

December 09, 2016

M/s. National Stock Exchange of India Limited

Regd. Office: "Exchange Plaza"

Bandra-Kurla Complex, Bandra (E)

MUMBAI – 400 051.

Ph : 022-2659 8235 / 36, 2659 8346

Fax : 022-6641 8124 / 25 / 26

022-2659 8237 / 38, 2659 8347 / 48

M/s. BSE LimitedRegd. Office: Floor 25, P J Towers, Dalal Street
MUMBAI – 400 001

Ph : 022-2272 1234 / 33

Fax : 022-2272 3121 / 1278 / 3577 / 1557

Dear Sir,

Sub:- Un-audited Financial Results for the Quarter ended 30th September, 2016 – Reg.

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

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

Thanking you,

Yours faithfully,

For LANCO INFRATECH LIMITED



A. VEERENDRA KUMAR
COMPANY SECRETARY

Encl: As above

Lanco Infratech Limited

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

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.

T: +91 40 4009 0400 F: +91 40 2311 6127 E: info@lancogroup.com

www.lancogroup.com

Corporate Identity Number: L45200TG1993PLC015545

STATEMENT OF CONSOLIDATED RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2016

Rs. Cr

	PARTICULARS	Quarter Ended			Half Year Ended	
		30.09.2016 (Unaudited)	30.06.2016 (Unaudited)	30.09.2015 (Unaudited)	30.09.2016 (Unaudited)	30.09.2015 (Unaudited)
1	(a) Income from operations	2264.30	1862.49	3463.03	4126.79	4956.61
	(b) Income from power trading	55.82	70.43	35.73	126.25	133.47
	(c) Other operating income	16.17	7.43	4.68	23.60	51.51
	Total income from operations (Gross)	2336.29	1940.35	3503.44	4276.64	5141.59
	Less: Elimination of intersegment operating income	319.47	212.36	801.51	531.83	870.19
	Total income from operations (Net)	2016.82	1727.99	2701.93	3744.81	4271.40
2	Expenses					
	(a) Cost of materials consumed	1192.26	1024.70	1123.60	2216.96	2025.41
	(b) Purchase of traded goods	55.66	69.67	34.84	125.33	131.32
	(c) Subcontract cost	13.08	51.13	25.39	64.21	89.38
	(d) Construction, transmission, site and mining expenses	177.59	167.02	172.01	344.61	295.60
	(e) Change in inventories of finished goods and work in progress	(57.58)	(221.76)	(0.07)	(279.34)	(83.03)
	(f) Employee benefits expense	89.71	90.63	85.29	180.34	166.07
	(g) Depreciation & amortisation expenses	222.50	220.13	180.27	442.63	361.88
	(h) Other expenses	83.06	61.95	65.70	145.00	134.25
	Total expenses	1776.28	1463.47	1687.03	3239.74	3120.88
3	Profit / (loss) from operations before other income, foreign exchange fluctuations, finance costs & exceptional items (1-2)	240.54	264.52	1014.90	505.07	1150.52
4	Other income	62.47	44.41	34.99	106.88	61.52
5	Add: Eliminated profit on transactions with subsidiaries	18.81	102.62	69.45	121.43	77.46
6	Profit / (loss) from ordinary activities before foreign exchange fluctuations, finance costs & exceptional items plus elimination (3+4+5)	321.82	411.55	1119.34	733.38	1289.50
7	(Gain) / loss on foreign exchange fluctuations (Net)	(119.81)	113.92	214.92	(5.89)	178.69
8	Finance costs	718.36	715.54	669.89	1433.90	1300.95
9	Profit / (loss) from ordinary activities after finance costs but before exceptional items plus elimination (6-7-8)	(276.73)	(417.91)	234.53	(694.63)	(190.14)
10	Exceptional items	-	-	1.66	-	116.68
	Profit / (loss) from ordinary activities before tax plus elimination	(276.73)	(417.91)	236.19	(694.63)	(73.46)
12	Tax expense	(2.06)	(21.58)	2.24	(23.64)	43.88
13	Net profit / (loss) from ordinary activities after tax plus elimination (11-12)	(274.67)	(396.33)	233.95	(670.99)	(117.34)
	Less: Share of Non controlling interest in subsidiaries	(34.75)	(49.09)	46.37	(83.84)	5.30
	Add: Share of profit / (loss) of associates	0.40	0.96	(1.13)	1.36	0.80
14	Net profit / (loss) for the period plus elimination after share of Non controlling interest and profit / (loss) of associates	(239.52)	(346.28)	186.45	(585.79)	(121.84)
15	Less: Elimination of profit on transactions with subsidiaries and associates	18.79	102.60	69.40	121.40	77.37
16	Net profit / (loss) after taxes, Non controlling interest and share of profits / (loss) of associates (14-15)	(258.31)	(448.88)	117.05	(707.19)	(199.21)
17	Other comprehensive income after tax (including share of Associates)	(0.31)	(0.31)	(0.16)	(0.62)	(0.41)
18	Total comprehensive income after tax	(258.62)	(449.19)	116.89	(707.81)	(199.62)
19	Cash profit / (loss) (14 + 2(g) + 7 + Deferred tax - MAT credit)	(140.85)	(45.42)	569.26	(186.27)	439.49
20	Profit (+) / Loss (-) from ordinary activities before tax (11 - 5)	(295.54)	(620.53)	166.74	(816.06)	(150.92)
21	Paid-up equity share capital (face value of Re.1/- per share)	273.78	273.78	273.78	273.78	273.78
22	Earning per share (EPS) not annualised					
	- Basic	(0.96)	(1.66)	0.48	(2.62)	(0.82)
	- Diluted	(0.96)	(1.66)	0.48	(2.62)	(0.82)


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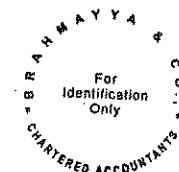
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Corporate Identity Number: L45200TG1993PLC015545

**SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND HALF YEAR ENDED
SEPTEMBER 30, 2016 - CONSOLIDATED**

Rs. Cr

	PARTICULARS	Quarter Ended			Half Year Ended	
		30.09.2016 (Unaudited)	30.06.2016 (Unaudited)	30.09.2015 (Unaudited)	30.09.2016 (Unaudited)	30.09.2015 (Unaudited)
1	(a) Income from operations					
	(a) EPC & Construction	524.05	359.86	1099.54	883.91	1295.99
	(b) Power	1637.45	1412.46	2228.14	3049.91	3497.89
	(c) Property Development	59.12	40.22	56.76	99.34	66.99
	(d) Infrastructure	33.11	34.30	28.22	67.41	55.11
	(e) Resources	128.60	123.03	113.01	251.63	212.61
	(f) Unallocated	15.60	6.51	2.46	22.11	47.33
	Total	2397.93	1976.38	3528.13	4374.31	5175.92
	Less: Inter Segment Revenue	319.47	212.36	801.51	531.83	870.19
	Net Sales/Income from Operations	2078.46	1764.02	2726.62	3842.48	4305.73
2	Segment Results (Profit(+)/ Loss(-) before tax and interest from each segment)					
	(a) EPC & Construction	102.69	76.95	209.97	179.64	232.43
	(b) Power	262.08	302.33	932.17	564.42	1184.59
	(c) Property Development	8.65	13.84	4.04	22.49	2.54
	(d) Infrastructure	12.48	13.18	9.82	25.66	20.03
	(e) Resources	53.95	(118.09)	(285.09)	(64.14)	(341.40)
	(f) Unallocated	0.95	1.04	23.21	1.99	(14.57)
	Total	440.80	289.25	894.12	730.06	1083.62
	Less: Inter Segment Profit on transactions with Subsidiaries	18.81	102.62	69.45	121.43	77.46
	Total	421.99	186.63	824.67	608.63	1006.16
	Less :					
	(i) Interest	718.36	715.54	669.89	1433.90	1300.95
	(ii) Other Un-allocable Exp. (Net of Un-allocable income)	(0.83)	(8.38)	(11.96)	(9.21)	(143.87)
	Total Profit Before Tax	(295.54)	(520.53)	166.74	(816.06)	(150.92)
3	Segment Assets					
	(a) EPC & Construction	5635.44	5560.39	5349.52	5635.44	5349.52
	(b) Power	36958.33	36292.75	36246.48	36958.33	36246.48
	(c) Property Development	2744.52	2708.96	2500.49	2744.52	2500.49
	(d) Infrastructure	1531.65	1530.44	1486.82	1531.65	1486.82
	(e) Resources	7955.28	7926.99	7078.77	7955.28	7078.77
	(f) Unallocated	914.11	894.99	793.44	914.11	793.44
	Total Segment Assets	55739.33	54914.52	53455.52	55739.33	53455.52
4	Segment Liabilities					
	(a) EPC & Construction	4673.59	4566.18	4715.25	4673.59	4715.25
	(b) Power	2371.11	2165.99	2218.86	2371.11	2218.86
	(c) Property Development	431.41	499.26	564.54	431.41	564.54
	(d) Infrastructure	163.58	151.54	74.82	163.58	74.82
	(e) Resources	410.62	414.91	497.79	410.62	497.79
	(f) Unallocated	47190.83	46283.47	43599.97	47190.83	43599.97
	Total Segment Liabilities	55241.14	54081.35	51671.23	55241.14	51671.23



CONSOLIDATED STATEMENT OF ASSETS & LIABILITIES

		Rs. Cr
PARTICULARS		As at 30.09.2016 (Unaudited)
A	ASSETS	
1	Non - current assets	
	(a) Property, Plant and Equipment	18436.40
	(b) Capital work-in-progress	22864.67
	(c) Investment Property	180.20
	(d) Other Intangible assets	1548.17
	(e) Financial Assets	
	(i) Investments	863.12
	(ii) Trade receivables	265.17
	(iii) Loans	155.15
	(iv) Other financial assets	74.51
	(f) Deferred tax assets (net)	613.56
	(g) Other non current assets	459.64
	Sub-total - Non - current assets	45460.79
2	Current Assets	
	(a) Inventories	3497.31
	(b) Financial Assets	
	(i) Investments	20.92
	(ii) Trade receivables	2922.09
	(iii) Loans	95.26
	(iv) Cash and cash equivalents	412.93
	(v) Bank balances	342.52
	(vi) Other financial assets	529.32
	(c) Current tax assets (Net)	32.37
	(d) Other current assets	2425.83
	Sub-total - Current assets	10278.55
	TOTAL - ASSETS	55739.34
B	EQUITY & LIABILITIES	
1	Equity	
	(a) Equity Share capital	273.78
	(b) Other Equity	(1083.43)
	Equity attributable to owners of the Company	(809.65)
	Add: Eliminated profit on transactions with subsidiaries and associates (Elimination)	1012.89
	Owners' fund plus Elimination	203.24
2	Non-controlling Interests	
	Net worth plus elimination (1+2)	1307.83
	Less: Elimination	1511.07
	Sub total - Equity	498.18
3	Liabilities	
(i)	Non - Current Liabilities	
	(a) Financial Liabilities	
	(i) Borrowings	39172.18
	(ii) Trade payables	397.56
	(iii) Other financial liabilities	116.80
	(b) Provisions	634.98
	(c) Deferred tax liabilities (Net)	667.13
	(d) Other non current liabilities	847.86
	Sub-total - Non current liabilities	41836.51
(ii)	Current Liabilities	
	(a) Financial Liabilities	
	(i) Borrowings	3003.50
	(ii) Trade payables	3837.79
	(iii) Other financial liabilities	5941.23
	(b) Other current liabilities	515.93
	(c) Provisions	75.86
	(d) Current tax liabilities (Net)	30.32
	Sub-total - Current liabilities	13404.65
	TOTAL - EQUITY AND LIABILITIES	55739.34



