



August 14, 2014

Mr. Hari K Vice-President Listing Department 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	Mr. S. Bhushan Mokashi Manager - Department of Corporate Services M/s. BSE Limited 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:- Intimation - Reg.

We submit herewith enclosed the Un-Audited Financial Results for the Quarter ended 30th June, 2014 duly reviewed by the Audit Committee and approved by the Board of Directors at their Meeting held on 14th August, 2014.

The receipt may kindly be acknowledged.

Thanking you,

Yours faithfully,
For LANCO INFRA TECH LIMITED

A. VEERENDRA KUMAR
COMPANY SECRETARY

Encl: As above

Lanco Infratech Limited

Corporate Office: Lanco House, Plot # 397, Udyog Vihar, Phase -3, Gurgaon- 122 016, New Delhi Region, India.
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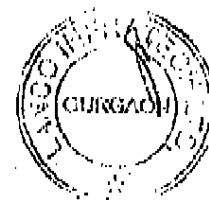
Corporate Identity No.
L45200761993PLC015545



STATEMENT OF CONSOLIDATED RESULTS FOR THE QUARTER ENDED JUNE 30, 2014

Rs. Cr

PARTICULARS	Quarter Ended		Year Ended	
	30.06.2014 (Unaudited)	31.03.2014 (Unaudited)	30.06.2013 (Unaudited)	31.03.2014 (Audited)
1 (a) Income from operations	2537.98	2727.44	2584.03	10102.81
(b) Income from power trading	105.20	75.95	309.97	539.01
(c) Other operating income	14.80	24.09	13.98	66.83
Total income from operations (Gross)	2657.98	2827.48	2897.98	10707.46
Less: Elimination of Intersegment operating income	53.48	65.21	65.51	277.42
Total income from operations (Net)	2604.50	2762.27	2832.46	10430.03
2 Expenses				
(a) Cost of materials consumed	1420.08	1837.83	1627.18	8335.90
(b) Purchase of traded goods	105.01	74.70	305.39	529.88
(c) Subcontract cost	48.16	48.89	89.28	189.16
(d) Construction, transmission, site and mining expenses	230.50	276.27	261.97	1061.47
(e) Change in inventories of finished goods and work in progress	(15.14)	42.67	(105.65)	(151.11)
(f) Employee benefits expense	88.36	68.30	104.72	386.33
(g) Depreciation & amortisation expenses	287.84	298.17	292.01	1171.91
(h) Other expenses	45.81	66.84	80.55	224.88
Total expenses	2203.16	2624.27	2484.46	9727.22
Profit / (loss) from operations before other income, foreign exchange fluctuations,				
3 finance costs, prior period items & exceptional items (1-2)	401.38	(82.00)	338.00	702.81
4 Other income	12.00	28.36	25.22	167.82
5 Add: Eliminated profit on transactions with subsidiaries	2.41	(38.28)	18.02	(15.05)
Profit / (loss) from ordinary activities before foreign exchange fluctuations,				
6 finance costs, prior period items & exceptional items plus elimination (3+4+5)	415.77	(71.84)	380.24	855.58
7 (Gain) / loss on foreign exchange fluctuations (Net)	(42.14)	(80.18)	220.63	370.87
8 Finance costs	727.93	688.66	708.74	2782.12
Profit / (loss) from ordinary activities after finance costs but before				
9 prior period items & exceptional items plus elimination (6-7-8)	(270.02)	(847.72)	(649.13)	(2277.21)
10 Exceptional items (Refer Note No. 17 to the financial results)	0.32	(167.73)	-	(179.28)
Profit / (loss) from ordinary activities before tax, prior period items				
11 plus elimination (9+10)	(269.70)	(835.45)	(649.13)	(2436.47)
12 Tax expense	28.05	(269.21)	42.59	(129.44)
Net profit / (loss) from ordinary activities after tax but before prior period				
13 items plus elimination (11-12)	(297.75)	(566.24)	(606.72)	(2327.03)
14 Extraordinary item (net of tax expense)	-	-	-	-
15 Net profit / (loss) for the period before prior period items plus elimination (13+14)	(297.75)	(566.24)	(606.72)	(2327.03)
Less: Prior period items	44.08	61.15	-	43.50
16 Net profit / (loss) for the period plus elimination	(341.81)	(527.30)	(606.72)	(2370.53)
Less: Minority interest	(38.04)	(27.86)	(30.52)	(115.84)
Add: Share of profit / (loss) of associates	(0.21)	(23.76)	(1.52)	(33.89)
Net profit / (loss) for the period plus elimination after minority interest				
17 and share of profit / (loss) of associates	(303.98)	(623.28)	(663.12)	(2238.78)
18 Less: elimination of profit on transactions with subsidiaries and associates	2.37	(38.90)	16.68	(14.90)
Net profit / (loss) after taxes, minority interest and share of				
19 profits/losses of associates (17-18)	(306.35)	(584.29)	(678.80)	(2273.88)
20 Cash profit / (27 + 2(g) + deferred tax - MAT credit + forex loss- forex gain)	(36.61)	(508.52)	(16.87)	(743.46)
21 Profit / (Loss) from ordinary activities before tax (11 - 5)	(272.11)	(797.19)	(665.15)	(2441.42)
22 Paid-up equity share capital (face value of Rs. 1/- per share)	239.63	239.24	239.24	239.24
23 Reserves excluding revaluation reserves as per balance sheet	-	-	-	1218.31
Add: Eliminated profit on transactions with subsidiaries and associates	-	-	-	-
24 till March 31, 2014	-	-	-	1601.16
Reserves excluding revaluation reserves plus eliminated profit on transaction				
25 with subsidiaries and associates (23 + 24)	-	-	-	2719.47
26 Earning per share (EPS) before & after extraordinary items (not annualised)				
- Basic	(1.30)	(2.48)	(2.47)	(9.68)
- Diluted	(1.30)	(2.48)	(2.47)	(9.68)



