised SCOD and revision in tariff. In the opinion of the KEVPL 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 taking into account low implementation activities. 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 SCOD and revision of tariff, no adjustments have been carried out to the carrying value of investment, the impact, if any is currently unascertainable.

- p) Note 17 to the consolidated financial results, in case of Lanco Thermal Power Limited (LTPL), a step down subsidiary of the Company, which explains the management initiatives towards servicing of the long term debt of LTPL, which is based on the current cash flows from the project operations and is dependent on the support from the holding company for servicing the debt obligations. Therefore in the opinion of the management the carrying value of asset does not warrant any adjustments towards impairment of the project assets.

Our opinion is not qualified in the respect of the matters reported in paragraph 3 and 4.

5. *Attention is invited to Note 18 to the consolidated financial results, include financial statements of Lanco Resources International Pte Limited (LRIPL) and its subsidiaries, Lanco International Pte Limited (LIPL) and certain subsidiaries, whose consolidated accounts reflect total assets of Rs. 10,279.89 Crores as at March 31, 2017, the total revenue of Rs. 685.31 Crores and total loss of Rs. 597.10 Crores for the year then ended March 31, 2017. Read with Para 4(h) above, these financial statements and other financial information have been prepared by the management which have not been audited and our opinion is based solely on the management accounts.*
6. In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the qualification as described in Para 5 above*, these quarterly consolidated financial results as well as the year to date consolidated financial results:
- have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 in this regard; read with Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
  - give a true and fair view of the net loss and other financial information for the quarter ended March 31, 2017 and for the year ended March 31, 2017

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



Lokesh Vasudevan  
Partner  
Membership No. 222320



Place: Gurgaon  
Date : May 30, 2017

**Independent Auditor's Report on Quarterly Standalone Financial Results and Year to Date 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 audited the quarterly standalone financial results of **Lanco Infratech Limited** ("the Company"), for the quarter ended March 31, 2017 and financial results for the year ended March 31, 2017, attached herewith being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016. The quarterly standalone financial results are the derived figures between the audited figures in respect of the year ended March 31, 2017 and the published year to date figures upto December 31, 2016, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The standalone financial results for the quarter ended March 31, 2017 have been prepared on the basis of standalone financial results for the nine month period ended December 31, 2016, the audited annual standalone financial results as at and for the year ended March 31, 2017 and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016. The standalone financial results which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the Indian Accounting Standards ("Ind AS") 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 express an opinion on these standalone financial results based on our review of the financial results for the nine month period ended December 31, 2016, which was prepared in accordance with the recognition and measurement principles laid down in 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 audit of the annual standalone financial results as at and for the year ended March 31, 2017; and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as read with Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the standalone financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as standalone financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



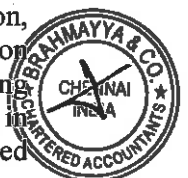
3. Without qualifying our audit opinion, attention is invited to

- a) (i) Note 4 to the financial results, regarding the adequacy of disclosure concerning the Company's ability to meet its financial obligations 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 under construction. 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. 888.97 Crores for the year and has loans and unpaid dues aggregating Rs. 3,213.18 Crores falling due over next twelve month period which also includes repayment of loans sanctioned under Corporate Debt Restructuring (CDR) scheme 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.

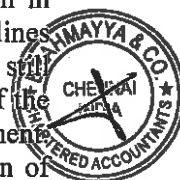
(iii) The Company obtained approval of CDR Empowered Group for its CDR scheme, envisaging a revival in the activities of EPC. The Company also obtained the approvals towards Long Term Working Capital Loan (LTWCL) from majority of its lenders. However, variances stated to have occurred in sanctioned/contracted terms under CDR scheme and non-approval by certain lenders in the LTWCL, resulted in delayed and lower disbursements including their variations in utilization thereon. Consequently, the scheme did not enable the Company to achieve the anticipated revival in performance levels of operations at Engineering, Procurement & Construction (EPC). Continued incurrence of further losses and cost overruns in projects under constructions due to delayed execution have been reported. In view of this, the Company has recently approached the lenders with a debt reorganisation scheme which was approved by certain lenders and the management is expecting approvals from balance lenders. As explained by the management, though the Company has recommenced operations at EPC as well implementation works at the projects which are under construction, taking into account the continued limitations on availability of required funds, in our view, there may be further delays in achieving optimal operations at EPC and in timelines envisaged for implementation of projects under constructions which may result in further cost overruns, requiring the Company to arrange further funding for such additional costs. As further explained by the management, the Company is making efforts to reorganise the funding pattern including participation by strategic investors to ensure the completion of under construction projects and disposal of assets to meet the funding gaps. In regard to projects under implementation, the management's approach includes appraising the lenders on various strategic initiatives, requesting modification in repayment timelines and additional funding for completion of the project including cost overruns. The proposals by the management are under evaluation by lenders which envisage that certain projects under construction have the ability to fulfill its part of obligations both financial and otherwise to complete the projects, which have not been independently assessed by us. The impact, if any on the financial results on account of non-achievement of any of the envisaged initiatives including the lenders concurrence for the proposals are currently not ascertainable at this point in time.

