

NPCIL and L&T set up JV to build facility for Special Steels and Ultra Heavy Forgings

*One of World's Biggest Forging Presses
– addition to range of high tech facilities*

Mumbai, November 30, 2009: The Nuclear Power Corporation of India Limited (NPCIL), a Government of India Company responsible for design, construction, commissioning and operation of nuclear power plants and Larsen & Toubro (L&T), India's leading engineering, manufacturing & construction major announced the formation of a joint venture company to produce special steels and ultra heavy forgings.

At a signing ceremony in Mumbai, NPCIL and L&T said that the new, fully integrated facility to be set up in Hazira, Surat, would significantly augment India's capabilities in manufacturing critical components for the nuclear power industry.

The state-of-the-art facility will have a dedicated steel melt shop producing ingots weighing up to 600 MT each, and a heavy forge shop equipped with a forging press which will be amongst the largest in the world. The JV will supply finished forgings for nuclear reactors, pressurizers & steam generators, in addition to heavy forgings for critical equipment in the hydrocarbon sector, as well as for thermal power plants. Direct access to a water front at Hazira will facilitate multi-modal transportation and exports.

With the addition of this forge facility, L&T's Hazira Manufacturing Complex will enter an exclusive club of manufacturers with an integrated capability covering the entire range - from melting of steel to finished equipment.

Indigenous manufacture of forgings will close a critical gap in Indian industry's capability to produce equipment for nuclear, thermal power and hydrocarbon plants. It will enable significant reduction in cycle times. Considering the thrust on infrastructure growth in India, and the global nuclear renaissance, the market potential for such forgings is expected to remain strong over the long term.

The new facility fits in with L&T's commitment to remain at the forefront of manufacturing technology across key sectors. Operating at the higher end of the technology spectrum, over the years, L&T has introduced new products & processes into Indian industry. In critical sectors such as space research,

nuclear and thermal power, defence and hydrocarbon, L&T's manufacturing facilities have met the challenges of technology, quality conformance and delivery, while ensuring the highest value to its customers.

Dr. Anil Kakodkar, Secretary, Department of Atomic Energy and Chairman Atomic Energy Commission said :“The establishment of JV between NPCIL and L&T reflects our vision of steady progress for growth of Nuclear Power in the country in a self reliant manner. The facility would contribute in closing the gap in the supply chain for Nuclear Power Reactors, wide spectrum of installations for nuclear fuel cycle and other infrastructure applications like, hydrocarbon and power. I am very happy that this is a Public-Private Partnership venture.”

Mr. A. M. Naik, Chairman & Managing Director of L&T, said: “This JV will place India amongst the few countries in the world capable of producing nuclear grade heavy forgings. When combined with the established facilities at Hazira, this venture will form part of a fully integrated high technology manufacturing complex. NPCIL has been a valued customer for our nuclear plant systems and equipment. This joint venture will add a new dimension to our long standing relationship.”

Dr. S. K. Jain, Chairman & Managing Director NPCIL & BHAVINI said : “The joint venture will be a major strategic step towards achieving the target of 20 GW of nuclear power by 2020 and 63 GW by 2032. It will accelerate NPCIL's efforts for localization of LWR technologies and will open up possibilities for export of critical nuclear equipment. “

About NPCIL

NPCIL currently operates 17 Nuclear Power Reactors in India with a total capacity of 4120 MW and is constructing six reactors with an installed capacity of 3160 MW. 18th reactor has achieved first criticality on Nov 24, 2009 and is poised to start commercial operation soon. NPCIL has recorded over 300 reactor years of safe and reliable operation of nuclear reactors. The first pour of concrete for four indigenous reactors of 700 MW is targeted for the year 2010. It has ambitious plans for capacity addition through international co operation in addition to the indigenous programme.

About L&T

Larsen & Toubro Limited (L&T) is a 8.5 billion USD technology-driven engineering, manufacturing and construction conglomerate, and one of the largest companies in India's private sector. A strong, customer focused approach and the constant quest for top-class quality have enabled the company to achieve and sustain leadership in its major lines of business of over seven decades.

L&T is globally acknowledged as one the top five manufacturing companies in the heavy engineering sector.

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