



PRESS RELEASE

Issued by Corporate Communications Department
LARSEN & TOUBRO LIMITED
L&T House, Ballard Estate, Mumbai 400 001

Tel: 55525772 (Direct), 55525656 Ext: 772
Fax: 91-22-55525607/ 8
E-mail: jkp-ccd@lth.ltindia.com

L&T Builds on Manufacturing Breakthrough into China – Bags Yet Another Multi Crore Order for Critical Equipment

Secures Rs. 368 crore Order from China For Coal Gasification Equipment

Mumbai, April 7, 2006: L&T secured an order valued at Rs. 368 crores (USD 82 million) from a major power generation company in China for supply of critical gasification equipment. L&T will supply three sets of gasification equipment to Datang International Power Generation Co., Ltd. for its coal based olefin project in Duolun county, Inner Mongolia. The equipment will be based on the reputed process technology of Shell Global Solutions.

As one of only two manufacturers worldwide that has the capability to manufacture this critical equipment, L&T has demonstrated that India's superiority in design and manufacture of high technology engineering products.

The L&T manufactured equipment will help produce 1.5 million tonnes per annum (TPA) of methanol, to be subsequently converted into propylene and further into polypropylene. L&T will complete despatch of equipment by September 30, 2007, and depute its engineers and skilled workforce to Duolun to complete assembly of the despatched sections by February 15, 2008.

L&T's Heavy Engineering Division, which has completed supply of Coal Gasification Equipment for a 500,000 TPA Ammonia plant to Yuntianhua Group, is currently executing orders for Coal Gasification Equipment for a 500,000 TPA Methanol plant for Zhongyuan Project and a 20,000 bpd crude equivalent Direct Coal Liquefaction Plant of the Shenhua Group.

With this contract, the cumulative order booking of L&T's Heavy Engineering Division from China exceeds USD 220 million.