Lanco Infratech Limited

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SELECT INFORMATION FOR THE QUARTER ENDED JUNE 30, 2014

PARTICULARS	Quarter Ended		Year Ended	
	30.06.2014 (Unaudited)	31.03.2014 (Unaudited)	30.06.2013 (Unaudited)	31.03.2014 (Audited)
A PARTICULARS OF SHAREHOLDING				
1. Public shareholding				
- Number of shares	718587415	718482137	704566008	718482137
- Percentage of shareholding	29.84	29.84	29.26	29.84
2. Promoters and promoter group shareholding				
a) Pledged / Encumbered				
- Number of shares	1567853069	1308318000	1308318000	1308318000
- Percentage of shares (As a % of the total shareholding of promoter & promoter group)	92.80	77.45	76.81	77.45
- Percentage of shares (As a % of the total share capital of the company)	65.11	54.34	54.34	54.34
b) Non - encumbered				
- Number of shares	121554448	381004783	384820912	381004783
- Percentage of shares (As a % of the total shareholding of promoter & promoter group)	7.20	22.55	23.19	22.55
- Percentage of shares (As a % of the total share capital of the company)	5.05	15.82	16.40	15.82
B INVESTOR COMPLAINTS	Quarter Ended 30.06.2014			
Pending at the beginning of the quarter	NIL			
Received during the quarter				
Disposed off during the quarter				
Remaining unresolved at the end of the quarter	NIL			

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**SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED UNDER CLAUSE 41 OF THE LISTING AGREEMENT-
CONSOLIDATED**

