

NOTES IN RELATION TO THE FINANCIAL RESULTS

1. Lanco Infratech Limited (the Company) is engaged in the business of Construction, Engineering, Procurement and Commissioning (EPC) 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, Property Development and Power Generating/Trading activities.
2. 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. Investors can view the stand alone results of the Company on the Company's website www.lancogroup.com or on the websites of BSE (www.bseindia.com) or NSE (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 (AS) 21 on "Consolidated Financial Statements" and Accounting Standard (AS) 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. The 'tariff structure' fixed in the power purchase agreement entered into by the subsidiaries provide natural hedge against the exchange fluctuations to the existing foreign currency loans. However, in the absence of specific pronouncements to address these type of transactions in the Accounting Standard (AS 11) The Effects of changes in Foreign Exchange Rates, the Company has conservatively accounted for its share of the notional foreign exchange loss of Rs. 2536.42 lakhs for the quarter ended September 30, 2008 (2007: - Nil -) and Rs. 4427.91 lakhs for the half year ended September 30, 2008 (2007: - Nil).
6. In the Consolidated Financial Results, an amount of Rs. 2,108.97 lakhs for the quarter ended September 30, 2008 (2007: Rs. 461.50 Lakhs) and Rs. 3678.86 lakhs for the half year ended September 30, 2008 (2007: Rs. 634.50 Lakhs) has been eliminated on account of profits arising from transactions with Subsidiaries and Associates based on the requirements of Accounting Standard (AS) 21 "Consolidated Financial Statements" and Accounting Standard (AS) 23 "Accounting for Investments in Associates in Consolidated Financial Statements". However, in compliance with the Accounting Standards the above mentioned profits, form part of the Stand Alone Financial results.
7. Segment Reporting:
 - a) The segment report of the Company, its Subsidiaries and its Associates has been prepared in accordance with Accounting Standard (AS) 17, "Segment Reporting" issued by the Institute of Chartered Accountants of India.

::2::

b) The business segments of the Company comprises of the following

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

8. Consequent to the proposed demerger scheme of one of the subsidiaries i.e. Lanco Hills Technology Park Private Limited (LHTPPL) with effect from April 01, 2008 as approved by the board of LHTPPL, the company has prepared its consolidated financial statements accordingly, pending filing of the scheme with the Honorable High Court of Andhra Pradesh.
9. Position of Investor complaints as at September 30, 2008 Complaints pending at the beginning of the quarter : Nil; Received during the quarter: 09; Resolved during the quarter: 09 and compliance pending as on September 30, 2008: Nil
10. These results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 31, 2008.
11. The Statutory Auditors of the Company have carried out limited review of the above unaudited financial results for the quarter ended September 30, 2008.
12. There are no exceptional / extraordinary items during the quarter ended September 30, 2008.
13. The Order Book of the Company stands at Rs 12,060.31 Crores as on September 30, 2008.
14. Figures pertaining to the previous period / year have been regrouped, reclassified and restated to conform to those of the current period / year.

for Lanco Infratech Limited

Place: Hyderabad
Date :October 31, 2008

G. Venkatesh Babu
Managing Director