

STATEMENT OF CONSOLIDATED RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2013

Rs. in Cr

PARTICULARS	Quarter Ended			Half Year Ended		Year Ended
	30.09.2013 (Unaudited)	30.06.2013 (Unaudited)	30.09.2012 (Unaudited)	30.09.2013 (Unaudited)	30.09.2012 (Unaudited)	31.03.2013 (Audited)
1 (a) Income from operations	2371.04	2564.03	2968.96	4935.07	6401.31	12683.25
(b) Income from power trading	110.21	309.97	734.47	420.18	1284.61	2187.85
(c) Other operating income	14.50	13.96	20.59	28.46	36.55	75.90
Total income from operations (Gross)	2495.75	2887.96	3724.02	5383.71	7722.47	15147.00
Less: Elimination of intersegment operating income	29.35	65.51	539.25	94.66	1041.96	1408.20
Total income from operations (Net)	2466.40	2822.45	3184.77	5288.85	6680.51	13738.80
2 Expenses						
(a) Cost of materials consumed	1365.34	1527.18	1341.08	2892.52	3096.97	6469.20
(b) Purchase of traded goods	107.82	305.39	726.68	413.21	1270.99	2161.25
(c) Subcontract cost	47.36	38.28	130.36	85.64	245.56	560.87
(d) Construction, transmission, site and mining expenses	276.20	261.97	309.28	538.17	613.99	1318.64
(e) Change in inventories of finished goods and work in progress	(41.54)	(105.65)	(105.64)	(147.19)	(194.00)	(454.05)
(f) Employee benefits expense	108.98	104.72	167.02	213.70	352.83	618.45
(g) Depreciation & amortisation expenses	294.32	292.01	279.87	586.33	535.23	1125.81
(h) Other expenses	53.05	60.55	94.62	113.60	187.15	482.48
Total expenses	2211.53	2484.45	2943.27	4695.98	6108.72	12282.65
Profit / (loss) from operations before other income, foreign exchange fluctuations, finance costs, prior period items & exceptional items (1-2)	254.87	338.00	241.50	592.87	571.79	1456.15
4 Other income	39.53	26.22	24.64	65.75	56.73	148.86
5 Add: Eliminated profit on transactions with subsidiaries	5.22	16.02	(12.23)	21.24	32.85	(17.58)
Profit / (loss) from ordinary activities before foreign exchange fluctuations, finance costs, prior period items & exceptional items plus elimination (3+4+5)	299.62	380.24	253.91	679.86	661.37	1587.43
7 (Gain) / loss on foreign exchange fluctuations (Net)	151.08	220.63	(212.33)	371.71	17.91	77.49
8 Finance costs	719.15	708.74	526.72	1427.89	1065.61	2421.44
Profit / (loss) from ordinary activities after finance costs but before prior period items & exceptional items plus elimination (6-7-8)	(570.61)	(549.13)	(60.48)	(1119.74)	(422.15)	(911.50)
10 Exceptional items						
Profit / (loss) from ordinary activities before tax, prior period items plus elimination (9+10)	(570.61)	(549.13)	(60.48)	(1119.74)	(422.15)	(911.50)
12 Tax expense	46.68	42.59	62.59	89.27	84.42	179.62
Net profit / (loss) from ordinary activities after tax but before prior period items plus elimination (11-12)	(617.29)	(591.72)	(123.07)	(1209.01)	(506.57)	(1091.12)
14 Extraordinary item (net of tax expense)						
Net profit / (loss) for the period before prior period items plus elimination (13+14)	(617.29)	(591.72)	(123.07)	(1209.01)	(506.57)	(1091.12)
Less: Prior period items	(17.65)		5.96	(17.65)	5.96	(12.62)
16 Net profit / (loss) for the period plus elimination	(599.64)	(591.72)	(129.03)	(1191.36)	(512.53)	(1078.50)
Less: Minority interest	(26.31)	(30.52)	22.90	(56.83)	22.30	(11.22)
Add: Share of profit / (loss) of associates	(3.07)	(1.92)	4.15	(4.99)	1.08	(2.88)
Net profit / (loss) for the period plus elimination after minority interest and share of profit / (loss) of associates	(576.40)	(563.12)	(147.78)	(1139.52)	(533.75)	(1070.16)
18 Less: elimination of profit on transactions with subsidiaries and associates	4.68	15.68	(11.85)	20.36	43.34	3.14
Net profit / (loss) after taxes, minority interest and share of profits / (loss) of associates (17-18)	(581.08)	(578.80)	(135.93)	(1,159.88)	(577.09)	(1073.30)
20 Cash profit / (17 + 2(g) + deferred tax - MAT credit + forex loss- forex gain)	(95.24)	(16.87)	(49.63)	(112.11)	57.18	232.92
21 Profit (+) / Loss (-) from ordinary activities before tax (11 - 5)	(576.83)	(565.15)	(48.25)	(1140.98)	(455.00)	(893.92)
22 Paid-up equity share capital (face value of Rs.1/- per share)	239.24	239.24	239.01	239.24	239.01	239.24
23 Reserves excluding revaluation reserves as per balance sheet						3433.22
Add: Eliminated profit on transactions with subsidiaries and associates till March 31, 2013						1516.06
Reserves excluding revaluation reserves plus eliminated profit on transaction with subsidiaries and associates (23 + 24)						4949.28
26 Earning per share (EPS) before & after extraordinary items (not annualised)						
- Basic	(2.48)	(2.47)	(0.58)	(4.94)	(2.47)	(4.58)
- Diluted	(2.48)	(2.47)	(0.58)	(4.95)	(2.47)	(4.58)

