

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30,2007
CONSOLIDATED RESULTS**

Rs. In Millions

PARTICULARS	Quarter ended		Year ended
	30.06.2007 (Unaudited)	30.06.2006 (Unaudited)	31.03.2007 (Audited)
Revenue			
Income from Operations	5,914.41	2,512.22	16,057.69
Other Income	118.38	34.42	415.79
Total	6,032.79	2,546.64	16,473.48
Expenditure			
Construction, Generation, Purchases and Operating Expenses	4,525.30	1,639.80	11,220.35
Staff Cost	148.40	30.61	235.10
Administration and Other Expenses	94.09	58.91	404.20
Interest	200.23	158.40	828.64
Depreciation	166.21	239.16	655.64
Total	5,134.23	2,126.88	13,343.93
Profit Before Taxation	898.56	419.76	3,129.55
Provision for Taxation			
Current Tax	129.80	80.06	405.52
Prior year	-	-	1.15
Deferred Tax	22.34	(1.60)	62.11
Fringe Benefit Tax	1.01	0.37	3.04
Profit after Taxation before minority interest /Share of Profits of Associates	745.41	340.93	2,657.73
Less: Minority Interest	233.42	298.84	788.22
Add: Share of Profit of Associates(Net)	0.89	0.54	10.46
Profit after tax, minority and share of profits of associates	512.88	42.63	1,879.97
Paid – up Equity Share Capital (Face value of Rs. 10 per equity share)	2,197.93	567.78	2,197.93
Reserves (other than revaluation reserve)			12,906.90
Earnings per share- Basic (Rs.)	2.33	0.26	9.86
Diluted (Rs.)	2.33	0.26	9.86
(for the quarter not annualized)			
Aggregate of public shareholding			
- Number of shares	55,590,477	11,118,096	55,590,477
- Percentage of shareholding	25%	9.38%	25%
<i>As at 30-06-06 the face value of the equity share was Rs.5/-</i>			

**SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED UNDER CLAUSE 41
OF THE LISTING AGREEMENT - CONSOLIDATED**

Rs. in
Millions

PARTICULARS	Quarter ended		Year ended
	30.06.2007 (Unaudited)	30.06.2006 (Unaudited)	31.03.2007 (Audited)
1. Segment Revenue			
a) Construction	1,479.18	917.82	5,142.72
b) Power	4,415.21	1,592.27	10,800.81
c) Property Development	-	-	-
d) Others	20.02	2.13	114.16
Total	5,914.41	2,512.22	16,057.69
2. Segment Results (Profit before tax and Interest from each segment)			
a) Construction	235.73	125.39	971.42
b) Power	757.27	357.03	2,472.01
c) Property Development	(12.85)	(0.72)	(25.31)
d) Others	0.26	62.04	120.98
Less:- Interest Expenses (net)	81.85	123.98	409.55
Total	898.56	419.76	3,129.55
3. Capital Employed (Segment Assets- Segment Liabilities)			
a) Construction	(2,336.98)	(1,734.67)	(690.30)
b) Power	15,231.15	7,745.20	11,424.66
c) Property Development	1,744.39	376.26	795.59
d) Others	978.85	(3,400.14)	3,574.88
Total	15,617.41	2,986.65	15,104.83

