



PRESS RELEASE

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L&T's Power Sector Vision Achieves Important Milestone - Signs Technology Agreement with Mitsubishi, Japan

Mumbai, November 13, 2006: Larsen & Toubro Limited (L&T), the over USD 4 billion engineering, construction and technology major, made a significant move forward in its plans of being a comprehensive player in the Power Sector. Its plans in the power sector include the full spectrum from power project development, manufacture of power plant equipment and construction. It has signed an agreement with Mitsubishi Heavy Industries Limited (MHI) of Japan for transfer of technology for the manufacture of super critical boilers that can meet the requirements of the mega power projects being planned for the country.

Under the agreement MHI will grant an exclusive licence and transfer the know-how and technical information to the Power Business Unit of L&T. The areas covered under this agreement include design, engineering, manufacture, testing, inspection, erection, installation, commissioning, operation, repair, services and retrofitting of super critical boilers including pulverisers. The licence that is for a period of 20 years would cover output range from 300 MW to 1000 MW for nominal super critical coal fired thermal power plants. MHI has also expressed interest to be a JV partner of L&T in this business area. The investment in the venture is about Rs. 450 Crores.

Use of supercritical parameters in large power plants results in decrease of turbine cycle heat rate thereby increasing the operating efficiency. This leads to reduced fuel consumption and helps in conservation of fast depleting fuel resources. Supercritical parameter monitoring also helps in reducing emissions, especially of green house gases - a major environmental concern these days.

The MHI Group is a leading industrial house in Japan with a turnover around USD 25 Billion. It has diverse manufacturing interests that include power equipment, chemical and machinery plants, materials handling systems, transportation systems, waste treatment, steel structures, ships, machine tools, etc.