SELECT INFORMATION FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2013

PARTICULARS	Quarter Ended			Half Year Ended		Year Ended
	30.09.2013 (Unaudited)	30.06.2013 (Unaudited)	30.09.2012 (Unaudited)	30.09.2013 (Unaudited)	30.09.2012 (Unaudited)	31.03.2013 (Audited)
A PARTICULARS OF SHAREHOLDING						
1 Public shareholding						
- Number of shares	707189075	704566008	674105518	707189075	674105518	703458090
- Percentage of shareholding	29.37	29.26	28.00	29.37	28.00	29.22
2 Promoters and promoter group shareholding						
(a) Pledged / Encumbered						
- Number of shares	1308318000	1308318000	1112709000	1308318000	1112709000	1126918000
- Percentage of shares						
(As a % of the total shareholding of promoter & promoter group)	76.93	76.81	64.18	76.93	64.18	66.12
- Percentage of shares						
(As a % of the total share capital of the company)	54.34	54.34	46.21	54.34	46.21	46.80
(b) Non - encumbered						
- Number of shares	392297845	394920912	620990402	392297845	620990402	577428830
- Percentage of shares						
(As a % of the total shareholding of promoter & promoter group)	23.07	23.19	35.82	23.07	35.82	33.88
- Percentage of shares						
(As a % of the total share capital of the company)	16.29	16.40	25.79	16.29	25.79	23.98
B INVESTOR COMPLAINTS						
Pending at the beginning of the quarter	Quarter Ended 30.09.2013					
Received during the quarter						
Disposed off during the quarter						
Remaining unsolved at the end of the quarter						

Lanco Infratech Limited

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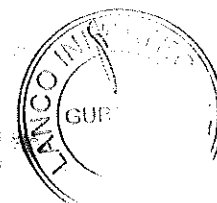
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SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED UNDER CLAUSE 41 OF THE LISTING AGREEMENT- CONSOLIDATED

