

**Auditor's Report on Consolidated Quarterly Financial Results and Consolidated Year to Date
Financial Results of Lanco Infratech Limited Pursuant to the Clause 41 of the Listing Agreement**

To

The Board of Directors Lanco Infratech Limited

1. We have audited the quarterly consolidated financial results of Lanco Infratech Limited ('the Company'), for the quarter ended March 31, 2015 and the consolidated financial results for the year ended March 31, 2015, attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. The quarterly consolidated financial results are the derived figures between the audited figures in respect of the year ended March 31, 2015 and the published year to date figures up to December 31, 2014, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The consolidated financial results for the quarter ended March 31, 2015 have been prepared on the basis of the consolidated financial results for the nine month period ended December 31, 2014, the audited annual consolidated financial results as at and for the year ended March 31, 2015, and the relevant requirements of Clause 41 of the Listing Agreement and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these consolidated financial results based on our review of the consolidated financial results for the nine month period ended December 31, 2014, which was prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India; our audit of the annual consolidated financial statements as at and for the year ended March 31, 2015; and the relevant requirements of Clause 41 of the Listing Agreement.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



3. To the extent stated in paragraphs 3 (a) to 3 (e) below, we did not audit the financial results of certain component entities that comprise the Group and are included in the consolidated financial results.
- a. We did not audit the financial statements of certain subsidiaries whose financial statements reflect total assets of Rs. 10,590.65 Crores as at March 31, 2015 and total revenue of Rs. 2,949.54 Crores for the year ended March 31, 2015. These audited financial statements and other financial information for these subsidiaries have been audited by other auditors whose reports have been furnished to us, and our opinion on these consolidated financial statements is based solely on the reports of the other auditors.
 - b. We did not audit the financial statements of certain overseas subsidiaries whose financial statements, prepared under their respective accounting framework, in the aggregate, reflect total assets of Rs. 3,147.64 Crores as at March 31, 2015 and total revenue of Rs. 284.05 Crores for the year ended March 31, 2015. The audited financial statements of these subsidiaries have been prepared in accordance with the respective accounting framework and have been audited by other auditors who have submitted their opinions, 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 the financial statements of these overseas subsidiaries to accounting principles generally accepted in India, for the purpose of preparation of the Company's consolidated financial statements. Our opinion, thus insofar relates to amounts included in respect of these overseas subsidiaries, is based solely on the reports of the other auditors.
 - c. We did not audit the financial statements of certain associates, whose financial statements reflect the Group's share of loss of Rs. 0.01 Crores for the year ended March 31, 2015. These financial statements and other financial information for these associates have been audited by the other auditors whose reports have been furnished to us, and our opinion on these consolidated financial statements is based solely on the reports of the other auditors
 - d. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 207.50 Crores as at March 31, 2015 and total revenue of Rs. 0.03 Crores for the year ended March 31, 2015. These financial statements and other financial information of these subsidiaries have been prepared by the management and our opinion on these consolidated financial statements is based solely on the management accounts.