1. Extract from the Unaudited Consolidated Financial Results for the Quarter and Half year ended September 30, 2016

Rs. Cr					
Particulars	Quarter Ended 30/09/2016 (Unaudited)	Quarter Ended 30/06/2016 (Unaudited)	Quarter Ended 30/09/2015 (Unaudited)	Half Year Ended 30/09/2016 (Unaudited)	Half Year Ended 30/09/2015 (Unaudited)
1 (a) Total income from operations	2336.29	1940.35	3503.44	4276.64	5141.59
1 (b) Elimination of intersegment operating income as per Ind AS - 110	319.47	212.36	801.51	531.63	870.19
1 (c) Total income from operations (net)	2016.82	1727.99	2701.93	3744.81	4271.40
2(a) Net Profit / (Loss) from ordinary activities after tax, share of Non controlling interest and before eliminations as per Ind AS 110 & 28	(239.52)	(346.28)	186.45	(585.79)	(121.84)
2(b) Eliminations as per Ind AS 110 & 28	18.79	102.60	69.40	121.40	77.37
2(c) Net Profit / (Loss) from ordinary activities after tax, share of Non controlling interest and eliminations as per Ind AS 110 & 28	(258.31)	(448.88)	117.05	(707.19)	(199.21)
4 Equity share capital	273.78	273.78	273.78	273.78	273.78
5 Earnings / (loss) per share (of Re. 1/- each)					
Basic (Rs.)	(0.96)	(1.66)	0.48	(2.62)	(0.82)
Diluted (Rs.)	(0.96)	(1.66)	0.48	(2.62)	(0.82)

2. Extract from the Unaudited Standalone Financial Results for the Quarter and Half Year ended September 30, 2016

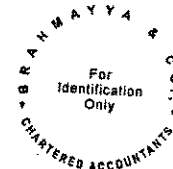
(Rs. Cr)					
Particulars	Quarter Ended 30/09/2016 (Unaudited)	Quarter Ended 30/06/2016 (Unaudited)	Quarter Ended 30/09/2015 (Unaudited)	Half Year Ended 30/09/2016 (Unaudited)	Half Year Ended 30/09/2015 (Unaudited)
1 Income from operations	479.03	343.40	1111.54	822.43	1350.07
2 Profit / (loss) before tax	(150.63)	(127.77)	5.20	(278.40)	(90.82)
3 Profit / (loss) after tax	(150.63)	(127.77)	5.20	(278.40)	(90.82)

Note: The above is an extract of the detailed format of Quarterly/Yearly Financial Results drawn up, both on a Standalone and Consolidated basis, filed with the Stock Exchanges on December 09, 2016 under Regulations 33 of SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly/Yearly Financial Results are available on the Stock Exchange websites, www.bseindia.com and www.nseindia.com.

Place : Gurgaon
Date : December 09, 2016

For Lanco Infratech Limited

G. Venkatesh Babu
Managing Director



STATEMENT OF STANDALONE RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2016

PARTICULARS	Quarter Ended			Half Year Ended	
	30.09.2016 (Unaudited)	30.06.2016 (Unaudited)	30.09.2015 (Unaudited)	30.09.2016 (Unaudited)	30.09.2015 (Unaudited)
1 (a) Income from operations	478.50	343.03	1111.17	821.53	1348.42
(b) Other operating income	0.53	0.37	0.37	0.90	1.85
Total income from operations	479.03	343.40	1111.54	822.43	1350.07
2 Expenditure					
(a) Cost of materials consumed	257.32	164.59	380.68	421.91	489.67
(b) Subcontract cost	83.60	82.20	105.49	165.80	181.00
(c) Construction and Site Expenses	22.18	19.62	20.61	41.80	34.90
(d) Change in inventories of construction work in progress	(42.06)	(133.37)	300.82	(175.43)	252.79
(e) Employee benefits expense	49.12	54.89	48.83	104.01	94.88
(f) Depreciation & amortisation expenses	23.54	23.23	27.19	46.77	52.98
(g) Other expenses	26.91	36.19	11.15	63.10	37.37
Total expenses	420.61	247.35	894.77	667.96	1143.59
Profit / (Loss) from operations before other income, foreign exchange fluctuations, finance costs & exceptional items (1-2)	58.42	96.05	216.77	154.47	206.48
4 Other income	10.95	16.57	15.04	27.52	35.14
Profit / (Loss) from ordinary activities before foreign exchange fluctuations, finance costs & exceptional items (3+4)	69.37	112.62	231.81	181.99	241.62
6 (Gain)/Loss on foreign exchange fluctuations (Net)	(25.83)	(1.15)	(14.25)	(26.98)	(47.67)
7 Finance costs	245.83	241.54	240.86	487.37	464.73
Profit / (Loss) from ordinary activities after foreign exchange fluctuations, finance costs but before exceptional items (5-6-7)	(150.63)	(127.77)	5.20	(278.40)	(175.44)
9 Exceptional items	-	-	-	-	84.62
10 Profit / (Loss) from ordinary activities before tax (8+9)	(150.63)	(127.77)	5.20	(278.40)	(90.82)
11 Tax expense	-	-	-	-	-
12 Net Profit / (Loss) from ordinary activities after tax (10-11)	(150.63)	(127.77)	5.20	(278.40)	(90.82)
13 Other Comprehensive Income	(0.11)	(0.10)	(0.06)	(0.21)	(0.11)
14 Total Comprehensive Income (12+13)	(150.74)	(127.87)	5.14	(278.61)	(90.93)
15 Paid-up equity share capital (face value of Re. 1/- per share)	273.78	273.78	273.78	273.78	273.78
16 Earning per share (EPS) in Rupees (not annualised)					
- Basic	(0.56)	(0.47)	0.02	(1.03)	(0.37)
- Diluted	(0.56)	(0.47)	0.02	(1.03)	(0.37)



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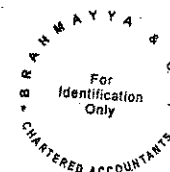
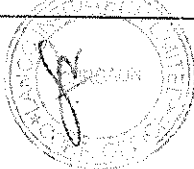
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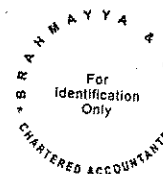
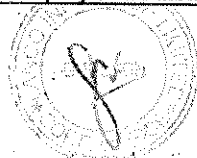
**SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND HALF YEAR ENDED
SEPTEMBER 30, 2016- STANDALONE**