Rs. in Cr

	PARTICULARS	Quarter Ended			Half Year Ended		Year Ended
		30.09.2013 (Unaudited)	30.06.2013 (Unaudited)	30.09.2012 (Unaudited)	30.09.2013 (Unaudited)	30.09.2012 (Unaudited)	31.03.2013 (Audited)
1	Segment Revenue						
	(a) EPC & Construction	534.58	538.19	1299.55	1072.77	2977.77	5382.17
	(b) Power	1742.92	2035.47	2225.57	3778.39	4356.11	8662.58
	(c) Property Development	96.31	86.86	34.68	183.17	41.79	167.73
	(d) Infrastructure						
	(e) Resources	159.07	219.97	165.76	379.04	337.34	954.05
	(f) Unallocated	14.78	30.46	19.92	45.24	39.64	93.17
	Total	2547.66	2910.95	3745.48	5458.61	7752.65	15259.70
	Less: Inter Segment Revenue	29.35	65.51	539.25	94.86	1041.96	1408.20
	Net Sales/Income from Operations	2518.31	2845.44	3206.23	5363.75	6710.69	13851.50
2	Segment Results (Profit(+)/ Loss(-) before tax and Interest from each segment)						
	(a) EPC & Construction	(70.70)	(19.02)	176.84	(89.72)	280.59	686.05
	(b) Power	361.20	315.45	352.32	676.65	525.21	1098.62
	(c) Property Development	7.68	7.20	0.12	14.88	(2.55)	1.86
	(d) Infrastructure						
	(e) Resources	(140.99)	(142.97)	(77.53)	(283.96)	(204.19)	(300.80)
	(f) Unallocated	3.73	(4.28)	11.31	(0.55)	17.85	(11.95)
	Total	160.92	156.38	463.06	317.30	616.91	1473.78
	Less: Inter Segment Profit on transactions with Subsidiaries	5.22	16.02	(12.23)	21.24	32.85	(17.58)
	Total	155.70	140.36	475.29	296.06	584.06	1491.36
	Less:						
	(i) Interest	719.15	708.74	526.72	1427.89	1065.61	2421.44
	(ii) Other Un-allocable Exp. (Net of Un-allocable income)	12.38	(3.23)	(3.18)	9.15	(26.55)	(36.16)
	Total Profit Before Tax	(575.83)	(565.15)	(48.25)	(1,140.98)	(455.00)	(893.92)
3	Capital Employed (Segment Assets - Segment Liabilities)						
	(a) EPC & Construction	(1493.28)	(1510.62)	(2813.63)	(1493.28)	(2813.63)	(2158.22)
	(b) Power	32246.16	32076.92	33025.33	32246.16	33025.33	32498.33
	(c) Property Development	1813.81	1780.91	1769.80	1813.81	1769.80	1752.51
	(d) Infrastructure	801.93	793.50	668.07	801.93	668.07	783.09
	(e) Resources	6905.66	6527.61	6548.00	6905.66	6548.00	6389.12
	(f) Unallocated	(36734.41)	(35673.37)	(34047.25)	(36734.41)	(34047.25)	(34658.19)
	Total	3539.87	3994.95	5150.32	3539.87	5150.32	4606.64


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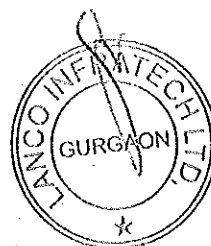
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CONSOLIDATED STATEMENT OF ASSETS & LIABILITIES

Rs. in Cr

PARTICULARS		As at	
		30.09.2013 (Unaudited)	31.03.2013 (Audited)
A	EQUITY & LIABILITIES		
1	Shareholders' fund		
	(a) Share capital	239.24	239.24
	(b) Reserves & surplus	2423.31	3433.22
	Shareholders' fund	2662.55	3672.46
	Add: Eliminated profit on transactions with subsidiaries and associates (Elimination)	1536.42	1516.06
	Shareholders' fund plus elimination	4198.97	5188.52
2	Share application money pending allotment	-	-
3	Minority interest	877.32	934.18
	Net worth plus elimination (1+2+3)	5076.29	6122.70
	Less: Elimination	1536.42	1516.06
	Sub total - Net worth	3539.87	4606.64
4	Non - Current Liabilities		
	(a) Long - term borrowings	27343.36	26004.34
	(b) Deferred tax liability (net)	722.54	641.07
	(c) Other long - term liabilities	2843.37	3605.28
	(d) Long - term provisions	806.85	720.87
	Sub-total - Non current liabilities	31716.12	30971.56
5	Current Liabilities		
	(a) Short - term borrowings	6565.05	5372.51
	(b) Trade payables	4191.77	4514.53
	(c) Other current liabilities	5732.96	5171.76
	(d) Short - term provisions	142.53	184.26
	Sub-total - Current liabilities	16632.31	15243.06
	TOTAL - EQUITY & LIABILITIES	51888.30	50821.26
B	ASSETS		
1	Non - current assets		
	(a) Fixed assets	35996.55	34754.76
	(b) Non - current investments	2893.46	2896.05
	(c) Deferred tax assets (net)	41.11	36.67
	(d) Long - term loans & advances	662.90	909.11
	(e) Other non - current assets	723.12	737.38
	Sub-total - Non - current assets	40317.14	39333.96
2	Current Assets		
	(a) Current investments	41.33	5.55
	(b) Inventories	3404.39	3097.58
	(c) Trade receivables	4346.25	4657.62
	(d) Cash & cash equivalents	484.81	572.81
	(e) Short - term loans & advances	3026.54	2960.45
	(f) Other current assets	267.84	193.29
	Sub-total - Current assets	11571.16	11487.30
	TOTAL - ASSETS	51888.30	50821.26