		Rs. Cr		
PARTICULARS	30.06.2014 (UnAudited)	Quarter Ended		Year Ended 31.03.2014 (Audited)
		31.03.2014 (UnAudited)	30.06.2013 (UnAudited)	
1 Segment Revenue				
(a) EPC & Construction	348.07	670.42	538.19	2387.74
(b) Power	2117.38	2088.50	2038.47	7581.23
(c) Property Development	12.81	(67.73)	88.88	196.21
(d) Infrastructure	28.18	-	-	-
(e) Resources	156.44	145.38	219.97	881.10
(f) Unallocated	11.58	35.72	30.48	92.92
Total	2873.42	2860.28	2810.85	10899.20
Less: Inter Segment Revenue	63.48	85.21	66.51	277.42
Net Sales/Income from Operations	2819.98	2785.08	2845.44	10621.78
2 Segment Results (Profit(+)/ Loss(-) before tax and interest from each segment)				
(a) EPC & Construction	(28.12)	(367.27)	(18.02)	(486.87)
(b) Power	455.73	322.45	315.45	1411.04
(c) Property Development	0.52	(4.87)	7.20	15.73
(d) Infrastructure	8.41	-	-	-
(e) Resources	33.73	(112.20)	(142.97)	(565.81)
(f) Unallocated	(8.58)	(13.32)	(4.28)	(44.40)
Total	481.68	(175.01)	166.38	329.59
Less: Inter Segment Profit on transactions with Subsidiaries	2.41	(38.29)	16.02	(15.05)
Total	459.28	(136.72)	140.36	344.64
Less :				
(i) Interest	727.93	665.98	708.74	2782.12
(ii) Other Un-allocable Expense (Net of Un-allocable Income)	3.48	4.48	(3.23)	23.94
Total Profit Before Tax	(272.11)	(797.16)	(565.15)	(2441.42)
3 Capital Employed (Segment Assets - Segment Liabilities)				
(a) EPC & Construction	(1891.66)	(1727.82)	(1610.82)	(1727.82)
(b) Power	32126.86	31984.37	32078.92	31984.37
(c) Property Development	1801.24	1813.04	1780.91	1813.04
(d) Infrastructure	2103.89	720.02	793.50	720.02
(e) Resources	6850.02	6842.88	6527.61	6642.66
(f) Unallocated	(38338.85)	(37137.28)	(35673.37)	(37137.28)
Total	2351.60	2295.02	3884.85	2295.02



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Corporate Identity Number: L45200TG1893PLCO15545

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STATEMENT OF STANDALONE RESULTS FOR THE QUARTER ENDED JUNE 30, 2014

(Rs. Cr)

PARTICULARS	Quarter Ended		Year Ended	
	30.06.2014 (Unaudited)	31.03.2014 (Unaudited)	30.06.2013 (Unaudited)	31.03.2014 (Audited)
1 (a) Income from operations	381.73	713.47	559.09	2229.90
(b) Other operating income	2.46	2.10	1.75	6.60
Total income from operations	384.19	715.57	560.84	2236.40
2 Expenditure				
(a) Cost of materials consumed	168.88	636.22	366.18	1798.46
(b) Subcontract cost	65.30	118.28	102.35	383.39
(c) Construction, Transmission and Site Expenses	22.63	26.70	20.63	117.70
(d) Change in inventories of construction work in progress	18.22	170.04	(143.07)	(151.47)
(e) Employee benefits expense	43.42	40.17	56.22	185.60
(f) Depreciation & amortisation expenses	33.30	27.43	30.05	117.24
(g) Other expenses	20.32	49.45	21.12	128.68
Total expenses	389.87	1065.27	485.48	2557.78
Profit / (Loss) from operations before other income, foreign exchange fluctuations, finance costs & exceptional items (1-2)	(5.68)	(349.70)	105.36	(321.38)
4 Other Income	27.05	32.76	20.25	102.97
Profit / (Loss) from ordinary activities before foreign exchange fluctuations, finance costs & exceptional items (3+4)	21.37	(316.94)	125.61	(218.41)
6 Loss/(Gain) on foreign exchange fluctuations (Net)	1.45	(15.65)	87.49	112.95
7 Finance costs	168.84	159.00	158.15	627.73
Profit / (Loss) from ordinary activities after foreign exchange fluctuations, finance costs but before exceptional items (5-6-7)	(148.92)	(460.29)	(118.03)	(959.09)
9 Exceptional items	-	(9.37)	-	(0.90)
10 Profit / (Loss) from ordinary activities before tax (8+9)	(148.92)	(469.66)	(118.03)	(959.99)
11 Tax expense	-	-	-	-
12 Net Profit / (Loss) from ordinary activities after tax (10-11)	(148.92)	(469.66)	(118.03)	(959.99)
13 Extraordinary item (net of tax expense)	-	-	-	-
14 Net Profit / (Loss) for the period (12+13)	(148.92)	(469.66)	(118.03)	(959.99)
15 Paid-up equity share capital (face value of Rs. 1/- per share)	239.63	239.24	239.24	239.24
Reserves excluding revaluation reserves as per balance sheet of				
16 March 31, 2014				2434.65
17 Earning per share (EPS) in Rupees before & after extraordinary items (not annualised)				
- Basic	(0.63)	(1.99)	(0.50)	(4.08)
- Diluted	(0.63)	(1.99)	(0.50)	(4.08)

