



# Towards consolidation

LANCO Infratech Limited ANNUAL REPORT

**2011-12**







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Lanco is a leading EPC player in India now with global footprints. 25 years ago, we started as a small construction company. Much has changed since then. Today, we have transformed ourselves and emerged as a large, integrated infrastructure enterprise. We have fortified our organisation to meet the most daunting challenges, and leverage opportunities that present themselves in the years to come.

However, a few things remain exactly how they were when we began. Our passion for progress and zest for evolution, for instance.

Also, our ability to imbibe sophisticated processes, operational abilities and skills.

Our fundamental approach remains simple. Combining the best technology and the greatest human talent to create world-class 'concept to commissioning' solutions that empower lives.

2011-12 represented another step towards our vision and ability to adapt in a dynamic environment and realign ourselves. We bagged our first international EPC order in the Middle East. We commenced the construction of the metro rail projects in Chennai and Delhi. We were awarded three projects to build transmission lines for Power Grid Corporation of India Limited (PGCIL). Our thermal power plants performed well. And, we commissioned 94 MW of capacity in the Solar Power segment.

**An eventful year.  
A momentous journey.  
A firm step towards  
consolidation.**

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## A passionate start, a progressive transformation

Lanco's operations, in its initial years, were primarily focused on mere construction activities. However, the opening up of India's power sector gave a huge impetus to the infrastructure sector in India. Leveraging this opportunity, Lanco developed its capabilities across the EPC value chain – right from engineering to procurement and construction.

Pure passion for progress and evolution is what enabled us to gradually emerge as a large, integrated infrastructure enterprise. We now operate across a synergistic span of verticals across power, engineering and infrastructure projects. We have developed solid competencies, operational abilities and skills to execute large scale projects in the infrastructure sector.

Today, EPC is the backbone of Lanco. It combines the best technology and the greatest human effort to create world-class 'Concept to Commissioning' solutions for our customers.

# Business Verticals



ENGINEERING  
PROCUREMENT AND  
CONSTRUCTION (EPC)



POWER



SOLAR



NATURAL  
RESOURCES



INFRASTRUCTURE





# EPC-thermal

## Progress

Post the completion of Amarkantak I and II projects, Lanco's first successful EPC project, the Company became the successful bidder in many projects and executed many of them.

## Strengths

- Fast-track execution
- Timely and quality deliverables in a cost-effective manner
- Strong in-house engineering team capable of conducting pre-award and review engineering with complete systems integration
- Best practices and process benchmarking, as per international standards
- Excellent relationships with vendors & equipment suppliers / agencies

## Project Portfolio

### Projects already executed:

**366 MW**

Combined cycle gas based power plant (Kondapalli)

**600 MW**

Imported coal based thermal power plant (Udupi)

**1200 MW**

Coal based thermal power plant (Anpara)

### Projects under execution:

**1320 MW**

Coal based thermal power plant (Amarkantak)

**1320 MW**

Coal based thermal power plant (Babandh)

**1320 MW**

Coal based thermal power plant (Vidarbha)

**1980 MW**

Thermal power plant (Koradi)

**1200 MW**

Thermal power plant (Moserbaer)

**600 MW**

Imported coal based thermal power plant (Udupi)

**732 MW**

Gas based power plant (Kondapalli)

**250 MW**

Gas based power plant (Akaz, Iraq)



# EPC-hydro

## Progress

Lanco forayed into the vast and untapped potential of the hydro power sector. We emerged as a hydro-electric project company through the construction of small hydro projects. Gradually, we also moved into the construction of large hydro-electric power projects. Successfully completed four 5 MW hydro projects and one 70 MW Budhil hydro project.

## Strengths

- Expertise in design and erection of large-sized radial gates, stop logs and other Hydro-Mechanical (HM) components of hydro projects
- Ability to execute hydro-power projects of any size and complexity across geographies
- Integrated team of Designers, Hydrologists, Geologists, Construction Managers, Project Managers, Business Development Managers, O&M experts, Innovation experts, HR & Finance experts

## Project Portfolio

### Projects already executed:

# 4 X 5 MW

Small Hydro

# 70 MW

Hydro Power Plant (Budhil)

### Projects under execution:

# 76 MW

Hydro power plant (Phata)

# 500 MW

Hydro power plant (Teesta)



# EPC- infrastructure

## Progress

Construction projects being its base, infrastructure development emerged as a natural progression for Lanco. This involved the execution of large civil and urban infrastructure projects. Roads, highways, ports, airports, railway lines, institutional and commercial buildings are some of the projects falling under this domain. Lanco successfully completed two road projects near Bengaluru.

## Project Portfolio

### Projects already executed:

# 82 km

Neelamangla Junction (Bangalore) – Devihalli (NH-48)

# 81 km

Bangalore – Hoskote – Mulbagal (NH-4)

### Projects under implementation

# 238 km

Toll road between Kanpur and Aligarh (NH 91)

## Milestone projects

- Chennai Metro
- Delhi Metro
- Power Grid Corporation of India Limited – 345 KM of 765 KV and 85 KM of 400 KV transmission line
- Toyo Engineering / Indian Oil Corporation Limited – Refinery works
- IL&FS Water Limited – 100 KM water pipeline along with water treatment system

## Strengths

- Dedicated engineering design support teams across business verticals for value engineering and construction methods
- Extensive experience in civil and construction work using the latest technology in civil construction
- Technology tie-ups/joint venture relationships with international majors across businesses
- Shortlisted and bid for large projects such as Dedicated Freight Corridor Corporation, DMRC, Italcementi, SAIL etc.

## Solar

Lanco has entered the sunrise industry of solar power generation. Lanco set up an integrated model in solar power generation starting from poly silicon manufacturing to solar power plant establishment. It successfully executed solar PV power projects of 94 MW as a Developer and a EPC contractor and is also in the process of executing 300 MW solar thermal and solar PV projects as a Developer and a EPC contractor.



# Aiming higher!

With opportunities in the infrastructure segment growing by leaps and bounds, Lanco's EPC business is moving ahead with great zeal and passion.

As a first step towards this move, we recently integrated our existing businesses – EPC Thermal, EPC Hydro and Construction – into a single business. With this, we emerged as an integrated infrastructure enterprise engaged in EPC operating across a span of verticals. We have firm plans to expand each of these individual businesses further, and eventually, emerge as an Rs 80,000 Crore infrastructure company by the end of this decade.

The consolidated entity enables us to leverage our inherent strengths and sophisticated processes in the EPC business in the energy sector. It propels us to efficiently tap the unprecedented potential in other infrastructure sectors as well, globally. Besides these, our solar and natural resources verticals also provide a further impetus to the overall growth of our Group's business.

## Opportunities in sight:

Government of India envisaged

**\$1 trillion** investment in  
the infrastructure sector for the 12th Five Year Plan

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India's expected energy demand of

**1392 Terawatt** hours by  
2016-17, with a peak demand of 218 GW, requires an additional capacity of 135 GW to satiate the projected demand.

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**35,000 km** huge highway development  
opportunity for private sector

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# Board of Directors



**Mr. L. Madhusudhan Rao**  
Executive Chairman



**Mr. G. Bhaskara Rao**  
Executive Vice - Chairman



**Mr. L. Sridhar**  
Vice - Chairman



**Mr. G. Venkatesh Babu**  
Managing Director



**Mr. S. C. Manocha**  
Deputy Managing Director



**Dr. Pamidi Kotaiah**  
Director



**Mr. P. Abraham**  
Director



**Dr. Uddesh Kumar Kohli**  
Director



**Dr. B. Vasanthan**  
Director



**Mr. R. Krishnamoorthy**  
Director