(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 additional funding from various sources explained above. 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 and accordingly these financial results have been prepared on a going concern basis.

- b) Note 8 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. 171.28 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.
- c) Note 9 to the financial results, in relation to the carrying value of investment in Lanco Resources International Pte Limited (LRIPL), a subsidiary of the Company. On account of certain events in regard to debt obligations, the lenders have enforced the securities, which comprise the entire investments held by the Company in LRIPL and accordingly, appointed receivers and managers to monitor the assets at LRIPL and transferred the said investment in shares in favour of the lenders nominee. In view of the above, the realization of carrying values of the investment is dependent on certain factors detailed in the note and the impact, if any, on the financial results is currently not ascertainable at this point in time.
- d) Note 10 to the financial results, in relation to the carrying value of investment 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, 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 11 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 LKHL has also issued a notice of termination to NHAI. Arbitration proceedings have been initiated to settle the claims and the counter claims associated with the termination as per the Concession Agreement. As on March 31, 2017, LKHL has incurred certain costs towards the project, the realizability of these amounts is dependent on the outcome of the arbitration proceedings. Accordingly, no adjustments have been made in these financial results.
- f) Note 16 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 taking into account low implementation activities. 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, the impact, if any is currently unascertainable.

Our opinion is not qualified in the respect of the matters reported in paragraph 3.

4. In our opinion and to the best of our information and according to the explanations given to us, these quarterly standalone financial results as well as the year to date financial results:
- (i) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
  - (ii) gives a true and fair view of the net loss and other financial information of the Company for the quarter ended March 31, 2017 and for the year ended March 31, 2017.

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



Lokesh Vasudevan  
Partner  
Membership No. 222320



Place: Gurgaon  
Date : May 30, 2017

*Lanco Infratech (LITL) today reported its financial performance for the year ended 31<sup>st</sup> Mar, 2017.*

*Result for the year ended 31<sup>st</sup> Mar 2017 are in compliance with Ind-AS notified by the Ministry of Corporate Affairs. Consequently, result for the year ended 31<sup>st</sup> Mar 2016 has been restated to comply with Ind-AS to make them comparable.*

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

#### CONSOLIDATED FINANCIAL PERFORMANCE

Particulars	Rs. Mn					
	Q4 FY17	Q4 FY16	Change	12M FY17	12M FY16	Change
Gross Revenue*	22,919	25,771	-11%	84,455	1,00,979	-16%
Reported Revenue	19,827	20,660	-4%	73,437	80,985	-9%
Reported PAT	-5,274	-1,057	-399%	-20,487	-2,702	-658%
Profit Eliminated	431	1,534	-72%	1,729	2,719	-36%
Adj. PAT* (PAT + Profit Eliminated)	-4,843	477		-18,758	17	
Cash Profit	-5,043	1,617	-412%	-10,684	5,928	-280%

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

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

- Gross Revenue before eliminations declined by 11% to Rs.22,919 Mn in Q4FY17 from Rs.25,771 Mn in Q4FY16
- Gross Revenue before eliminations declined by 16% to Rs.84,455 Mn in 12M FY17 from Rs.1,00,979 Mn in 12M FY16
- Cash loss of Rs.5,043 Mn in Q4FY17 vs. Cash profit of Rs.1,617 Mn in Q4FY16.
- Cash loss of Rs.10,684 Mn in 12M FY17 vs. Cash Profit of Rs.5,928 Mn in 12M FY16.
- Adjusted EBITDA (Excluding Forex) decreased by 52% to Rs.2,194 Mn in Q4FY17 from Rs.4,526 Mn in Q4FY16
- Adjusted EBITDA (Excluding Forex) decreased by 41% to Rs.15,689 Mn in 12M FY17 from Rs.26,791 Mn in 12M FY16
- Reported loss of Rs.5,274 Mn in Q4FY17 vs. loss of Rs.1,057 Mn in Q4FY16.
- Reported loss of Rs.20,487 Mn in 12M FY17 vs. loss of Rs.2,702 Mn in 12M FY16.

