



PRESS RELEASE

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L&T Bags Rs. 550-crore Annuity Road Project

Mumbai, April 05, 2006: Larsen & Toubro Limited (L&T), India's leading engineering and construction company, bagged its first annuity-based road project -- valued at Rs. 550 crores -- from the National Highways Authority of India (NHAI). The project involves four-laning of the 76-km Palanpur and Swaroopgunj stretch located on the East-West Corridor on NH-14, linking Gujarat and Rajasthan. Secured against international competitive bidding, the order will be executed by L&T's Engineering Construction & Contracts (ECC) Division in 30 months.

NHAI is scheduled to pay the annuity as equated half-yearly instalments, for a period of 15 years. The project involves widening of the existing two-lane corridor to four lanes, construction of six major bridges, twenty minor bridges, two ROBs, one flyover, fourteen underpasses, two toll plazas and other wayside amenities.

Forming an important link on the East-West Corridor, this highway project runs across the border districts of Gujarat and Rajasthan, and is the main route for commercial traffic heading towards the east from the Kandla and Mundra Ports. Mount Abu, the popular hill station, is located near this corridor.

L&T will design, engineer, finance, construct these road stretches, and maintain them for a period of 17 years and six months through a special purpose company: L&T Interstate Road Corridor Limited.

Mr. K.V. Rangaswami, Executive Director & Head – Construction, L&T, said, “This is the tenth BOT project secured by L&T, of which five are located on the Golden Quadrilateral, three on North-South Corridor, one on the East-West Corridor, and one on the state highways. The cumulative value of these projects exceeds Rs. 3700 crores”.