- e. We did not audit the financial statements of an associate, whose financial statements reflect the Group's share of Loss of Rs. 3.49 Crores. These financial statements and other financial information of the associate has been prepared by the management and our opinion on these consolidated financial statements is based solely on the management accounts.
4. Without qualifying our audit opinion, attention is invited to
- a) Note 3 to the consolidated financial results, regarding the adequacy of disclosure concerning the Group's ability to meet its financial obligations including loans, overdue loans, unpaid interest and ability to fund obligations pertaining to operations including unpaid creditors, repayment of advances for ensuring normal operations and investments in ongoing projects. During the year, the Group incurred a Net Loss of Rs. 2,036.74 Crores and has loans aggregating Rs. 2,502.87 Crores falling due over next twelve months period which also includes unpaid dues of the Group as at March 31, 2015. These matters essentially require the Company to garner such additional cash flows to fund the operations as well as for meeting the investment obligations towards various on-going projects comprising power and other infrastructure projects which are currently going through low level of implementation activities. In this regard the Company approached Corporate Debt Restructuring (CDR) Cell with a scheme seeking certain reliefs in relation to repayment timelines of loans and accumulated unpaid interest and additional funding for its operations. The restructuring envisages certain sacrifices from lenders and commitments from Company towards infusion of additional funds through divestment of existing assets or otherwise. In the financial year 2013-14, CDR Empowered Group approved the Debt Restructuring Scheme. The Company has completed the required obligations under the scheme to enable the infusion of additional funds from lenders and the lenders have disbursed partially. Notwithstanding certain variances in contracted terms under CDR scheme in relation to partial disbursements so far made and their utilization thereon, together with delay in implementation of CDR scheme did not still enable the Company to achieve the anticipated performance levels of operations at EPC and Project Companies which has consequential impact on financial results in the form of incurrence of further losses and cost overruns due to delayed execution at the Project level which is currently not quantifiable and as explained by management steps have been initiated to recommence the EPC operations as well as the implementation of projects under construction. However, the consolidated financial results have been prepared under the assumption, considering the management assessment to recover the balance dues from various State Electricity Boards including those of which under litigations and management plan to get requisite further funding from various other sources including the CDR scheme, cost overrun approvals by the lenders for the under construction projects and the Group's efforts in disposing few more assets. These submissions and assertions by the management as evaluated by lenders envisage that the Company has the ability to garner the required cash flows, which have not been independently assessed by us. 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 4 (a) to the consolidated financial results, regarding the uncertainty of the availability of natural gas to operate Phase II and Phase III power plants of Lanco Kondapalli Power Limited (LKPL), a step down subsidiary of the Company. In view of the said uncertainty, LKPL has approached its lenders for approving the refinance proposal for Phase II debt and restructuring of Phase III debt. Pending availability of requisite gas required for commencing the operations no impact has been assessed on these consolidated financial results on the eventual availability of gas to operate the Phase II and Phase III power plants, which is indeterminable at this point of time.
- c) Note 6 (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, which is under evaluation by LAPL and its legal advisers and LAPL intends to seek further relief in the appropriate forum against the said order of HERC. Consequently, the revenue recognized in the previous year's amounting to Rs. 195.24 Crores (Rs. Nil during the period ended March 31, 2015), is treated as recoverable and no provision is considered necessary in these consolidated financial results based on the management's assessment and legal advice obtained.
- d) Note 6 (b) to the consolidated financial results, in regard to one of the power generating units of Lanco Amarkantak Power Limited (LAPL), revenue continues to be recognized by LAPL on provisional basis, based on the tariff order approved by Madhya Pradesh Electricity Regulatory Commission (MPERC) vide order dated December 01, 2012 which is applicable upto March 31, 2013. Pending the tariff determination, no adjustments have been made in these consolidated financial results.
- e) Note 7 to the consolidated financial results, in relation to revenue recognition of Udupi Power Corporation Limited (UPCL), a step down subsidiary of the Company on the basis of tariff as determined by the Central Electricity Regulatory Commission (CERC) by its final tariff order dated February 20, 2014 and consequent appeal of the tariff order by the Principal Buyers with the Appellate Tribunal for Electricity (APTEL) and accordingly the revenue recognized and non-confirmation of balances representing the trade receivables for which the statutory auditors of UPCL have drawn attention in their auditor's report as an emphasis of matter.
- f) Note 8 to the consolidated financial results, in relation to managerial remuneration amounting to Rs. 1.48 Crores paid during the year. The payment of remuneration to the Director needs approval of Central Government. UPCL is in the process of making an application to the Central Government for approval of the same. Pending final outcome this matter, the statutory auditors of UPCL have drawn attention in their auditor's report as an emphasis of matter on their inability to comment on the consequential adjustments.



