



PRESS RELEASE

Issued by Corporate Communications Department
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L&T To Set Up Switchgear Plant In China

Wuxi (China), August 2, 2005: Larsen & Toubro Limited (L&T), India's leading engineering and technology company, has signed an MOU for setting up a green field manufacturing project in China. Announcing this, Mr. R. N. Mukhija, President and Member of the Board of L&T, said the proposed plant in the Wuxi New District -- a Hi-Tech Industrial Park in the Jiangsu Province of China -- would manufacture high-end Air Circuit Breakers.

To be built on a 30,000 sq. metre plot, the factory would be equipped with state-of-the-art facilities for manufacture and testing. The Air Circuit Breaker is part of L&T's expansive range of electrical and electronic products. It is widely sold in international markets including Europe. Developed through indigenous R&D, the Air Circuit Breaker had evolved across the last 40 years, and is powered by embedded software created by L&T's engineers.

L&T already has offices in Shanghai and Beijing. It has established a presence in Chinese industry with the supply of high technology equipment for the hydrocarbon sector. Currently, it is in the process of completing supply of coal gasifiers for ammonia, methanol and coal liquefaction projects.

L&T has also received an order from Petrochina for supply of a reactor for its ethylene oxide/ethylene glycol project at Liaoyang.

In addition to large equipment, L&T has supplied specialty industrial valves worth USD 25 million over the last two years to various petrochemical and power projects in China. The valves division has appointed agents and distributors in China to handle the large demand of industrial valves from the Oil & Gas and Petrochemical sectors. Possible acquisition of a local valve manufacturing company is being considered to increase L&T's presence and address a larger share of the global market.