



PRESS RELEASE

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L&T Consortium bags Rs. 1400 crore order for Vizag Steel Plant expansion

Mumbai, March 15, 2007: Larsen & Toubro Limited (L&T) and its international consortium partners of Paul Wurth Italia and India have bagged an EPC (Engineer-Procure-Construct) package, valued over Rs. 1400 crores, for the expansion of Vizag Steel Plant of Rashtriya Ispat Nigam Limited (RINL). This is the largest single-value EPC order by the client and was bagged against stiff international competition from Chinese, Korean and Russian firms.

In line with the National Steel Policy envisaging production of 110 million tonnes per annum (MTPA) of steel in the country by the year 2019-20, RINL has embarked upon a capacity expansion at Vizag. It had invited bids for installation of a new third blast furnace to double its capacity to 6.5 MTPA of hot metal from the present level of 3.2 MTPA.

L&T will construct this blast furnace -- a state-of-the-art 3800 cu.m. unit with a capacity of 2.5 million tonnes of hot metal per year. This is the second biggest blast furnace in India. L&T's Construction Division, ECC, will execute this contract in consortium with Paul Wurth Italia within a stringent time-frame of 30 months.

L&T's scope of work includes complete detailed engineering apart from certain areas of basic engineering based on the process-engineering being supplied by Paul Wurth. The complete indigenous manufacturing and supply of equipment lies in the scope of L&T. Apart from this, complete site services including the civil and structural works and erection of equipment will be undertaken by L&T, with specialized supervision being provided by Paul Wurth. L&T's contract-value in this project is around Rs. 810 crores.

Paul Wurth Italia (the merged entity of Paul Wurth of Luxembourg and SMS Demag of Italy) is the world-leader in iron-making technology through the blast furnace route. By introducing the latest technology in iron making, L&T will once again demonstrate its commitment to design and execute large sized blast furnaces in the Indian steel industry.

This consortium is already executing a similar sized blast furnace order for Tata Steel in Jamshedpur where the project is scheduled to be commissioned by early next year.