



Lanco Infratech Limited

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Press Release

LANCO SUCCESSFULLY COMPLETES UDUPI POWER PLANT SALE TO ADANI POWER

- The enterprise value of the Deal is Rs.6,300 Cr.

New Delhi, 20 April 2015: Lanco Infratech Limited (LITL), the leading integrated infrastructure player in the country having business verticals in EPC, power, solar, natural resources and infrastructure today announced that it has successfully completed the sell-off of its Udupi power plant to Adani Power Limited, making it the largest acquisition in India in the thermal power space. The transaction was announced in August 2014, as part of Lanco's debt restructuring strategy.

Udupi has set up 2 X 600 MW imported coal based power project in the Udupi District in the state of Karnataka. It is the country's first independent power project that is based on 100 per cent imported coal with a captive jetty of 4 million tonnes per annum and an external coal handling system in the new Mangalore Port Trust. The plant's facility can be expanded as Udupi has already signed an agreement with the Karnataka Government for further expansion of the capacity by 1,320 MW

Following the completion of the transaction, Lanco Infratech has realized the enterprise value of around Rs. 6,300 Crore by reducing long term debt and realizing its equity value. The deal helped Lanco to reduce its debt position – long-term and short term debt now at Rs. 4,275 Crore and Rs. 2,147 respectively - and boost cash flow keeping in mind the initiatives being taken and the plans being charted out by the new government in order to revive the distraught power sector.

The overall transaction will provide considerable boost to Lanco and aid the company in gearing up to commit itself in consolidating, repairing and rebuilding in line to leverage the opportunity that the new Govt. will create in the power and Infrastructure sector within the next two years

As at Q3 FY14-15, LITL reported, its EPC division has an order book of Rs 29,463 crore. This transaction will support LITL in reducing its debt and infuse capital in other projects including Lanco Amarkantak Power. LITL is committed to drive up its EPC business, which will enhance the top-line growth of the company.

Currently, Lanco has 3450 MW assets operating in various states in the country and 4636 MW is under construction at various stages. They have around 7,000 MW capacities under development and some of these assets have coal blocks and 100 per cent regulated tariff. LITL has laid out a plan whereby it will look at more such strategic sell-offs like Udupi to streamline its operations and strengthen the core of its business.

About the Lanco Group

As one of India's leading business entities, Lanco Infratech Limited has been driving growth in the domains of Engineering, Procurement and Construction (EPC), Power, Solar, Natural Resources and Infrastructure over the last two-and-a-half decades. Its continuous focus on innovation and expansion together with its commitment to quality and excellence has contributed significantly to the progress that the company has made over a short span of time.

About the Adani Group

Adani Group is an Indian multinational conglomerate company headquartered in Ahmedabad, Gujarat, India. Its diversified businesses include resources, logistics, agribusiness and energy sectors. Since its foundation in 1988, the Group's business has grown exponentially.

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