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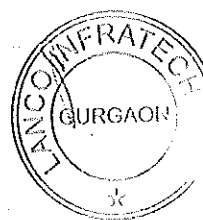
STATEMENT OF STANDALONE RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2013

PARTICULARS	Quarter Ended		Half Year Ended		Year Ended	
	30.09.2013 (Unaudited)	30.06.2013 (Unaudited)	30.09.2012 (Unaudited)	30.09.2013 (Unaudited)	30.09.2012 (Unaudited)	31.03.2013 (Audited)
1 (a) Income from operations	499.98	559.09	1158.03	1059.07	2739.09	4729.41
(b) Other operating income	1.47	1.75	2.85	3.22	6.60	11.70
Total income from operations	501.45	560.84	1160.88	1062.29	2745.69	4741.11
2 Expenditure						
(a) Cost of materials consumed	344.12	368.18	572.62	712.31	1522.93	2597.38
(b) Purchase of Traded Goods	-	-	140.93	-	140.93	289.06
(c) Subcontract cost	84.24	102.35	232.17	186.59	546.91	852.03
(d) Construction, Transmission and Site Expenses	42.85	20.63	47.42	63.48	87.70	157.39
(e) Change in inventories of finished goods and work in progress	(84.69)	(143.07)	(110.12)	(227.76)	(133.40)	(342.99)
(f) Employee benefits expense	55.08	56.22	101.27	111.30	216.21	365.66
(g) Depreciation & amortisation expenses	30.61	30.05	31.97	60.66	64.24	127.49
(h) Other expenses	34.64	21.12	34.66	55.76	76.05	127.28
Total expenses	506.85	455.48	1050.92	962.34	2521.57	4173.30
3 Profit / (loss) from operations before other income, foreign exchange fluctuations, finance costs & exceptional items (1-2)	(5.40)	105.36	109.96	99.95	224.12	567.81
4 Other income	24.46	20.25	14.90	44.71	30.85	81.64
5 Profit / (loss) from ordinary activities before foreign exchange fluctuations, finance costs & exceptional items (3+4)	19.06	125.61	124.86	144.66	254.97	649.45
6 (Gain)/Loss on foreign exchange fluctuations (Net)	51.07	87.49	(22.17)	138.56	9.05	38.90
7 Finance costs	157.83	156.15	139.83	313.97	286.11	600.32
8 Profit / (Loss) from ordinary activities after foreign exchange fluctuations, finance costs but before exceptional items (5-6-7)	(189.84)	(118.03)	7.20	(307.87)	(40.19)	10.23
9 Exceptional items	-	-	-	-	-	-
10 Profit / (loss) from ordinary activities before tax (8+9)	(189.84)	(118.03)	7.20	(307.87)	(40.19)	10.23
11 Tax expense	-	-	-	-	-	(3.11)
12 Net profit / (loss) from ordinary activities after tax (10-11)	(189.84)	(118.03)	7.20	(307.87)	(40.19)	13.34
13 Extraordinary item (net of tax expense)	-	-	-	-	-	-
14 Net profit / (loss) for the period (12+13)	(189.84)	(118.03)	7.20	(307.87)	(40.19)	13.34
15 Paid-up equity share capital (face value of Re.1/- per share)	239.24	239.24	239.01	239.24	239.01	239.24
16 Reserves excluding revaluation reserves as per balance sheet of March 31, 2013	-	-	-	-	-	3393.00
17 Earning per share (EPS) in Rupees before & after extraordinary items (not annualised)						
- Basic	(0.81)	(0.50)	0.03	(1.31)	(0.17)	0.06
- Diluted	(0.81)	(0.50)	0.03	(1.31)	(0.17)	0.06

SELECT INFORMATION FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2013

PARTICULARS	Quarter Ended		Half Year Ended		Year Ended	
	30.09.2013 (Unaudited)	30.06.2013 (Unaudited)	30.09.2012 (Unaudited)	30.09.2013 (Unaudited)	30.09.2012 (Unaudited)	31.03.2013 (Audited)
A PARTICULARS OF SHAREHOLDING						
1 Public shareholding						
- Number of shares	707189075	704566008	674105518	707189075	674105518	703458090
- Percentage of shareholding	29.37	29.26	28.00	29.37	28.00	29.22
2 Promoters and promoter group shareholding						
(a) Pledged / Encumbered						
- Number of shares	1308318000	1308318000	1112709000	1308318000	1112709000	1126918000
- Percentage of shares (As a % of the total shareholding of promoter & promoter group)	76.93	76.81	64.18	76.93	64.18	66.12
- Percentage of shares (As a % of the total share capital of the company)	54.34	54.34	46.21	54.34	46.21	46.80
(b) Non - encumbered						
- Number of shares	392297845	394920912	620990402	392297845	620990402	577428830
- Percentage of shares (As a % of the total shareholding of promoter & promoter group)	23.07	23.19	35.82	23.07	35.82	33.88
- Percentage of shares (As a % of the total share capital of the company)	16.29	16.40	25.79	16.29	25.79	23.98

