



PRESS RELEASE

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L&T to Develop its First BOOT Hydroelectric Project

Mumbai, May 24, 2006: Larsen & Toubro Limited (L&T) has bagged the development rights for a 60 MW Singoli Bhatwari Hydroelectric Power Project from the Government of Uttaranchal, in the face of stiff competition from leading Indian power and infrastructure sector companies. The project is located in Rudraprayag district of Uttaranchal on Mandakini River, a tributary of the Ganga.

Valued at around Rs. 500 crore, this project will be executed by L&T on Build Own Operate and Transfer (BOOT) basis, i.e., L&T will develop, finance, construct, commission and operate the power plant for a concession period of 45 years. Though L&T has to its credit engineering and construction of many power, infrastructure and industrial projects and BOT variants, this will be L&T's maiden hydroelectric project via the Public Private Partnership model.

The project involves design and construction of a 20-m high and 80-m long barrage, 12-km long headrace tunnel, surface powerhouse, substation and a 12-km long 132-kV transmission line. Francis turbines will be used to generate 361 million units of energy in a year with 90% rain fall. The detailed project report is under preparation and the Project Development and Implementation Agreement will be signed with the Government of Uttaranchal for successful implementation of this prestigious project.

Mr. K.V. Rangaswami, Executive Director & Head - Construction Division, L&T, said, "Hydro projects would be one of the thrust areas for L&T, and such projects give us the opportunity for taking up challenging construction and engineering works. We are also evaluating similar project opportunities in other states".