PARTICULARS	Quarter Ended			Half Year Ended	
	30.09.2016 (Unaudited)	30.06.2016 (Unaudited)	30.09.2015 (Unaudited)	30.09.2016 (Unaudited)	30.09.2015 (Unaudited)
1 Segment Revenue					
(a) EPC & Construction	443.83	315.87	1092.63	764.70	1264.79
(b) Power	14.58	21.02	15.10	35.60	36.60
(c) Infrastructure	15.62	6.51	3.81	22.13	48.68
Net Sales/Income from Operations	479.03	343.40	1,111.54	822.43	1,350.07
2 Segment Results (Profit(+)/ Loss(-) before tax and interest from each segment)					
(a) EPC & Construction	74.55	75.80	221.16	150.35	225.09
(b) Power	4.35	10.38	4.33	14.73	15.06
(c) Infrastructure	2.34	0.98	0.57	3.32	7.30
(d) Unallocated	3.01	10.04	4.96	13.05	6.70
Total	84.25	97.20	231.02	181.45	254.15
Less:					
(i) Interest	245.83	241.54	240.86	487.37	464.73
(ii) Other Un-allocable Expenses (Net off Un-allocable income)	(10.95)	(16.57)	(15.04)	(27.52)	(119.76)
Total Profit/(Loss) Before Tax	(150.63)	(127.77)	5.20	(278.40)	(90.82)
3 Segment Assets					
(a) EPC & Construction	5543.48	5558.73	6505.79	5543.48	6505.79
(b) Power	469.00	475.07	514.37	469.00	514.37
(c) Infrastructure	11408.66	11262.30	10984.95	11408.66	10984.95
(d) Unallocated	1489.37	1439.46	1477.00	1489.37	1477.00
	18910.51	18735.56	19482.11	18910.51	19482.11
4 Segment Liabilities					
(a) EPC & Construction	8777.17	8634.16	9665.66	8777.17	9665.66
(b) Power	5.28	7.19	9.46	5.28	9.46
(c) Infrastructure	182.14	182.14	179.06	182.14	179.06
(d) Unallocated	8342.23	8153.23	7675.70	8342.23	7675.70
	17306.82	16976.72	17529.88	17306.82	17529.88



**STATEMENT OF STANDALONE ASSETS & LIABILITIES FOR THE HALF YEAR
ENDED SEPTEMBER 30, 2016**

Particulars	Rs. Cr As At 30.09.2016 (Unaudited)
I ASSETS	
1. Non Current Assets	
(a) Property, Plant and Equipment	727.59
(b) Capital work-in-progress	1.77
(c) Investment Property	1.28
(d) Other Intangible assets	1.25
(e) Financial Assets	
(i) Investments	10195.19
(ii) Trade receivables	456.29
(iii) Loans	510.08
(iv) Other financial assets	82.14
(f) Deferred tax assets (net)	17.75
(g) Other non current assets	396.20
Total Non Current Assets	12389.54
2. Current assets	
(a) Inventories	1566.34
(b) Financial Assets	
(i) Trade receivables	1809.30
(ii) Loans	613.71
(iii) Cash and cash equivalents	34.11
(iv) Bank balances	19.29
(v) Other financial assets	1426.67
(c) Other current assets	1051.55
Total Current Assets	6520.97
Total Assets	18910.51
II EQUITY AND LIABILITIES	
A EQUITY	
(a) Equity Share Capital	273.78
(b) Other Equity	1329.91
Total Equity	1603.69
B LIABILITIES	
1. Non Current Liabilities	
(a) Financial Liabilities	
(i) Borrowings	4576.05
(ii) Trade payables	823.45
(iii) Other financial liabilities	17.25
(b) Provisions	279.57
(c) Other non current liabilities	2756.11
Total Non Current Liabilities	8452.43
2. Current Liabilities	
(a) Financial Liabilities	
(i) Borrowings	1311.95
(ii) Trade payables	2312.43
(iii) Other financial liabilities	2543.95
(b) Other current liabilities	2672.44
(c) Provisions	12.98
(d) Current tax liabilities (Net)	0.64
Total Current Liabilities	8854.39
Total Equity and Liabilities	18910.51



NOTES IN RELATION TO THE FINANCIAL RESULTS

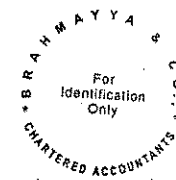
1. The reported consolidated Net Operating Income and Net Profit / (Loss) have been arrived at after eliminating inter-company transactions as per IND AS 110 "Consolidated Financial Statements" and IND AS 28 "Investments in Associates and Joint Ventures". It may be noted that the above eliminations do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

Particulars	Quarter Ended (Unaudited)			Half Year Ended (Unaudited)	
	Sept 30, 2016	June 30, 2016	Sept 30, 2015	Sept 30, 2016	Sept 30, 2015
Reported Net Operating Income	2016.82	1727.99	2701.93	3744.81	4271.40
Elimination of Intersegment Operating Income	319.47	212.36	801.52	531.83	870.19
Total Income before elimination	2336.29	1940.35	3503.45	4276.64	5141.59
Reported Net Profit / (Loss)	(258.31)	(448.88)	117.05	(707.19)	(199.21)
Elimination as per IND AS 110 & 28	18.79	102.60	69.40	121.40	77.37
Forex loss / (gain)	(119.81)	113.92	214.92	(5.89)	178.69
Net Profit or (Loss) before elimination & Forex loss / (gain)	(359.33)	(232.36)	401.37	(591.68)	56.85

2. The Information on Standalone Financial Results:

Particulars	Quarter Ended (Unaudited)			Half Year Ended (Unaudited)	
	Sept 30, 2016	June 30, 2016	Sept 30, 2015	Sept 30, 2016	Sept 30, 2015
Income from operations	479.03	343.40	1111.54	822.43	1350.07
PBT	(150.63)	(127.77)	5.20	(278.40)	(90.82)
PAT	(150.63)	(127.77)	5.20	(278.40)	(90.82)
Forex loss / (gain)	(25.83)	(1.15)	(14.25)	(26.98)	(47.67)
PAT before forex loss / (gain)	(176.46)	(128.92)	(9.05)	(305.38)	(138.49)