PARTICULARS	Quarter Ended 30.09.2013
B INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	NIL
Received during the quarter	01
Disposed of during the quarter	01
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			Half Year Ended		Rs. in Cr
	30.09.2013 (Unaudited)	30.06.2013 (Unaudited)	30.09.2012 (Unaudited)	30.09.2013 (Unaudited)	30.09.2012 (Unaudited)	31.03.2013 (Audited)
1 Segment Revenue						
(a) EPC & Construction	473.90	528.83	1132.10	1002.73	2687.05	4601.18
(b) Power	15.62	20.42	16.35	36.04	34.21	77.52
(c) Infrastructure	11.93	11.59	12.43	23.52	24.43	62.41
Net Sales/Income from Operations	501.45	560.84	1160.88	1062.29	2745.69	4741.11
2 Segment Results (Profit(+)/ Loss(-) before tax and interest from each segment)						
(a) EPC & Construction	(63.67)	(1.09)	93.52	(64.77)	164.72	443.28
(b) Power	5.05	19.97	40.71	25.02	45.22	68.92
(c) Infrastructure	1.83	1.70	1.86	3.53	3.66	10.79
(d) Unallocated	0.32	(2.71)	(3.96)	(2.39)	1.47	5.92
Total	(56.47)	17.87	132.13	(38.61)	215.07	528.91
Less :						
(i) Interest	157.83	156.15	139.83	313.97	286.11	600.32
(ii) Other Un-allocable Exp. (Net off Un-allocable income)	(24.46)	(20.25)	(14.90)	(44.71)	(30.85)	(81.64)
Total Profit/(Loss) Before Tax	(189.84)	(118.03)	7.20	(307.87)	(40.19)	10.23
3 Capital Employed (Segment Assets- Segment Liabilities)						
(a) EPC & Construction	(4373.40)	(4187.54)	(5318.11)	(4373.40)	(5318.11)	(4825.63)
(b) Power	538.37	539.87	567.27	538.37	567.27	558.84
(c) Infrastructure	10510.28	10425.12	10555.16	10510.28	10555.16	10920.74
(d) Unallocated	(3336.56)	(3254.03)	(2233.71)	(3336.56)	(2233.71)	(3021.71)
Total	3338.69	3523.42	3570.61	3338.69	3570.61	3632.24

STATEMENT OF STANDALONE ASSETS & LIABILITIES

PARTICULARS	As at		Rs. in Cr
	30.09.2013 (Unaudited)	31.03.2013 (Audited)	
A EQUITY & LIABILITIES			
1 Shareholders' fund			
(a) Share capital	239.24	239.24	
(b) Reserves & surplus	3099.45	3393.00	
Sub-total - Shareholders' fund	3338.69	3632.24	
2 Non - Current Liabilities			
(a) Long - term borrowings	1547.95	1087.67	
(b) Other long - term liabilities	5282.68	5890.15	
(c) Long - term provisions	43.75	57.55	
Sub-total - Non current liabilities	6874.38	7035.37	
3 Current Liabilities			
(a) Short - term borrowings	3313.02	3060.73	
(b) Trade payables	2168.95	2563.12	
(c) Other current liabilities	3537.66	3489.47	
(d) Short - term provisions	63.63	45.49	
Sub-total - Current liabilities	9083.26	9158.81	
TOTAL - EQUITY & LIABILITIES	19296.33	19826.42	
B ASSETS			
1 Non - current assets			
(a) Fixed assets	1130.80	1175.70	
(b) Non - current investments	7642.16	7297.33	
(c) Deferred tax assets (net)	17.75	17.75	
(d) Long - term loans & advances	1484.06	1208.26	
(e) Other non - current assets	441.51	428.97	
Sub-total - Non - current assets	10716.28	10128.01	
2 Current Assets			
(a) Inventories	1522.22	1311.40	
(b) Trade receivables	1941.98	2386.61	
(c) Cash & cash equivalents	48.02	54.65	
(d) Short - term loans & advances	5019.55	5922.78	
(e) Other current assets	48.28	22.97	
Sub-total - Current assets	8580.05	9698.41	
TOTAL - ASSETS	19296.33	19826.42	