**Lanco Infratech Limited**

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SELECT INFORMATION FOR THE QUARTER ENDED JUNE 30, 2014

PARTICULARS	Quarter Ended			Year Ended
	30.06.2014 (Unaudited)	31.03.2014 (Unaudited)	30.06.2013 (Unaudited)	31.03.2014 (Audited)
A PARTICULARS OF SHAREHOLDING				
1 Public shareholding				
- Number of shares	718587415	718482137	704586008	718482137
- Percentage of shareholding	29.84	29.84	29.28	29.84
2 Promoters and promoter group shareholding				
a) Pledged / Encumbered				
- Number of shares	1557853059	1308318000	1308318000	1308318000
- Percentage of shares				
(As a % of the total shareholding of promoter & promoter group)	92.80	77.45	76.81	77.45
- Percentage of shares (As a % of the total share capital of the company)	55.11	54.34	54.34	54.34
b) Non - encumbered				
- Number of shares	121554445	381004783	384820812	381004783
- Percentage of shares				
(As a % of the total shareholding of promoter & promoter group)	7.20	22.55	23.19	22.55
- Percentage of shares (As a % of the total share capital of the company)	5.03	15.82	15.40	15.82
PARTICULARS	Quarter Ended			
	30.06.2014			
B INVESTOR COMPLAINTS				
Pending at the beginning of the quarter	NIL			
Received during the quarter	1			
Disposed off during the quarter	1			
Remaining unsolved at the end of the quarter	NIL			



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SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED UNDER CLAUSE 41 OF THE LISTING AGREEMENT - STANDALONE

PARTICULARS	Quarter Ended		Year Ended	
	30.06.2014 (Unaudited)	31.03.2014 (Unaudited)	30.06.2013 (Unaudited)	31.03.2014 (Audited)
1 Segment Revenue				
(a) EPC & Construction	322.72	675.91	528.83	2107.04
(b) Power	20.28	19.68	20.42	74.47
(c) Infrastructure	11.19	19.98	11.59	54.89
Net Sales/Income from Operations	354.19	715.57	560.84	2236.40
2 Segment Results (Profit(+)/ Loss(-) before tax and interest from each segment)				
(a) EPC & Construction	(18.40)	(355.12)	(1.09)	(476.96)
(b) Power	9.71	9.08	18.97	43.32
(c) Infrastructure	1.88	1.83	1.70	7.07
(d) Unallocated	(0.12)	10.18	(2.71)	(7.78)
Total	(7.13)	(334.05)	17.87	(434.33)
Less:				
(i) Interest	168.84	168.37	156.15	828.63
(ii) Other Un-allocable Expenses (Net off Un-allocable income)	(27.06)	(32.78)	(20.25)	(102.97)
Total Profit Before Tax	(148.92)	(465.68)	(118.03)	(959.99)
3 Capital Employed (Segment Assets- Segment Liabilities)				
(a) EPC & Construction	(5184.07)	(4754.87)	(4187.54)	(4754.87)
(b) Power	536.43	534.48	539.87	534.46
(c) Infrastructure	11246.69	11136.82	10426.12	11136.82
(d) Unallocated	(4079.70)	(4242.72)	(3284.02)	(4242.72)
Total	2519.35	2673.89	3523.42	2673.86

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NOTES IN RELATION TO THE FINANCIAL RESULTS

1. The reported consolidated Net Operating Income and Net Profit have been arrived at after eliminating inter-company transactions as per Accounting Standard (AS) 21 "Consolidated Financial Statements" and Accounting Standard (AS) 23 "Accounting for Investments in Associates in Consolidated Financial Statements". 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 is presented as under:

Particulars	Quarter Ended (Unaudited)			Rs. Cr Year Ended (Audited)
	June 30, 2014	March 31, 2014	June 30, 2013	March 31, 2014
Reported Net Operating Income	2604.52	2762.27	2822.46	10430.03
Elimination of Intersegment Operating Income	53.48	65.21	65.51	277.42
Total Income before elimination	2657.98	2827.48	2887.98	10707.45
Reported Net Profit / (loss)	(306.35)	(584.28)	(578.80)	(2273.88)
Elimination as per AS 21 & 23	2.37	(38.99)	15.88	(14.90)
Forex loss / (gain)	(42.14)	(80.18)	220.53	370.67
Net Profit before elimination & Forex loss / (gain)	(346.12)	(703.46)	(342.49)	(1918.11)

2. The Information on Standalone Financial Results

Particulars	Quarter Ended (Unaudited)			Rs. Cr Year Ended (Audited)
	June 30, 2014	March 31, 2014	June 30, 2013	March 31, 2014
Income from operations	354.19	715.57	560.84	2236.40
PBT	(148.92)	(469.66)	(118.03)	(959.99)
PAT	(148.92)	(469.66)	(118.03)	(959.99)
Forex loss / (gain)	1.45	(15.65)	87.48	112.86
PAT before forex loss / (gain)	(147.47)	(485.31)	(30.54)	(847.04)

3. During the quarter ended March 31, 2012, 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 88% 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 a subject matter of qualification in the audit report of the Statutory Auditors for the year ended March 31, 2014, March 31, 2013 and March 31, 2012 and limited review report for the quarter ended June 30, 2014.



Lanco Infratech Limited

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4. With respect to Lanco Amarkantak Power Limited (LAPL) one of the step down subsidiary of the company, terminated its PPA with PTC for supply of power to HPGCL from its Unit - 2 for non-compliance of certain PPA covenants, which is currently under litigation. LAPL has recognised its revenue as per the Central Electricity Regulatory Commission (CERC) tariff rate based on the application filed with HERC to fix or approve the tariff pursuant to the Supreme Court order dated December 16, 2011. APTEL vide its order dated January 03, 2014, set aside the tariff determined by the HERC on October 17, 2012 which is not in consonance with the remand order of the Hon'ble Supreme Court and directed the HERC to re-determine the interim tariff. HERC has commenced the process of re-determination of tariff. HPGCL has filed an appeal before Hon'ble Supreme Court requesting to set aside APTEL order dated January 03, 2014. The Hon'ble Supreme Court has directed to list this case along with the appeal of the Company. Pending the outcome of the tariff redetermination by HERC, the Management based on its assessment is confident that the rate to be re-determined by HERC will be the same rate as adopted by the company on provisional basis as per CERC norms, hence no adjustments has been done in the accompanying results for the differential revenue recognized during the previous years (Rs.99.25 Cr and 95.99 Cr for the years ended March 31, 2013 and March 31, 2012 respectively), whereas the payments have been released by the procurer on the basis of erstwhile PPA capped tariff rate and consequently the receivables are higher by Rs.195.24 Cr as at June 30, 2014 (Rs.195.24 Cr as at March 31, 2014, Rs.195.24 Cr as at March 31, 2013 and Rs. 95.99 Cr as at March 31, 2012). This is a subject matter of qualification in the auditor's report of the Statutory Auditors for the years ended March 31, 2014, March 31, 2013 and March 31, 2012 and limited review report for the quarter ended June 30, 2014.
5. During the quarter ended June 30, 2014 some of the foreign subsidiaries could not complete the audit of their financials, hence the financials prepared by the Management has been considered in consolidation. Accordingly total assets of Rs.7,454.18 Cr as at June 30, 2014, the total revenue of Rs. 167.37 Cr and total net loss of Rs. 51.91 Cr for the quarter ended June 30, 2014, has been taken from the financials prepared by the Management under Indian GAAP. This is a subject matter of qualification in the auditor's report for the year ended March 31, 2014 and March 31, 2013 and limited review report for the quarter ended June 30, 2014.
6. (a) With respect to one of the step down subsidiary of the company i.e., Lanco Kondapalli Power Limited (LKPL), phase III expansion project is getting ready for operations and operations of Phase II plant are stalled due to shortage of gas. LKPL has approached its phase III lenders for reschedule of commercial operation date (COD) and repayment of project term loans. The majority of the lenders approved the proposal. LKPL is actively pursuing/making representations with various government authorities to secure the gas, which is in short supply now. LKPL is closely monitoring the macro situation and is evaluating various approaches/alternatives to augment the gas supply. The Management is confident that the Government of India would take necessary steps/initiatives in this regard. This is an emphasis of matter in the auditor's report for the year ended March 31, 2014 and March 31, 2013 and limited review report for the quarter ended June 30, 2014.
- (b) During the quarter ended June 30, 2014 LKPL has capitalised Rs. 62.29 Cr (from July 01, 2013 to June 30, 2014 Rs. 231.81 Cr) borrowing costs incurred on loans pertaining to Phase III plant which is yet to complete commissioning activities in respect of which LKPL has to secure the supply of requisite natural gas. As the supply of natural gas is under the control of Government of India and the present situation is beyond the control of LKPL, it has approached Ministry of Corporate Affairs (MCA) seeking relaxation from the applicability of provisions of SE 16 to continue the capitalisation of borrowing costs. This is a subject matter of qualification in the auditor's report for the year ended March 31, 2014 and limited review report for the quarter ended June 30, 2014.



