

## NOTES IN RELATION TO THE FINANCIAL RESULTS

1. Lanco Infratech Limited (the Company) is engaged in the business of construction and infrastructure development. The Company is also a holding company with investments mainly in its subsidiaries engaged in the business of Power Generation, Power Trading and Property Development. The main income for the Company is from its construction & EPC, infrastructure development, property development and power generating/trading activities.
2. Option to publish consolidated Results:  

Pursuant to the recent amendments to the clause 41 of the listing agreement, the Company opted to publish only the consolidated results of the Company. The Company carries out its Construction and EPC activities on its own and Power, Property Development and Infrastructure Development through various subsidiaries, being special purpose vehicles exclusively formed to build, own and operate various Infrastructure projects. The consolidated results published above present the full revenues, expenses and the results of the business operations of the Company and its subsidiaries and the proportionate interest of the Company in its associates. Investors can view the stand alone results of the Company on the Company's website [www.lancogroup.com](http://www.lancogroup.com) or on the websites of BSE ([www.bseindia.com](http://www.bseindia.com)) or NSE ([www.nseindia.com](http://www.nseindia.com)).
3. The above published consolidated results have been extracted from consolidated financial statements prepared in accordance with principles and procedures as set out in Accounting Standard 21 on "Consolidated Financial Statements" and Accounting Standard 23 on "Accounting for Investments in Associates in Consolidated Financial Statements.
4. Depreciation in respect of power sector subsidiaries has been uniformly considered based on the rates as prescribed under Schedule XIV to the Companies Act 1956, with effect from the date of acquisition of respective subsidiaries. Depreciation on assets of power sector subsidiaries is charged in individual entities on different basis following accounting policies which are considered appropriate in each case and continue to follow the same.

5. An amount of Rs. 412.23 millions, which was considered in the previous year's Consolidated Net Profit after Minority Interest, has been fully adjusted against the opening balance of Profit and Loss Account as at April 1, 2007. However, the same should have been charged to the current year's Consolidated Profit and Loss Account as a prior period adjustment in the Current year's Consolidated Profit and Loss Account. As a result, Net Profit after minority interest for the current year is higher to such extent. The Reserves and Surplus as at March 31, 2008, in either case, remains the same.
6. During the year ended March 31, 2007 the Company had consolidated certain group entities engaged in the business of Power, Construction, Property Development and Infrastructure under its management. Consequently, these companies had become its subsidiaries/associates at various points of time during the previous year. Hence, the consolidated results for the current period are not fully comparable with those of the corresponding period of the previous year.

**7. Segment Reporting:**

- a) The segment report of the Company and its subsidiaries and associates has been prepared in accordance with Accounting Standard 17, "Segment Reporting" issued by the ICAI.
- b) The business segments of the Company comprises of the following:

<b>Segment</b>	<b>Details of Business</b>
Construction and EPC	Construction of Industrial, Residential and Commercial Buildings and Roads etc., and Engineering, Procurement and Commissioning (EPC)
Infrastructure	Development of roads on Build, Operate and Transfer basis
Property Development	Development of integrated properties comprising of commercial and residential buildings
Power	Generation of and trading in power
Others	Residual activities

**8. Utilisation of funds received through Initial Public Offer (IPO):**

During the year ended March 31, 2007 the Company had allotted equity shares of face value of Rs.10 per share by way of IPO. The details of funds received towards such allotment, including share premium thereon, and utilization of such funds are given below:

		Rs. Millions
<b>Funds raised from IPO</b>		<b>10,673.37</b>
<b>Utilisation of funds up to March 31, 2008:</b>		
<b>S. No</b>	<b>Particulars</b>	
1	Payment to Globeleq Holding (Kondapalli) Limited for acquiring shares of Lanco Kondapalli Power Private Limited and related cost of acquisition	1,381.16
2	Payment to Aban Ventures Limited to acquire an additional 13.30% equity stake in Aban Power Company Limited	350.00
3	Investments in subsidiary companies (directly/through another subsidiary) including share application money pending allotment	2,837.46
4	Investment in Udupi Power Corporation Limited including share application money pending allotment	1,805.02
5	Investment special purpose vehicles including share application money pending allotment	3,886.16
6	Expenses relating to IPO	413.57
<b>Total Utilised</b>		<b>10,673.37</b>
<b>Balance of unutilized funds</b>		<b>NIL</b>

**9.** The Company has adopted AS-15 (Revised 2005) during the year. Accordingly the transitional liability net of deferred tax, amounting to Rs. 1.97 Millions has been reduced from the opening balance of the General Reserve.

**10.** Position of Investor complaints as at March 31, 2008:

Complaints pending at the beginning of the quarter :	Nil
Received during the quarter :	46
Resolved during the quarter :	46
Pending as on March 31, 2008 :	Nil

11. The audited financial results for the year ended March 31, 2008 have been reviewed by the Audit Committee at their meeting held on May 29, 2008 and approved by the Board of Directors at their meeting held on the same date.

12. Figures pertaining to the previous year have been regrouped, reclassified and restated to those of the current year.

13. The Order Book of the Company stands at Rs 130,170 Millions as on March 31, 2008

**14. Significant Developments during the quarter :**

**POWER:**

- Lanco has emerged as lowest bidder for two thermal power projects with a combined capacity of 3,300 MW in the state of Uttar Pradesh.

**INFRASTRUCTURE:**

- Lanco Consortium has emerged winner for development of the Rs 80 billion Vizhinjam International Container Port Project in Kerala on a 33 years' concession basis.
- Achieved financial closure for the two Build-Operate-Transfer (BOT) basis road projects awarded by National Highways Authority of India (NHAI) to LANCO in Karnataka

**PROPERTY DEVELOPMENT:**

- An agreement has been entered into with Hyatt Hotels and Resorts for managing a luxury hotel to be developed by Lanco Hills Technology Park Private Limited in Hyderabad.

**for Lanco Infratech Limited**

**Place: Hyderabad**

**Date : May 29, 2008**

**G. Venkatesh Babu**

**Managing Director**