Lanco Infratech Limited

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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)			Half Year Ended (Unaudited)		Rs. in Cr Year Ended (Audited)
	Sept 30, 2013	June 30, 2013	Sept 30, 2012	Sept 30, 2013	Sept 30, 2012	March 31, 2013
Reported Net Operating Income	2466.40	2822.45	3184.77	5288.85	6680.51	13738.80
Elimination of Intersegment Operating Income	29.35	65.51	539.25	94.86	1041.96	1408.20
Total Income before elimination	2495.75	2887.96	3724.02	5383.71	7722.47	15147.00
Reported Net Profit /(loss)	(581.08)	(578.80)	(135.93)	(1159.88)	(577.09)	(1073.30)
Elimination as per AS 21 & 23	4.68	15.68	(11.85)	20.36	43.34	3.14
Forex loss / (gain)	151.08	220.63	(212.33)	371.71	17.91	77.49
Net Profit before elimination & Forex loss / (gain)	(425.32)	(342.49)	(360.11)	(767.81)	(515.84)	(992.67)

2. The Information on Standalone Financial Results

Particulars	Quarter Ended (Unaudited)			Half Year Ended (Unaudited)		Rs. in Cr Year Ended (Audited)
	Sept 30, 2013	June 30, 2013	Sept 30, 2012	Sept 30, 2013	Sept 30, 2012	March 31, 2013
Income from operations	501.45	560.84	1160.88	1062.29	2745.69	4741.11
PBT	(189.84)	(118.03)	7.20	(307.87)	(40.19)	10.23
PAT	(189.84)	(118.03)	7.20	(307.87)	(40.19)	13.34
Forex loss / (gain)	51.07	87.49	(22.17)	138.56	9.05	38.90
PAT before forex loss / (gain)	(138.77)	(30.54)	(14.97)	(169.31)	(31.14)	52.24



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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 the most of lenders / 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, 2012 and March 31, 2013 and limited review report for the quarter ended September 30, 2013.
4. With respect to Lanco Amarkantak Power Limited (LAPL) one of the subsidiary 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 continued to recognise the revenue as per the Central Electricity Regulatory Commission (CERC) rate based on the application filed to fix or approve the tariff with HERC pursuant to the Supreme Court order now pending before APTEL for adjudication. Pending the outcome of the same, the Management based on its assessment and legal advice obtained is confident of the outcome of the matter will be in its favor and hence recognized the differential revenue for the quarter ended September 30, 2013 of Rs. Nil (Rs.99.25 Cr for the year ended March 31, 2013 and Rs. 95.99 Cr for the year ended March 31, 2012) on the basis of tariff computed on provisional basis as per CERC norms, whereas the payments have been released by the customer on the basis of erstwhile PPA rate and consequently the receivables are higher by Rs.195.24 Cr as at September 30, 2013 (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 audit report of the Statutory Auditors for the years ended March 31, 2012 and March 31, 2013 and limited review report for the quarter ended September 30, 2013.
5. Due to lower profits in the Company, the remuneration of Directors as fixed by the members for the FY 2012-13 exceeded the permissible remuneration under Companies Act, 1956 by Rs.15.06 Cr. During the Quarter the Company obtained members approval to waive the excess remuneration paid for the FY 2012-13 and filed applications with Central Government seeking waiver of the same for promoter directors. As the approval is pending no adjustments have been made to accompanying results. This is a subject matter of qualification in the audit report of the Statutory Auditors for the years ended March 31, 2013 and limited review report for the quarter ended September 30, 2013.
6. Remuneration of Rs. 2.23 Cr till year ended March 31, 2011 has been paid to the Director of a step down subsidiary company in excess of the permissible remuneration under Companies Act, 1956. The subsidiary company has applied to the Central Government for waiver of such remuneration, pending the above no adjustments have been made to these finalized results. This is a subject matter of qualification in the audit report of the Statutory Auditors for the years ended March 31, 2013, March 31, 2012 and March 31, 2011 and limited review report for the quarter ended September 30, 2013.
7. The audit of the financials of The Griffin Coal Mining Company Pty Limited (GCM) and Carpenter Mine Management Pty Limited (CMM) and Lanco Resources Australia Pty Limited (LRAPL) for the year ended March 31, 2013 under Australian GAAP has been completed during the quarter, there was a positive difference of Rs. 17.65 Cr between the management financials and audited financials which has been incorporated in the current quarter as prior period gain in the consolidated financials prepared under Indian GAAP for the quarter ended September 30, 2013.