- g) Note 9 to the consolidated financial results, which explain the transaction entered by the Company along with its step down subsidiaries for sale of their 100% stake in Udupi Power Corporation Limited (UPCL). As per the agreed terms, with effect from August 18, 2014, on closure of the transaction, the result of operations of the UPCL, shall belong to the Buyers. However, the current consolidated financial results include Rs. 1,711.09 Crores turnover and Rs. 73.34 Crores loss related to the period August 18, 2014 to March 31, 2015, and will be dealt with appropriately on closure of the transaction.
- h) Note 10 to the consolidated financial results, in relation to the carrying value of the assets held by Lanco Anpara Power Limited (LAnPL), a step down subsidiary of the Company. Though LAnPL has been incurring losses ever since the commencement of commercial operation and accumulated losses incurred so far eroded the net worth significantly, taking into consideration LAnPL management's assessment of the situation including efforts towards seeking revision in tariff pending before the regulator, the management of the Company is of the view that the carrying value of the asset of LAnPL is realizable at the value stated therein. Accordingly no adjustments have been made in these consolidated financial results.
- i) Note 11 to the consolidated financial results, which explains the matter in Lanco Teesta Hydro Power Limited (LTHPL), a step down subsidiary 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. 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.
- j) Note 12 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. Management, based upon its assessment and legal advice obtained, is confident of the outcome of the matter in its favour.



- k) Note 13 to the consolidated financial results, which explains 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 has been completed and the claims have been lodged with the insurer. LMHEPL has received an interim payment from the Insurer against the claim lodged. In the assessment of management, the potential damage to the carrying value of asset is unlikely to exceed the expected insurance claim. Relying on the assessment of the management of LMHEPL which have not been independently evaluated by us, no adjustments have been made in these consolidated financial results.
- l) Note 14 to the consolidated financial results, dealing with cancellation of coal blocks by the Hon'ble Supreme Court, which included coal mine jointly allotted to Tamil Nadu Electricity Board and Maharashtra State Mining Corporation Limited, the Allottees. Mahatamil Mining and Thermal Energy Limited (MMTEL), a subsidiary of the Company, entered into Coal Mining Services Agreement with the Allottees of the mine, pursuant to which, MMTEL incurred an amount of Rs. 204.79 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 and, hence no adjustments have been made in these consolidated financial results.
- m) Note 15 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 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 in near future 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.



- n) Note 16 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, where the accumulated losses exceeded the net worth of LRIPL, taking into account the management's assessment of the situation including short term initiatives to be implemented to significantly enhance the profitability in the medium to long run, 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.
- o) Note 17 to the consolidated financial results, which explains the payment of managerial remuneration aggregating to Rs. 1.69 Crores which is in excess of the permissible limits of remuneration payable under the provisions of the Companies Act, 2013 read with rules notified thereon. The Company approached the Central Government seeking its approval for payment of such remuneration in excess of limits and the Central Government in this regard directed the Company to obtain a No objection from the CDR lenders for granting required approval. The Company is in the process of seeking the required No objection from lenders pending the same. Accordingly no adjustments have been made in these consolidated financial results.
- p) Note 18 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 March 31, 2015 LKHL and its EPC contractor have incurred certain costs towards the project, the realizability of these amounts are dependent on the outcome of the arbitration proceedings.

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

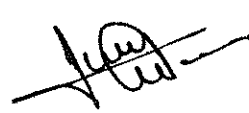
5. Attention is invited to

- a. *Note 4 (b) to the consolidated financial results where Lanco Kondapalli Power Limited (LKPL), a step down subsidiary of the Company has capitalised borrowing costs amounting to Rs.272.21 Crores and Rs. 441.73 Crores for the year ended and cumulatively up to March 31, 2015 (July 1, 2013 to March 31, 2015) respectively incurred on a plant which is substantially complete, notwithstanding the management's view, pending commissioning in respect of which, LKPL has to secure the supply of requisite natural gas. However, in our opinion, the capitalization of such expenses is not in accordance with the relevant Accounting Standard. Had the aforesaid expenditure not been capitalised, loss of the Group (Net of Minority Interest) for the year ended March 31, 2015 and cumulatively up to March 31, 2015 would have been higher by Rs.160.60 Crores and Rs. 260.62 Crores respectively.*



