

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. Based on an opinion issued by the Expert Advisory Committee of The Institute of Chartered Accountants of India the Company changed its accounting policy on the foreign exchange gain/loss on restatement of foreign currency loans in two subsidiaries and the same has been recognised as Deferred Foreign Currency Fluctuation Asset (Net) instead of recognizing the same in Profit and Loss account. Accordingly an amount of Rs.3453.98 lakhs is accounted as Deferred Foreign Currency Fluctuation Asset (Net) as on December 31, 2008. Consequent to such accounting treatment from inception, the impact on Company's profits up to March 31, 2008 would be lower by Rs.888.59 lakhs and Fixed Assets (Net) as on March 31, 2008 would be higher by Rs.1307.35 lakhs.
6. In the Consolidated Financial Results, an amount of Rs. 3177.73 lakhs for the quarter ended December 31, 2008 (2007: Rs. 583.10 lakhs) and Rs. 6697.43 lakhs for the nine months ended December 31, 2008 (2007: Rs.1217.60 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.

:2::

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.
- 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 December 31, 2008 Complaints pending at the beginning of the quarter : Nil; Received during the quarter: 01; Resolved during the quarter: 01 and compliance pending as on December 31, 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 January 30, 2009.
- 11. The Statutory Auditors of the Company have carried out limited review of the above unaudited financial results for the quarter ended December 31, 2008.
- 12. There are no exceptional / extraordinary items during the quarter ended December 31, 2008.
- 13. The Order Book of the Company stands at Rs.11334.94 Crores as on December 31, 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 :January 30, 2009

G. Venkatesh Babu
Managing Director