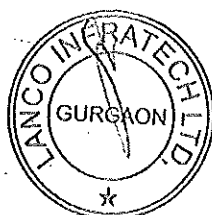


8. During the quarter ended September 30, 2013 some of the foreign subsidiaries could not complete the review of their financials, hence the financials prepared by the Management has been considered in consolidation. Accordingly total assets of Rs. 7977.12 Cr as at September 30, 2013, the total revenue of Rs. 161.94 Cr and total net loss of Rs. 153.57 Cr for the quarter ended September 30, 2013, have been taken from the financials prepared by the Management under Indian GAAP. This is a subject matter of qualification in limited review report for the quarter ended September 30, 2013.
9. As at September 30, 2013 the Group has receivables from various State Electricity Utility companies and other customers against sale of power aggregating to Rs. 2,939.18 Cr (Rs. 3,285.10 Cr as at June 30, 2013), net current liabilities of Rs. 2,757.04 Cr and current maturities of long term borrowings Rs. 2,304.09 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. This apart the Management is also considering the aspects like inviting strategic investors, disposal of assets and Corporate Debt Restructuring proposal of company's debt for which necessary steps have already been taken which 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, vendor and others and also will have adequate cash flows to support the implementation of ongoing projects which are capitalising 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, 2013 and in limited review report for the quarter ended September 30, 2013.
- 10.(a) With respect to one of the subsidiary of the company i.e. Lanco Kondapalli Power Limited, phase III expansion project is getting ready and operations of Phase II plant is stalled due to shortage of gas. The subsidiary company has approached its phase III lenders for reschedule of commercial operation date (COD) and repayment of project term loans. During the previous quarters the majority of the lenders approved the proposal and the remaining lenders approvals are under process. The subsidiary company is actively pursuing/making representations with various government authorities to secure the gas, which is in short supply now. The company 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, 2013 and in limited review report for the quarter ended September 30, 2013.
- (b) During the quarter LKPL has capitalised Rs. 54.68 Crores borrowing costs incurred on loans pertaining to Phase III plant which is yet to complete commissioning activities in respect of which the subsidiary has to secure the supply of requisite natural gas. As the supply of natural gas is under the control of GOI and the present situation is beyond the control of the company, subsidiary has approached Ministry of Corporate Affairs (MCA) seeking relaxation from the applicability of provisions of AS 16 to continue the capitalisation of borrowing costs. This is a subject matter of qualification in limited review report for the quarter ended September 30, 2013.



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11. A subsidiary of the company has provided further mobilization advance to the Company, as it executes Engineering, Procurement & Construction (EPC) contract for this subsidiary, the outstanding as at September 30, 2013 is Rs. 539.75 Cr, which requires approval by their respective lenders. The Company has to receive Rs. 378.92 Cr retention money from the said subsidiary and the subsidiary 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 has 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, 2013 and in limited review report for the quarter ended September 30, 2013.
12. With respect to supply of power by Udupi Power Corporation Limited (UPCL) – 1200 MW one of the subsidiary of the Company, has obtained the provisional tariff orders for Unit – 1 on December 24, 2012, against which APTEL passed the orders dated February 8, 2013 directing that the provisional order be applied for both Units – 1 & 2. The Company continues to recognize the revenue as per the CERC rate based on the application filed by it to fix or approve the tariff with CERC and accordingly the differential revenue of Rs. 74.47 Cr for the quarter ended September 30, 2013 (Rs. 212.70 Cr for the financial year ended March 31, 2013) has been recognized, resulting in receivables being higher by Rs. 525.69 Cr as at September 30, 2013 (Rs. 371.80 Cr as at March 31, 2013). The Management is confident that the rate to be fixed by CERC will not be less than the rates adopted by the UPCL. This is an emphasis of matter in the audit report of the Statutory Auditors for the year ended March 31, 2013 and in limited review report for the quarter ended September 30, 2013.
13. Lanco Anpara Power Limited -1200 MW (LANPL) and Lanco Budhil Hydro Power Pvt Ltd – 70 MW (LBHPPL) subsidiaries of the company, started its operations in December 2011 and May 2012 respectively, has incurred losses as plants are operating at sub optimal levels since inception due to initial stabilizing issues, coal infrastructure constraints in respect of LANPL and low tariff realized from power supply to the exchange in respect of LBHPPL. The Management is taking constructive and necessary steps to improve the per unit realisation and confident to improve the operating levels of the plant in future and the Management is of the view that the carrying value of Assets of LANPL and LBHPPL are realizable at the value stated therein. This is an emphasis of matter in the auditor's report for the year ended March 31, 2013 in respect of LANPL and in limited review report for the quarter ended September 30, 2013 in respect of LANPL and LBHPPL.
14. One of the subsidiary companies i.e., Lanco Teesta Hydro Power Private Limited – 500 MW, due to delay in diversion of forest land, poor geology and earthquake, leading to substantial time and cost overrun, 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, the subsidiary company terminated the PPA and filed the petition before Regulatory Commission for determining liabilities arising upon termination. Based on legal opinion, the Company is anticipating minimal liability and the same will be provided on quantification. The company approached lenders for funding the cost overrun which is under consideration. 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, 2013 and in limited review report for the quarter ended September 30, 2013.