3. The financial results for the period and quarter ended September 30, 2016 are in compliance with Indian Accounting Standards (Ind-AS), consequently results for the period and quarter ended September 30, 2015 have been restated to comply with Ind-AS to make them comparable. The Group has adopted Ind-AS with effect from April 01, 2016 with comparatives being restated. Accordingly impact of transition has been provided in the opening reserves as at April 01, 2015.
4. As at September 30, 2016 the Group has receivables from various State Electricity Utility Companies and other customers for sale of power aggregating to Rs.1,835.37 Cr, net current Assets of Rs. 454.93 Cr and current maturities of long term borrowings of Rs. 3,581.03 Cr. Based on internal assessment and various discussions with the customers, the management is confident of recovery of receivables. At present the Group's operating assets are not generating envisaged revenues on account of various factors beyond the control of the company, such as short supply of gas, pending tariff clarity and part



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Corporate Identity Number: L45200TG1993PLC015545

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 for the year ended March 31, 2014, March 31, 2015, March 31, 2016 and continued for the period ended September 30, 2016.

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. 93.40 Cr during the quarter, pursuant to the Haryana Electricity Regulatory Commission (HERC) order. For the balance amount the appeal is being pursued before APTEL. LAPL during the quarter recognised Rs. 24.43 Crores towards interest on the arrears received from the date of HERC tariff order dated January 23, 2015 to till the date of payment and also filed a petition before HERC in this regard. The Management is confident of obtaining 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 releasing payments.

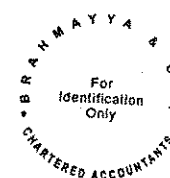
These are emphasis of matters in the audit report for the year ended March 31, 2015, March 31, 2016 and continued for the period ended September 30, 2016.

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 had requested the power purchaser to revise PPA Tariff for viability of the project. As there was no positive response from the power purchaser, LTHPL filed a petition seeking tariff revision before the Regulatory Commission. The Hon'ble Commission after hearing the matter disposed off the petition through final order dated August 20, 2014 stating that LTHPL may approach the Hon'ble Commission once the Project is nearing COD. With no immediate relief available regarding tariff increase, LTHPL terminated the PPA with effect from September 18, 2014 in line with the provisions of PPA. LTHPL is exploring power sale tie up with new power purchasers and PPA will be executed once the potential buyer is finalised. Ministry of Power, Government of India reviewed the project during the year and directed the committee appointed for this purpose to submit a revival plan in consultation with LTHPL,

Lenders and Government of Sikkim for which necessary submissions were made by LTHPL pending finalisation of the revival plan. The Management is confident of getting the revised funding from the lenders, complete the project as per the revised timelines and resolution of PPA issues. Even after considering the cost overrun and delay in execution, there is viability in the project and hence the Management does not foresee any requirement for adjustment for carrying value of assets in the financial statements. This is an emphasis of matter in the auditor's report for the year ended March 31, 2014, March 31, 2015, March 31, 2016 and continued for the period ended September 30, 2016.



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. This is an emphasis of matter in the auditor's report for the year ended March 31, 2014, March 31, 2015, March 31, 2016 and continued for the period ended September 30, 2016.
- b) The Management has multiple plans for development of Commercial, Residential and office space in the land held by the LHTPPL. Considering the business plans, the management is confident of recovering the cost incurred on the development of projects including the interest cost which is grouped under the head Development work in progress and capital work in progress.
8. Lanco Mandakini Hydro Energy Private Limited (LMHEPL) one of the step down subsidiary of the company developing 76 MW Hydro Electric Project on river Mandakini in Uttarakhand, has been impacted and considerable damage has been witnessed across the project site due to devastating flash floods occurred in the Rudraprayag district of Uttarakhand in the month of June, 2013. The said Project is insured under CAR & ALOP policies to cover the damages including Act of God. Against the claims lodged with the insurer, on-account payment was received from the insurer. The Management is confident that the potential damage to carrying value of the asset is unlikely to exceed the expected insurance claim. This is an emphasis of matter in the auditor's report for the year ended March 31, 2014, March 31, 2015, March 31, 2016 and continued for the period ended September 30, 2016.
9. 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 for the year ended March 31, 2015, March 31, 2016 and continued for the period ended September 30, 2016.
10. Lanco Resources International Pte Limited (LRIPL) along with its subsidiary companies (Griffin Coal Mine Operations, Australia) has been incurring losses from acquisition onwards. The management is taking necessary steps to optimise its mining cost and to improve the coal mining capacity by expanding the associated infrastructure including development of port to scale up the export sales. Upon implementation of long term initiatives, the management is confident of improving the profitability of the business in long period and carrying value of the assets are realizable at the value stated in the books. Accordingly, no adjustments have been made in these financials results. This is an emphasis of matter in the auditor's report for the year ended March 31, 2015, March 31, 2016 and continued for the period ended September 30, 2016.
11. Lanco Hoskote Highways Limited (LHHL) and Lanco Devihalli Highways Limited (LDHL), subsidiaries of the company has been incurring losses since commencement of operations and also due to de-recognition of Capital Grant from Reserves as per requirement of Ind AS 11 Appendix A on Service Concession Arrangement, the Net Worth fell below 50% of paid-up capital as at September 30, 2016. The Management is taking necessary steps to improve the profitability in future and is of the view that the carrying value of Assets of LHHL & 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 limited review report for the period ended September 30, 2016.