- b. *Note 5 to the consolidated financial statements, include financial statements Lanco Resources International Pte Limited (LR IPL) and its subsidiaries, whose consolidated accounts reflect total assets of Rs. 6,874.58 Crores as at March 31, 2015, the total revenue of Rs. 565.81 Crores and total loss of Rs. 946.62 Crores for the year then ended March 31, 2015. These financial statements and other financial information have been prepared by the management and which have not been audited and our opinion is based solely on the management accounts. We are unable to comment on adjustments that may have been required to these consolidated financial results, had such consolidated accounts been audited.*
6. In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matters referred in paragraph 5 above*, these consolidated financial results as well as the year to date consolidated financial results:
- have been presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and
 - give a true and fair view of the net loss and other financial information for the quarter ended March 31, 2015 and for the year ended March 31, 2015.
7. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2015 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2015 and the published year to date figures up to December 31, 2014, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under Clause 41(I)(d) of the Listing Agreement.
8. Further, read with paragraph 1, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also traced the number of shares as well as the percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of Clause 35 of the Listing Agreement and found the same to be correct.

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



Lokesh Vasudevan
Partner

Membership No. 222320



Place : Gurgaon
Date : May 29, 2015

**Auditor's Report on Quarterly Financial Results and Year to Date Financial Results of
Lanco Infratech Limited Pursuant to the Clause 41 of the Listing Agreement**

To
The Board of Directors of Lanco Infratech Limited.

1. We have audited the quarterly financial results of Lanco Infratech Limited ('the Company'), for the quarter ended March 31, 2015 and the financial results for the year ended March 31, 2015, attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. The quarterly financial results are the derived figures between the audited figures in respect of the year ended March 31, 2015 and the published year to date figures up to December 31, 2014, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The financial results for the quarter ended March 31, 2015 have been prepared on the basis of the financial results for the nine month period ended December 31, 2014, the audited annual financial results as at and for the year ended March 31, 2015, and the relevant requirements of Clause 41 of the Listing Agreement and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these financial results based on our review of the financial results for the nine month period ended December 31, 2014, which was prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India; our audit of the annual financial statements as at and for the year ended March 31, 2015; and the relevant requirements of Clause 41 of the Listing Agreement.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



