



PRESS RELEASE

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L&T to Add 4000 mw per Annum Capacity for Super-critical Boilers, Steam Turbine Generators

First Private Sector Company in India to manufacture these products

Mumbai, March 19, 2008: Larsen & Toubro Limited is all set to ramp up its manufacturing capacity of super-critical boilers and super-critical turbine generators to 4000 mw per annum. The foundation stone for the upgraded facility was laid at Hazira today in presence of Mr. A. M. Naik, Chairman and Managing Director, L&T, and Mr Ichiro Fukue, Representative Director, Mitsubishi Heavy Industries Ltd.

L&T is the only private sector company in India to enter the space of super-critical boilers and steam turbine generators. The company will be manufacturing and marketing these critical components of the large power plant through two separate joint ventures with Mitsubishi Heavy Industries (MHI) of Japan. MHI is a global leader in this business.

L&T holds 51 per cent in both the JVs with MHI holding 49 per cent. The JVs will have an investment of Rs. 15,000 million (Rs. 1,500 crore).

The JVs had already started their operations in existing facilities at Hazira last year and have already constructed two new workshops. To further add capacities by 4000 mw, the new dedicated facilities coming up at Hazira marks a significant milestone in India's power sector.

Super-critical boilers and turbines are integral components of energy efficient, coal-based power plants. They will help meet the demand supply gap for power plant equipment as India ramps up its power generation capacity using the super-critical technology.

Manufacturing capability of these products integrates into L&T's existing strengths in the power sector. L&T is currently engaged in total EPC contracts for power projects as well as manufacture of complete condensing and feed heating systems and 'balance of plant' for power projects. With L&T also declaring its intent to enter the generation space as a developer of power projects, the company has developed capabilities for becoming a single point solution provider for the power sector.

L&T –MHI will have a product configuration catering to super-critical power plants, ranging between 500 mw-1000 mw. The engineering design centre for the boilers is based in Faridabad, near New Delhi, and that for steam turbines in Vadodara, Gujarat. The new fabrication and manufacturing facilities will be extension of present complex and will be state of the art world class set up.

Background:

The Larsen & Toubro group is a USD 7 billion technology, engineering and construction company, with global operations. It is one of the largest and most respected companies in India's private sector.

A strong, customer-focussed approach and the constant quest for top-class quality have enabled L&T to attain and sustain leadership in its major lines of business over seven decades.