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12. Lanco Kanpur Highways Limited (LKHL), a subsidiary of the company had entered into concession agreement with NHAI for developing a road project in Uttar Pradesh state under BOOT mechanism. The construction work is delayed due to pending approvals and right of way to be arranged by NHAI. During the previous year LKHL had received notice of termination of concession agreement from NHAI and issued a notice of termination of concession agreement to NHAI. Arbitration proceedings have been initiated to settle the claims and the counter claims associated with the termination as per the Concession Agreement. Based on the expert legal opinion, the management is confident on the recoverability of its claims submitted and is not expecting any liability on counter claims filed by NHAI. This is an emphasis of matter in the audit report for the year ended March 31, 2015, March 31, 2016 and continued for the period ended September 30, 2016.
13. During the quarter ended March 31, 2012, the Company has put in place two level power holding company structure wherein Lanco Power Limited (LPL) subsidiary of the Company as the power holding vehicle for the Group. LPL has further two subsidiaries namely Lanco Thermal Power Limited (LTPL) and Lanco Hydro Power Limited (LHPL) as thermal power holding company and hydro power holding company, respectively. As approved by the members, vide their resolution dated March 19, 2010 the Company has sold its shareholding in some of its Subsidiaries and Associate Companies to its wholly owned step down subsidiaries i.e., LTPL and LHPL on March 30, 2012 for cash consideration. The Group has obtained approvals from 96% in Value of the lenders / one customer and share transfer process is in progress. However, this transaction has no impact in the consolidated financials. This is an emphasis of matter in the auditor's report for the year ended March 31, 2015, March 31, 2016 and continued for the period ended September 30, 2016.
14. Lanco Vidarbha Thermal Power Limited (LVTPL), a step down subsidiary of the Company is developing a 2x660 MW Coal based Thermal Power Project near Wardha in Maharashtra. The execution of the Project got affected due to the High Court Order with respect to the PIL filed by a group of people thereby causing litigation on Environment Clearance (EC) granted for the Project. The process of re-public hearing by MPCB and revalidation of EC by MOEF led to the delay of more than three years which was beyond the control of LVTPL and which is a Force Majeure event in accordance with the PPA provisions, causing time & cost overrun.

LVTPL approached the power purchaser i.e., Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) to extend the scheduled commencement date and provide the 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.

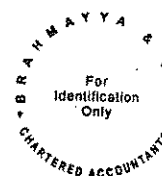
LVTPL is confident of getting the refund of encashed bank guarantee as well as reversal of MSEDCL's demand of LD, hence no provision has been made in the books of accounts on account of LD. The management is confident of tying up of power sale in due course. This is an emphasis of matter in the auditor's report for the year ended March 31, 2016 and continued for the period ended September 30, 2016.



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15. 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. Consequent to the order the company recognized revenue of Rs. 679.19 Cr (including Rs. 49.71 Cr and Rs. 99.25 Cr for the quarter and half year ended September 30, 2016 respectively) up to September 30, 2016. 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. The Management is evaluating the implications of the Order with the legal experts, pending reassessment by 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 for the period ended September 30, 2016.
16. 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 June 14, 2015 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 for the period ended September 30, 2016.
17. IND-AS restated figures for the period ended September 30, 2015 have not been subjected to limited review or an audit. However the management has exercised necessary due diligence to ensure that results provide true and fair view.
18. The financial results does not include IND-AS compliant results for previous year ended March 31, 2016 as the same is not mandatory as per SEBI circular dated July 05, 2016.
19. Reconciliation of Net profit between IND-AS and previous Indian GAAP for the quarter and period ended September 30, 2015 (Refer Note 17).

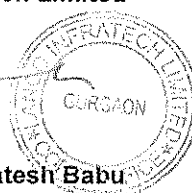
Particulars	Rs. Cr			
	Standalone		Console	
	Quarter ended	Half-year ended	Quarter ended	Half-year ended
Net Profit / (Loss) after Tax as per the Previous Indian GAAP	6.09	(81.22)	156.63	(168.58)
De capitalisation of ineligible expenses	-	-	(51.33)	(125.61)
Measurement of financial assets at amortised cost	(0.52)	(1.35)	0.75	0.20
Measurement of financial liabilities at amortised cost	(1.88)	(3.71)	(2.19)	(4.02)
Discounting / Unwinding of provisions			0.71	1.20
Actuarial Gain / (Loss) on employee defined benefit obligation recognised in Other Comprehensive Income (OCI)	0.05	0.11	0.16	0.41
Provision for expected credit losses	1.45	(4.64)	1.10	(0.42)
Impact on Service concession arrangements	-	-	13.40	15.31
Impact on Embedded leases	-	-	35.93	63.68
Impact on Consolidation of entities on control assessment	-	-	-	70.12
Impact on adjustment of Prior period items	-	-	-	(20.31)
Other adjustments	-	-	(1.46)	(1.68)
Deferred Tax on the above adjustments	-	-	(12.79)	(22.74)
Deferred Tax adjustment on profits eliminated resulting from Intra group transactions	-	-	22.52	(1.45)
Net Profit / (Loss) after Tax before OCI as per the IND-AS	5.20	(90.82)	163.43	(193.91)



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20. These unaudited results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings.

for Lanco Infratech Limited



G. Venkatesh Babu
Managing Director

Place : Gurgaon

Date : December 9, 2016



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

To,

**The Board of Directors
Lanco Infratech Limited**

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



4. To the extent stated in paragraphs 4 (a) to 4 (f) below, we did not review the financial results of certain component entities that comprise the Group and are included in the consolidated financial results.
- a) We did not review financial results of certain subsidiaries, whose financial results reflect total assets of Rs. 2694.25 Crores as at September 30, 2016 and total revenue of Rs.55.35 Crores for the quarter ended September 30, 2016. These financial results and other financial information for these subsidiaries have been reviewed by other auditors whose reports have been furnished to us by the Management, and our review report on the consolidated financial results is based solely on the reports of the other auditors.
 - b) We did not review the financial results of certain subsidiaries, whose financial results reflect total assets of Rs. 195.13 Crores as at September 30, 2016 and total revenue of Rs. 0.01 Crores for the quarter ended September 30, 2016. These financial results and other financial information of these subsidiaries have been prepared by the management and our review report on the consolidated financial results is based solely on the management accounts.
 - c) We did not review the financial results of certain overseas subsidiaries whose financial results, prepared under their respective accounting framework, in the aggregate, reflect total assets of Rs. 10,730.99 Crores as at September 30, 2016 and total revenue of Rs. 248.08 Crores for the quarter ended September 30, 2016. The financial results of these subsidiaries have been prepared in accordance with the respective accounting framework and have been reviewed by other auditors who have submitted their review conclusions, prepared under generally accepted auditing standards of their respective countries, to the management of the respective overseas subsidiaries, copies of which have been provided to us by the Company. The Management of the Company has converted these financial results of these overseas subsidiaries to accounting principles generally accepted in India, for the purpose of preparation of the Company's consolidated financial results. Our conclusion, thus insofar relates to amounts included in respect of these overseas subsidiaries, is based solely on the reports of other auditors.
 - d) We did not review the financial results of certain overseas subsidiaries, whose financial results reflect total assets of Rs. 184.58 Crores as at September 30, 2016 and total revenue of Rs. 8.63 Crores for the quarter ended September 30, 2016. These financial results and other financial information of these overseas subsidiaries have been prepared by the management and our review report on the consolidated financial results is based solely on the management accounts.



