

August 10, 2015



Mr. Amit Phatak
Assistant Manager - Listing Compliance
M/s. National Stock Exchange of India Limited
Regd. Office: "Exchange Plaza"
Bandra-Kurla Complex, Bandra (E)
MUMBAI – 400 051.

Dear Mr. Amit Phatak

Sub: News clarification – August 10, 2015 – Lanco Infratech Limited - Reg.

Ref: NSE email dated August 10, 2015.

With reference to the news article published in The Economic Times dated August 10, 2015 with the title "BID TO REDUCE BAD LOANS – Debt to Equity: Lanco Lenders to Take Over Teesta", we wish to clarify as under:

Strategic debt Restructuring - Lanco's Teesta Project

Lanco Infratech Limited's Subsidiary Lanco Teesta is setting up a 500 MW Hydro Electric project on river Teesta in Sikkim with initial project cost of about Rs. 3,000 Cr at a debt equity ratio of 80:20, comprising of Rs. 600 Cr equity and Rs. 2400 Cr debt. As at June 30, 2015 Lanco has brought in about Rs.670 Crores equity and Lenders have disbursed Rs. 2260 Crores debt to the project. Lanco has already brought the full equity as per the original project cost and also brought additional equity towards cost overrun.

During the course of execution, the project has encountered challenges in terms of adverse geological conditions and severe earth quake. These force majeure issues resulted in cost and time overruns.

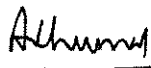
As part of a process to consolidate its businesses and to reduce debt, Lanco Group has undertaken sale of some of its assets and bringing in strategic investors in others. Lanco, along with the lead lender for Teesta Hydro Electric project has initiated discussions with strategic investors to infuse equity for the overrun portion, which will enable speedy completion of the project.

The process of bringing the strategic partner on board is taking time. To avoid further delay in the process, the lenders of the project have proposed Strategic Debt Restructuring (SDR), which is in the process of approval. In the interest of the project the Lanco Management is supporting the SDR initiative. The SDR will ensure timely completion of the project which can create value to all the stake holders.

Since the SDR proposal requires the approval of the lenders, the same will be reported to the Stock Exchange on obtaining the SDR approval. Hence it was not reported so far.

The receipt may kindly be acknowledged.

Thanking you,
Yours faithfully,
For LANCO INFRATECH LIMITED


A. VEERENDRA KUMAR
COMPANY SECRETARY

Lanco Infratech Limited

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

T + 91 124 474 1000 **F** +91 124 474 1860/474 1878 **E** info@lancogroup.com

Registered Office: Lanco House, Plot # 4, Software Units Layout,HITEC City, Madhapur, Hyderabad - 500 081, Telangana, India.

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

www.lancogroup.com

Corporate Identity Number: L45200TG1993PLC015545