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

- Gross Revenue declined by 20% to Rs.6,690 Mn in Q4FY17 from Rs.8,346 Mn in Q4FY16
- Gross Revenue declined by 36% to Rs.17,575 Mn in 12M FY17 from Rs.27,449 Mn in 12M FY16
- Cash loss of Rs.2,250 Mn in Q4FY17 vs. Cash loss of Rs.2,106 Mn in Q4FY16.
- Cash loss of Rs.8,390 Mn in 12M FY17 vs. Cash loss of Rs.4,526 Mn in 12M FY16.
- Adjusted EBITDA (Excluding Forex) increased by 117% to Rs.490 Mn in Q4FY17 from Rs.226 Mn in Q4FY16.
- Adjusted EBITDA (Excluding Forex) declined by 52% to Rs.1,906 Mn in 12M FY17 from Rs.3,958 Mn in 12M FY16.
- Reported loss of Rs.2,217 Mn in Q4FY17 vs. loss of Rs.1,627 Mn in Q4FY16.
- Reported loss of Rs.8,890 Mn in 12M FY17 vs. loss of Rs.4,530 Mn in 12M FY16.



**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 82% of the gross revenues.

- EPC & Construction sector contributed to 20% of the gross revenue
- Power sector contributed to 62% of the gross revenues.

**1. Power:**

Rs. Mn

Particulars	Q4 FY17	Q4 FY16	Change	12M FY17	12M FY16	Change
Revenue	11,162	12,932	-14%	52,648	62,381	-16%
Less: Power Trading	581	426	36%	2,394	2,110	13%
Adjusted Revenue	10,582	12,506	-15%	50,254	60,271	-17%
EBITDA	2,555	3,522	-27%	14,269	23,589	-40%
Less: Power Trading	-6	12	-154%	44	65	-32%
Adjusted EBITDA	2,561	3,510	-27%	14,225	23,524	-40%
Adj EBITDA Margin (%)	24%	28%		28%	39%	

- Total Outstanding Receivables of Rs.13,773 Mn from various State Electric Utilities as of Mar 31, 2017

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

Projects	Capacity (MW)	Units Generated (MUs)	PAF %	PLF %	Total Revenue (Rs. Mn)	EBITDA (Rs. Mn)	PAT (Rs. Mn)	EBITDA Margin
Kondapalli 1	368	303	100%	38%	2,042	337	-1,267	17%
Kondapalli 2	366	-	100%	-				
Kondapalli 3A	371	-	100%	-				
Kondapalli 3B	371	-	100%	-				
Amarkantak 1	300	586	97%	91%	2,760	974	-159	35%
Amarkantak 2	300	575	94%	89%				
Tanjore	120	122	50%	47%	312	10	-50	3%
Anpara	1200	1,904	83%	73%	5,266	1,317	-401	25%
<b>Total</b>	<b>3,396</b>	<b>3,491</b>	<b>90%</b>	<b>48%</b>	<b>10,380</b>	<b>2,638</b>	<b>-1,877</b>	<b>25%</b>



Details of Major Power Projects under Operation for the Year

Projects	Capacity	Units Generated	PAF	PLF	Total Revenue	EBITDA	PAT	EBITDA Margin
	(MW)	(MUs)	%	%	(Rs Mn)	(Rs. Mn)	(Rs Mn)	
Kondapalli 1	368	850	100%	26%	10,371	1,805	-4,811	17%
Kondapalli 2	366	133	100%	4%				
Kondapalli 3A	371	857	100%	26%				
Kondapalli 3B	371	437	100%	13%				
Amarkantak 1	300	2,148	94%	82%	11,242	4,491	-86	40%
Amarkantak 2	300	2,302	93%	88%				
Tanjore	120	513	64%	49%	1,385	76	-148	6%
Anpara	1200	8,449	92%	80%	26,388	8,042	43	30%
<b>Total</b>	<b>3,396</b>	<b>15,687</b>	<b>93%</b>	<b>53%</b>	<b>49,385</b>	<b>14,413</b>	<b>-5,002</b>	<b>29%</b>

NETS (Power Trading)

For the Quarter

- Total 287 MUs traded at an average realization rate of Rs.3.32/Kwh.

For the Year

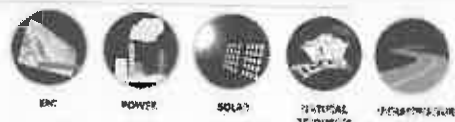
- Total 1,094 MUs traded at an average realization rate of Rs.3.34/Kwh.