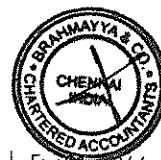
- e) We did not review the financial results of certain associates, whose financial results reflect the Group's share of Loss of Rs. 0.15 Crores for the quarter ended September 30, 2016. These financial results and other financial information for these associates have been reviewed by the other auditors whose reports have been furnished to us by the Management, and our review report on the consolidated financial results is based solely on the reports of the other auditors.
- f) We did not review the financial results of certain associates, whose financial results reflect the Group's share of Profit of Rs. 0.50 Crores for the quarter ended September 30, 2016. These financial results and other financial information of these associates have been prepared by the management and our review report on the consolidated financial results is based solely on the management accounts.
5. Without qualifying our review conclusion, attention is invited to
- a) (i) Note 4 to the consolidated financial results, regarding the adequacy of disclosure concerning the Group's ability to meet its financial obligations including repayment of various loans and unpaid interest and the ability to fund various obligations pertaining to operations including unpaid/overdue creditors, for ensuring/commencing normal operations and further investments required towards ongoing projects 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. 293.37 Crores and Rs. 791.64 Crores for the quarter and half year ended 30th September 2016 respectively and has unpaid loans and other unpaid dues aggregating Rs. 5,606.16 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) In view of certain variances in sanctioned/contracted terms under CDR scheme in regard to disbursements made and their utilization thereon, together with considerable delay in implementation of CDR scheme, eventually did not enable the Group to achieve the anticipated revival in performance levels of operations at EPC. Consequently, continued incurrence of further losses and cost overruns in projects under constructions due to delayed execution have been reported. As explained by the management, though the Group 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 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 further additional funding from various sources 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.

- 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 Quarter, received a sum of Rs. 93.40 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. 24.43 Crores towards interest as receivable, and filed a petition before HERC in this regard. 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 LAPL, a step down subsidiary of the Company, revenue continues to be recognized by LAPL on provisional basis, based on the tariff filing submitted to power purchaser for approval of tariff for the period 2014 - 2019. Pending the tariff determination, no adjustments have been made in these consolidated financial results.
- d) Note 6 to the consolidated financial results, which explains the matter in Lanco Teesta Hydro Power Limited (LTHPL), an associate of the Company relating to termination of Long Term PPA with Maharashtra State Electricity Distribution Company Limited (MSEDCL) and the time and consequential cost overrun of the project and the management's plans to meet the cost overrun of the project. There has been an extension of Commercial Operation Date (COD) due to the circumstances beyond the control of LTHPL resulting in extended execution of the Hydropower project. Lenders in their efforts to revive the Project, resorted to the Strategic Debt Restructuring (SDR) Scheme under the Reserve Bank of India (RBI)



guidelines, wherein, the lenders had converted a portion of outstanding debt and unpaid interest into equity shares, to facilitate subsequent strategic divestment. In the opinion of management, the execution of the project with the increased cost and extended timelines for bringing the assets to its intended use is still viable even taking into account the current level of low implementation activities which does not amount to interruption thus continued to capitalise all the costs including interest. The management expects that suitable arrangements for power sale would be completed in the due course and therefore the carrying value of the project asset doesn't warrant any adjustment.

- e) Note 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, in relation to LHTPPL, with regard to recoverability of cost of Development Work in Progress and Capital Work in Progress pending capitalization, which in the opinion of the management is based on its business plans envisaged on certain market assertions towards new developmental initiatives, is completely recoverable and does not warrant any adjustments in these consolidated financial results towards the carrying value. As the realization of carrying values of both categories of Work in Progress is dependent on certain factors detailed in the note and the impact if any on the 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, which explain the management's view with respect to the impact of unprecedented flash floods in Uttarakhand that seriously affected Lanco Mandakini Hydro Energy Private Limited (LMHEPL), a step down subsidiary of the Company implementing a Hydel Power Project of 76 MW capacity. The insurance survey was completed and the claims were lodged with the insurer. LMHEPL had received an interim payment from the Insurer in the financial year 2014-15 against the claim lodged. During the quarter, the restoration works were being carried out, and suitable submissions as represented by the management, were made to the Insurance Surveyors. In the assessment of management, the potential damage to the carrying value of asset is unlikely to exceed the expected insurance claim. The management is also confident that the project would achieve its scheduled commercial operation within the timelines approved/to be approved by the lenders and regulator. Relying on the assessment of the management which have not been independently evaluated by us, no adjustments have been made in these consolidated financial results.
- h) Note 9 to the consolidated financial results, dealing with cancellation of coal blocks by the Honourable Supreme Court, which included coal mine jointly allotted to Tamil Nadu Electricity Board and Maharashtra State Mining Corporation Limited, the Allottees. Mahatamil Mining and Thermal Energy Limited (MMTEL), a subsidiary of the Company, entered into Coal Mining Services Agreement with the Allottees of the mine, pursuant to



which, MMTEL incurred an amount of Rs. 204.66 Crores towards the Project, the realizability of which is dependent on the compensation to be awarded under the Ordinance issued by Government of India. The Company has obtained a legal opinion in this regard based on which, the amount incurred is considered to be recoverable, 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.