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7. With respect to supply of power by Udupi Power Corporation Limited (UPCL) – 1200 MW one of the step down subsidiary of the Company, CERC has determined tariff for both the units on February 20, 2014. Appeals were filed by the Principal Buyers and the UPCL independently during the quarter against the tariff order which is yet to be heard by the Appellate Tribunal. Billing for the energy supplied from April 01, 2014 is made at the tariff approved by the commission and applicable as on March 31, 2014 for the period starting from April 01, 2014 in accordance with regulation 7 (8) (i) CERC (Terms and Conditions of Tariff) Regulations, 2014. Balances representing Sundry Debtors and the amount of Sales revenue recognized are based on final tariff order issued by CERC. This is an emphasis of matter in the auditor's report for the year ended March 31, 2014 and March 31, 2013 and limited review report for the quarter ended June 30, 2014.
8. As at June 30, 2014 the Group has receivables from various State Electricity Utility companies and other customers for sale of power aggregating to Rs. 3,032.50 Cr (Rs. 2,823.45 Cr as at March 31, 2014), net current liabilities of Rs.1,911.42 Cr and current maturities of long term borrowings Rs.1,750.26 Cr. Based on internal assessment and various discussions had 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 coal, non availability of gas, pending tariff clarity and delayed payments from the customers is posing challenges for meeting the cash flow needs. However the Group has actively engaged in resolving in 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 of the company and the aspects like inviting 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 construction and 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 to 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 current low level period of construction. This is an emphasis of matter in the auditor's report for the year ending March 31, 2014 and March 31, 2013 and limited review report for the quarter ended June 30, 2014.
9. A step down subsidiary of the company has provided further mobilization advance to the Company, as it executes Engineering, Procurement & Construction (EPC) contract for this step down subsidiary, the outstanding as at June 30, 2014 is Rs. 636.16 Cr, which requires approval by their respective lenders. The Company has to receive Rs. 368.10 Cr retention money from the said step down subsidiary and it obtained the approval of some of the lenders for release of the retention money against providing the Bank Guarantee by the Company. The process of approval from the balance lenders is in progress and the Management is confident of obtaining the same. The said mobilization advance and retention money have been eliminated while preparing these consolidated financial statements. Pending final approval of the lenders 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 and March 31, 2013 and limited review report for the quarter ended June 30, 2014.