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15. The Group currently provides depreciation on assets at the rates specified in the Schedule XIV of the Companies Act, 1956. The Ministry of Corporate Affairs (MCA) vide its notification dated May 31, 2011 has clarified that companies engaged in the generation and supply of electricity can distribute dividend after providing for depreciation at rates/methodology notified by CERC. As the Group has both regulated and non-regulated generating assets, the Management has sought clarifications and guidance from the MCA on the applicability of the CERC rates for its regulated and non-regulated generating assets. Pending the clarification, existing depreciation rates continued for the quarter ended September 30, 2013. This is an emphasis of matter in the auditor's report for the year ended March 31, 2013 and in limited review report for the quarter ended September 30, 2013.
16. During the FY 2010-11, National Energy Trading and Services Limited (NETS) one of the subsidiary of the Company had contracted with a supplier for purchase of power which could not be scheduled due to monsoons and regulatory changes. NETS had suspended the contract in November 2010 (due to force majeure clause of the tender) and the supplier has raised bills for compensation charges amounting to Rs. 86.55 Cr which has not been accepted by NETS. During the FY 2011-12, the supplier encashed the Letter of Credit of Rs. 5.00 Cr given by NETS and has not refunded earnest money deposit of Rs. 0.25 Cr and the same has been charged to expenses in the FY 2012-13. Presently, the matter is reserved for the Order by the Hon'ble Commission (MPERC). 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, 2013 and in limited review report for the quarter ended September 30, 2013.
17. With respect to Lanco Hills Technology Park Private Limited (LHTPPL) one of the subsidiary Company is developing a 100 acre integrated township called 'Lanco Hills' at Hyderabad, Andhra Pradesh. With regard to dispute of the title of the land between the Wakf Board and Government of Andhra Pradesh, the Wakf tribunal which restricted the LHTPPL from alienating the property. LHTPPL has appealed against the order of the Honorable High Court 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 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, 2013 and in limited review report for the quarter ended September 30, 2013.
18. With respect to Lanco Mandakini Hydro Energy Private Limited (LMHEPL) one of the subsidiary 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 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. LMHEPL is in the process of assessing the extent of damage. The effect of damage shall be determinable and any effect after the insurance claim will be accounted accordingly. This is an emphasis of matter in the limited review report for the quarter ended September 30, 2013.
19. During the year ended March 31, 2012, in line with the Notification dated December 29, 2011 issued by the MCA, The company 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.1,128.90 Cr.

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20. The Board of Directors of the company in its meeting dated July 27, 2013 had decided to initiate the process of Corporate Debt Restructuring (CDR) prescribed under the Reserve Bank of India (RBI) guidelines by way of reference to CDR Cell. The proposal is only for Lanco Infratech Limited and not for any of its subsidiaries and associates. The CDR proposal was admitted by CDR Empowered Group and directed the Monitoring Institution (MI) to submit the final proposal. The MI after performing audit and techno viability study has prepared the final CDR proposal and circulated to other members of the consortium. The company is in the process of getting the required approval of lenders for CDR proposal.
21. Previous periods figures have been regrouped, reclassified and restated to conform to those of the current period.
22. These unaudited results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings.

Place : Gurgaon
Date : November 11, 2013

for Lanco Infratech Limited



G. Venkatesh Babu
Managing Director