- i) Note 10 to the consolidated financial results, in relation to the carrying value of assets held by step down subsidiaries of Lanco Resources International Pte Limited (LRIPL) a subsidiary of the Company, in view of continued losses exceeding net worth of LRIPL, considering the management's initiatives to be implemented with significant financial resources to be deployed in the mining activity and the development of associated infrastructure, being the port, the management is of the view that the carrying value of the assets are realizable at the value stated therein. Accordingly, no adjustments have been made in these consolidated financial results.
- j) Note 11 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.
- k) Note 12 to the consolidated financial results, in relation to Lanco Kanpur Highways Limited (LKHL), a subsidiary of the Company, has received a notice of termination to the Concession Agreement from National Highways Authority of India (NHAI) and LKHL has also issued a notice of termination to NHAI. Arbitration proceedings have been initiated to settle the claims and the counter claims associated with the termination as per the Concession Agreement. As on September 30, 2016 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.
- l) Note 13 to the consolidated financial results, which explain the structuring undertaken by the management during the year ended March 31, 2012. The Company's investment as of March 30, 2012 in various subsidiaries and associates was transferred to wholly owned step down subsidiaries and to an associate of wholly owned step down subsidiary aggregating to Rs. 6,815.51 Crores that required lenders and customer approval. Management has received many such approvals aggregating to 96% in value, of the lenders consenting to the structuring, the management is confident of receiving balance approvals from lenders and customer and has taken the effect of these transfers while preparing these consolidated financial results. In case any of these residual approvals are not granted, the management will have to revisit the



structure and the consequential impact would then be recorded in these consolidated financial results.

- m) Note 14 to the consolidated financial results, in relation to Lanco Vidarbha Thermal Power Limited (LVTPL), a step down subsidiary of the Company, which explains the matter before the Maharashtra Electricity Regulatory Commission (MERC) relating to termination of Long Term Power Purchase Agreement (PPA) with Maharashtra State Electricity Distribution Company Limited (MSEDCL) and the Bank Guarantee encashment of Rs. 51 Crores by MSEDCL for delay in commissioning of the project beyond the Scheduled Commercial Operation Date (SCOD) as per PPA. Based on the management analysis and representation and relying on the legal expert opinion, management is of the opinion that the company can recover the Bank Guarantee amount encashed and further it is not liable to pay liquidated damages of Rs. 351.90 Crores claimed by MSEDCL. Relying on the assessment of the management on the non-tenability of the claim towards levy of liquidated damages no adjustment has been made in these consolidated financial results.
- n) Note 15 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 30th November 2016, which has set aside and remanded the matter to Uttar Pradesh Electricity Regulatory Commission (UPERC) for a fresh consideration of UPERC's earlier order dated 23rd 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 23rd November 2015, LANPL has recognised revenue of Rs. 679.19 Crores upto 30th September 2016 (which includes Rs. 49.71 Crores and Rs. 99.25 Crores for the Quarter and period ended 30th September 2016 respectively). The management is evaluating the implications of the Order with the legal experts, pending reassessment by UPERC, the financial impact, if any arising on account of the APTEL Order is not reckoned in these consolidated financial results.
- o) Note 16 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.

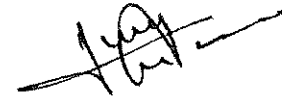
Our conclusion is not qualified in the respect of the matters reported in paragraph 4 and 5.

6. Based on our review conducted as stated above and based on the consideration of the other reports of the other auditors as referred to in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results



prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Lokesh Vasudevan
Partner
Membership No. 222320



Place : Gurgaon
Date : December 09, 2016

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

To,

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

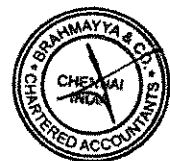
1. We have reviewed the accompanying statement of the unaudited standalone financial results of **Lanco Infratech Limited** ("the Company"), for the quarter and half year ended September 30, 2016 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Attention is drawn to the fact that the figures for the corresponding quarter and half year ended September 30, 2015 including the reconciliation of the net profit/loss for the period under Indian Accounting Standards ("Ind AS") of the corresponding period with the net profit/loss for the period reported under previous generally applicable accounting principles ("GAAP") as reported in these financial results have been approved by the Board of Directors but have not been subjected to limited review or audit.
4. Without qualifying our review conclusion, attention is invited to
 - a) (i) Note 4 to the financial results, regarding the adequacy of disclosure concerning the Company's ability to meet its financial obligations 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. 150.63 Crores and Rs. 278.40 Crores for the quarter and half year ended 30th September 2016 and has unpaid loans and other unpaid dues aggregating Rs. 2,361.79 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) In view of certain variances in sanctioned/contracted terms under CDR scheme in regard to disbursements made and their utilization thereon, together with considerable delay in implementation of CDR scheme, eventually did not enable the Company to achieve the anticipated revival in performance levels of operations at EPC. Consequently, continued incurrence of further losses and cost overruns in projects under constructions due to delayed execution have been reported. 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 further 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.



- b) Note 9 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 Allottee 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 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 10 to the financial results, in relation to the carrying value of assets held by step down subsidiaries of Lanco Resources International Pte Limited (LRIPL) a subsidiary of the Company, in view of continued losses exceeding net worth of LRIPL, considering the management's initiatives to be implemented with significant financial resources to be deployed in the mining activity and the development of associated infrastructure, being the port, the management is of the view that the carrying value of the assets are realizable at the value stated therein. Accordingly, no adjustments have been made in these financial results.
- d) Note 11 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 12 to the financial results, in relation to Lanco Kanpur Highways Limited (LKHL), a subsidiary of the Company, has received a notice of termination to the Concession Agreement from National Highways Authority of India (NHAI) and LKHL has also issued a notice of termination to NHAI. Arbitration proceedings have been initiated to settle the claims and the counter claims associated with the termination as per the Concession Agreement. As on September 30, 2016, LKHL has incurred certain costs towards the project, the realizability of these amounts is dependent on the outcome of the arbitration proceedings.



- f) Note 13 to the financial results, which explain the structuring undertaken by the management during the year ended March 31, 2012. The Company's investment as of March 30, 2012 in various subsidiaries and associates was transferred to wholly owned step down subsidiaries and to an associate of wholly owned step down subsidiary aggregating to Rs. 6,815.51 Crores that require lenders and customer approvals. Management has received many such approvals aggregating to 96% in value, of the lenders consenting to the structuring, the management is confident of receiving balance approvals from lenders and customer and has taken the effect of these transfers while preparing these financial results. In case any of these residual approvals are not granted, the management will have to revisit the structure and the consequential impact would then be recorded in these financial results.

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

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

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



Lokesh Vasudevan
Partner
Membership No. 222320



Place : Gurgaon
Date : December 09, 2016