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10. Lanco Anpara Power Limited - 1200 MW (LANPL) one of the step down subsidiary of the company, started its operations in December 2011, had incurred losses as plant is operating at sub optimal levels since inception due to initial stabilizing issues and coal infrastructure constraints. Due to non fulfillment of certain obligations by buyers - Uttar Pradesh State Power Distribution Companies under the PPA with the company for sale of 1,100 MW power, LANPL has terminated the PPA and exercised the option available under PPA. The LANPL filed petition before UPERC for resolution of options. The Management is taking constructive and necessary steps to improve the operating levels of the plant in future and of the view that the carrying value of Assets of LANPL are realizable at the value stated therein. This is an emphasis of matter in the auditor's report for the year ended March 31, 2014 and March 31, 2013 and limited review report for the quarter ended June 30, 2014.
11. One of the step down subsidiary 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 has requested the customer to revise the PPA Tariff for viability of the project. As there was no positive response from the customer, on June 20, 2012, LTHPL has filed petition seeking tariff determination with MERC. LTHPL approached lenders for funding the cost overrun and lead lenders approved the proposal. 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. The Management is confident that even after considering the cost overruns and delays in execution there is viability in the project and hence 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 and March 31, 2013 and limited review report for the quarter ended June 30, 2014.
12. With respect to Lanco Hills Technology Park Private Limited (LHTPPL) one of the subsidiaries 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 Hon'ble High Court of Andhra Pradesh before the Hon'ble Supreme Court, which granted an interim stay against the orders of Hon'ble High Court of Andhra Pradesh and the Wakf Tribunal. Pending the final outcome of appeal before the Hon'ble Supreme Court, the management based upon its assessment and legal advice 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 and March 31, 2013 and limited review report for the quarter ended June 30, 2014.
13. With respect to Lanco Mandakini Hydro Energy Private Limited (LMHEPL) one of the step down subsidiary of the company is 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 Rudrapur 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. The Insurance survey has been completed and the claims have been lodged with the insurer. During the quarter on-account payment received from the insurer against lodged claim. 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 and limited review report for the quarter ended June 30, 2014.



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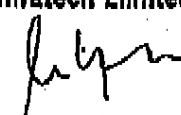
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14. During the year ended March 31, 2012, in line with the Notification dated December 29, 2011 issued by the MCA, group has selected the option given in paragraph 46A of the Accounting Standard – 11, "The Effects of Changes in Foreign Exchange Rates" with effect from April 1, 2011, the foreign exchange (gain) / loss arising on revaluation of long term foreign currency monetary items in so far as they relate to the acquisition of depreciable capital assets to be depreciated over the balance life of such assets and in other cases the foreign exchange (gain) / loss to be amortised over the balance period of such long term foreign currency monetary items. On availment of option under this notification, foreign exchange difference remains unamortized is Rs. 986.26 Cr.
15. During the quarter consequent to purchase of shares by the company, two of its associate companies have become the subsidiaries, accordingly consolidated as per the principles of AS 21.
16. During the quarter management reassessed the depreciation rates and remaining useful life of assets as required by Schedule – II of the Companies Act 2013 with effect from April 1, 2014. Consequent to which, in the consolidated financial results the depreciation for the quarter ended June 30, 2014 is higher and profit before tax is lower to the extent of Rs. 3.53 Cr and as per the transitional provision, depreciation of Rs. 9.24 Cr (net of deferred tax Rs. 0.08 Cr) has been adjusted against the retained earnings.
17. Exceptional item for the quarter ended June 30, 2014 is on sale of step down subsidiaries.
18. Prior period item for the quarter ended June 30, 2014 is on account of provision for accruals related to underutilized coal export facilities in one of the step down subsidiaries of the company.
19. Subsequent to quarter ended June 30, 2014 the company along with its step down subsidiary has entered into a transaction for sale of their 100% stake in Udupi Power Corporation Limited – 1200 MW Import coal based thermal power plant situated in Karnataka, India. The impact of this transaction has not been considered in these results. This is an emphasis of matter in the limited review report for the quarter ended June 30, 2014.
20. Previous periods figures have been regrouped, reclassified and restated to conform to those of the current period.
21. These unaudited results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings.

for Lanco Infratech Limited

Place : Gurgaon
Date : August 14, 2014


G. Venkatesh Babu
Managing Director

**Lanco Infratech Limited**

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