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, infrastructure development and property development activities.
2. The above published consolidated results have been extracted from consolidated financial statements prepared in accordance with principles and procedures as set out in the Accounting Standard 21 on “Consolidated Financial Statements” and Accounting Standard 23 on “Accounting for Investments in Associates in Consolidated Financial Statements,” issued by the Institute of Chartered Accountants of India (ICAI).
3. 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.
4. As disclosed in the audited financial results of the Company for the year ended March 31, 2007, the Company has made an application to the ICAI seeking expert advisory opinion on the treatment of non-elimination of intra-group revenues and profits arising out of construction of projects under Build Operate Own and Transfer basis in line with the interpretation-12 issued by the International Financial Reporting Interpretation Committee on Service Concession Arrangements. Pending such clarification, the Company has not eliminated revenues amounting to Rs. 172.99 millions and Profits amounting to Rs. 17.29 millions arising out of such transactions in this unaudited consolidated financial results, as required by Accounting Standard 21 – “Consolidated Financial Statements” issued by the ICAI (AS-21) for the quarter ended June 30, 2007.
5. As disclosed in the audited financial results of the Company for the year ended March 31, 2007, considering the management structure of Lanco Kondapalli Power Private Limited (LKPPL), the Company has presented its consolidated financial statements considering LKPPL as a subsidiary from April 01, 2006, though technically line by line consolidation should have been carried out from November 15, 2006, the date on which holding subsidiary relationship came in existence, as per the requirements of AS-21. The segment results for the quarter ended June 30, 2007 have been disclosed accordingly.
6. During the year ended March 31, 2007 the Company had consolidated certain group entities engaged in the business of Power, Construction and Property Development under its management. Consequently, these companies have become its subsidiaries/associate. 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 associate has been prepared in accordance with Accounting Standard 17, “Segment Reporting” issued by the ICAI. This was followed while publishing the Quarter ending results June 30, 2007.

b) The business segments comprise of the following:

Segment	Details of Business
Construction	Construction of Roads, Industrial & Commercial Buildings
Power	Generation of Power
Infrastructure Development	Investment in Infrastructure Projects /Investment in subsidiaries engaged in Infrastructure projects
Others	Residual activities

8. The Order Book of the Company stands at Rs. 75412 Millions as on June 30, 2007.

9. The details of funds raised from the IPO and utilisation of such funds are given below:

Particulars	Total till June 30, 2007 Rs in Millions
Funds raised from Initial Public Offer	10,673.37
Utilisation	
1. Payment to Globeleq Holding (Kondapally) Ltd for acquiring shares of Lanco Kondapalli Power Private Ltd and related cost of acquisition.	1381.16
2. Payment to Aban Ventures Ltd to acquire an additional 13.30% equity stake in Aban Power Company Ltd.	350.00
3. Investments in subsidiary companies (directly / through another subsidiary)	968.60
4. Investment in Nagarjuna Power corporation ltd (including share application money and advance for acquisition of shares) pending allotment	5323.36
Less: Sold during the quarter	(165.91)
5. Expenses relating to Initial Public Offer	403.23
Total utilized	8,260.44
Balance of unutilized funds	2,412.93

The above balance of unutilized funds has been temporarily invested in fixed deposits and other short term investments, pending utilization for the objects of the issue.

10. As a prudent practice, the Company has made a provision for the entire net foreign exchange fluctuation gain of Rs.179.60 Millions on foreign currency loans taken earlier by some of the subsidiary companies for acquisition of fixed assets, which has been credited to the profit and loss account pursuant to the clarification given under the Companies (Accounting Standards) Rules, 2006 notified by the Central Government on December 7, 2006.

11. The Company has estimated and provided for employee benefits during the quarter. Additional liability if any, for the period prior to April 1, 2007 will be adjusted against General Reserve as per Accounting Standard -15 (Revised) on "Employee Benefits" issued by the ICAI.
12. Status of Investor Complaints:

Pending at the beginning of the quarter	- Nil
Received during the quarter	- 383
Resolved during the quarter	- 383
Pending at the end of the quarter	- Nil
13. The statutory auditors of the Company have carried out limited review of the Financial Results for the quarter ended June 30, 2007.
14. These results have been reviewed by the Audit Committee and taken on record by the Board of Directors at their meeting held on July 26, 2007.
15. Figures pertaining to the previous periods have been regrouped, reclassified and restated, wherever necessary, to conform to the classification adopted in the current period.

For Lanco Infratech Limited

Place:- Hyderabad

G. Venkatesh Babu

Date:- July 26, 2007

Managing Director