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

- a) Note 3 to the financial results, regarding the adequacy of disclosure concerning the Company's ability to meet its financial obligations including loans, overdue loans, unpaid interest and ability to fund obligations pertaining to operations including unpaid creditors, repayment of advances for ensuring normal operations and investments in ongoing projects. During the quarter, the Company incurred a Net Loss of Rs. 672.23 Crores and has loans aggregating Rs. 267.63 Crores falling due over next twelve months period which also includes unpaid dues of the Company as at March 31, 2015. These matters essentially require the Company to garner such additional cash flows to fund the operations as well as for meeting the investment obligations towards various ongoing projects comprising power and other infrastructure projects which are currently going through low level of implementation activities. In this regard the Company approached Corporate Debt Restructuring (CDR) Cell with a scheme seeking certain reliefs in relation to repayment timelines of loans and accumulated unpaid interest and additional funding for its operations. The restructuring envisages certain sacrifices from lenders and commitments from Company towards infusion of additional funds through divestment of existing assets or otherwise. In the financial year 2013-14, CDR Empowered Group approved the Debt Restructuring Scheme. The Company has completed the required obligations under the scheme to enable the infusion of additional funds from lenders and the lenders have disbursed partially. Notwithstanding certain variances in contracted terms under CDR scheme in relation to partial disbursements so far made and their utilization thereon, together with delay in implementation of CDR scheme did not still enable the Company to achieve the anticipated performance levels of operations at EPC and Project Companies which has consequential impact on financial results in the form of incurrence of further losses and cost overruns due to delayed execution at the Project level which is currently not quantifiable and as explained by management steps have been initiated to recommence the EPC operations as well as the implementation of projects under construction. However, the financial results have been prepared under the assumption, considering the management assessment to recover the balance dues from various State Electricity Boards including those of which under litigations and management plan to get requisite further funding from various other sources including the CDR scheme, cost overrun approvals by the lenders for the under construction projects and the Group's efforts in disposing few more assets. These submissions and assertions by the management as evaluated by lenders envisage that the Company has the ability to garner the required cash flows, which have not been independently assessed by us. 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, which explain the transaction entered by the Company along with its step down subsidiaries for sale of their 100% stake in Udupi Power Corporation Limited (UPCL), as per the agreed terms, with effect from August 18, 2014, on closure of the transaction, the result of operations of the UPCL, shall belong to the Buyers. However, the current financial results include Rs. 1,711.09 Crores turnover and Rs. 73.34 Crores loss related to the period August 18, 2014 to March 31, 2015, and will be dealt with appropriately on closure of the transaction.
- c) Note 10 to the financial results, in relation to the carrying value of the assets held by Lanco Anpara Power Limited (LANPL), a step down subsidiary of the Company. Though LANPL has been incurring losses ever since the commencement of commercial operation and accumulated losses incurred so far eroded the net worth significantly, taking into consideration LANPL management's assessment of the situation including efforts towards seeking revision in tariff pending before the regulator, the management of the Company is of the view that the carrying value of the asset of LANPL is realizable at the value stated therein. Accordingly no adjustments have been made in these financial results.
- d) Note 14 to the financial results, dealing with cancellation of coal blocks by the Hon'ble Supreme Court, which included coal mine jointly allotted to Tamil Nadu Electricity Board and Maharashtra State Mining Corporation Limited, the Allottees. Mahatamil Mining and Thermal Energy Limited (MMTEL), a subsidiary of the Company, entered into Coal Mining Services Agreement with the Allottees of the mine, pursuant to which, the amount invested amounting to Rs. 170.94 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 and, hence no adjustments have been made in these financial results.
- e) Note 15 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 in near future 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 the financial results.



- f) Note 16 to the financial results, in relation to the carrying value of investment held by the Company in Lanco Resources International Pte Limited (LRIPL) a subsidiary of the Company, where the accumulated losses exceeded the net worth of LRIPL, taking into account the management's assessment of the situation including short term initiatives to be implemented to significantly enhance the profitability in the medium to long run, the management of the Company 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.
- g) Note 17 to the financial results, which explains the payment of managerial remuneration aggregating to Rs. 1.69 Crores which is in excess of the permissible limits of remuneration payable under the provisions of the Companies Act, 2013 read with rules notified thereon. The Company approached the Central Government seeking its approval for payment of such remuneration in excess of limits and the Central Government in this regard directed the Company to obtain a No objection from the CDR lenders for granting required approval. The Company is in the process of seeking the required No objection from lenders and accordingly no adjustments have been made in these financial results.
- h) Note 18 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 March 31, 2015 LKHL and its EPC contractor have incurred certain costs towards the project, the realizability of these amounts are dependent on the outcome of the arbitration proceedings.

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

4. In our opinion and to the best of our information and according to the explanations given to us, these quarterly financial results as well as the year to date financial results:
- have been presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and
 - give a true and fair view of the net loss and other financial information for the quarter ended March 31, 2015 and for the year ended March 31, 2015.



5. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2015 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2015 and the published year to date figures up to December 31, 2014, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under Clause 41(I)(d) of the Listing Agreement.
6. Further, read with paragraph 1, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also traced the number of shares as well as the percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of Clause 35 of the Listing Agreement and found the same to be correct

**For Brahmayya & Co.,
Chartered Accountants**

Firm Registration No. 000511S



Lokesh Vasudevan

Partner

Membership No. 222320

Place : Gurgaon

Date : May 29, 2015