Status of Power Projects under Construction as of Mar 31, 2017

Projects	Capacity	Cost Incurred	Debt	Equity	% Completion
	(MW)	(Rs Mn)	(Rs Mn)	(Rs Mn)	%
Amarkantak 3&4	1320	98,560	82,520	15,329	85%
Vidarbha	1320	53,400	42,610	10,790	47%
Babandh	1320	78,874	67,639	11,235	63%
Teesta	500	30,539	16,869	13,670	52%
Mandakini	76	10,198	7,671	2,291	73%
<b>Total</b>	<b>4,536</b>	<b>2,71,571</b>	<b>2,17,310</b>	<b>53,314</b>	

**2. EPC**

Particulars	Rs. Mn					
	Q4 FY17	Q4 FY16	Change	12M FY17	12M FY16	Change
Revenue	6,352	8,029	-21%	16,782	26,389	-36%
Forex (loss)/Gain	208	763	-73%	378	1,100	-66%
EBITDA	527	1,282	-72%	1,698	6,111	-72%
Adjusted EBITDA	320	1,118	-71%	1,320	5,011	-74%
Adj EBITDA Margin (%)	5%	14%		8%	19%	



**Order Book:**

- Current EPC order book stands at Rs.223,815 Mn (Excluding Solar EPC)
- Internal Projects constitute ~84% of the Power and Construction EPC Order book

**3. Solar:**

Solar Operations include – EPC (Order Book of Rs.31,819 Mn with 54% orders from external parties), Generation (46MW), O&M services for Solar Power plants, Photo-Voltaic module manufacturing (175MW per annum capacity).

Particulars	Rs. Mn					
	Q4 FY17	Q4 FY16	Change	12M FY17	12M FY16	Change
Revenue	4,181	2,727	53%	8,081	5,153	57%
Forex (loss)/Gain	46	-9	528%	-	-92	0%
EBITDA	495	659	-25%	1,484	1,301	14%
Adjusted EBITDA	449	668	-33%	1,484	1,394	7%
Adj EBITDA Margin (%)	11%	24%		18%	27%	

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

Production for Q4 FY17 was 0.58 MT vs 0.66 MT in Q4FY16. Sales for Q4 FY17 was 0.53 MT vs. 0.67 MT in Q4FY16.

Production for 12M FY17 was 2.50 MT vs 2.45 MT in 12M FY16. Sales for 12M FY17 was 2.45 MT vs. 2.44 MT in 12M FY16.

- Average realization for the quarter was ~AUD 43.3 per ton in Q4FY17 vs. ~AUD 43.2 per ton in Q4FY16.
- Average realization for the year was ~AUD 42.4 per ton in 12M FY17 vs. ~AUD 42.4 per ton in 12M FY16.

Particulars	Rs. Mn					
	Q4 FY17	Q4 FY16	Change	12M FY17	12M FY16	Change
Revenue	1,167	1,484	-21%	5,219	5,003	4%
Forex (Loss)/Gain	1,920	1,356	42%	15	284	-95%
EBITDA	2,057	1,731	19%	413	-429	196%
Adj EBITDA	137	375	-63%	398	-714	156%
Adj EBITDA Margin (%)	12%	25%		8%	-14%	



The Lenders of Lanco Resources International Pte. Limited (LRIPL), Singapore, the subsidiary of LITL, have appointed M/s PWC advisory services Pte. Ltd. As the receivers & managers of LRIPL and transferred pledge shares to nominee of security agent for the purpose of perfection of security.

Accordingly, the nominee of the security agent is the legal holder of shares of LRIPL and Lanco Infratech Limited continues to be the beneficial holder of the shares of LRIPL.

LRIPL, Singapore holds 4 subsidiaries in Australia namely : (1) Lanco Resources Australia Pty Ltd. , (2) The Griffin Coal Mining Company Pty Ltd., (3) Carpenter Mine Management Pty Ltd., (4) Western Australia Coal Terminal Pty Ltd.

#### 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.188 Mn during Q4FY17 against Rs.499 Mn in Q4FY 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):

	Distance	Status
Neelamangla Junction (Bangalore) – Devihalli (NH-48)	82 km	Toll collection revenue at Rs 147 Mn during the quarter against Rs.150 Mn in Q4 FY 16
Bangalore – Hoskote – Mulbagal (NH-4)	81 Km	Toll collection revenue at Rs.157 Mn during the quarter against Rs.161 Mn in Q4 FY16

Particulars	Rs. Mn					
	Q4 FY17	Q4 FY16	Change	12M FY17	12M FY16	Change
Revenue	561	813	-31%	2,875	2,818	2%
EBITDA	74	176	-58%	929	804	15%
EBIDTA Margin (%)	13%	22%		32%	29%	



## 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 3,300. 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 4,536 MW under various stages of Construction.

The EPC division of the company is executing various orders worth more than Rs.255,600 Mn. A member of UN Global Compact, Lanco Infratech is recognised for its Corporate Social Responsibility initiatives led by the Lanco Foundation.

