



PRESS RELEASE

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Dhamra Port – an L&T-Tata JV – Achieves Financial Closure

Mumbai, February 28, 2007: The Dhamra Port Company Limited (DPCL), a 50:50 joint venture company of Larsen & Toubro Limited (L&T) and Tata Steel Limited, has achieved financial closure for development of an all-weather deep port north of the mouth of river Dhamra in Orissa. The Company signed the loan agreement at Chennai on 27th February 2007 with a consortium of lenders led by the Industrial Development Bank of India (IDBI) who have agreed to part-finance the project cost of Rs.24.6 bn. The Company is also working with BNP Paribas for ECA funding.

Sheltered between the mainland and the Kanika Sands Island on the eastern coast, Dhamra Port will be the deepest all-weather port of its kind in India, with a draught of 18.5 meters, which can accommodate super cape-size vessels up to 180,000 DWT. This will be a boon to the mineral hinterland of north Orissa, Jharkhand, West Bengal and Chattisgarh which are in close proximity to the port and where a large number of steel plants and mineral based industries are located, besides many more which are on the anvil. As the cargo of mineral and mineral-based industries is highly freight-sensitive, a deep draught port will be of great advantage, as such cargo can move in larger vessels, thus lowering the incidence of sea freight on the landed cost. The highly mechanized and advanced material handling facilities planned at the port will offer the users loading and discharge rates comparable to the world's best. The port project includes a 62-km rail connectivity to the main Howrah-Chennai line at Bhadrak.

The port will eventually have 13 berths to handle over 83 million tons of cargo per annum. Of these, the first two berths, with a handling capacity of up to 25 million tons of bulk cargo per annum, will come up in the first phase. When fully developed, the port will handle all types of cargo, such as dry bulk, break bulk, liquid and container cargo. Apart from Tata Steel who is a co-promoter of the port, a number of other steel plants, mines and industries in the region will use the port, which will become eastern India's major gateway to the world.

L&T's Engineering Construction & Contracts (ECC) Division will construct the modern port with all facilities, while International Dredging Seaport Company Limited, a JV of L&T and Dredging International of Belgium, will carry out the dredging.

Subsequent to the signing of the financing documents, Mr. S.K. Mohapatra (CEO, DPCL), remarked, "The Dhamra Port is going to be a major player in Tata Steel's global plans and aspirations." Mr. H.M. Nerurkar, Director, DPCL, & Vice President, Kalinganagar Project Orissa & Technology, said, "The Dhamra Port Project signifies the coming together of the largest steel industry in the private sector and the largest engineering and construction major. The project is bound to be a successful venture."

Mr. K.V. Rangaswami (Director, DPCL and Member of L&T Board) who signed the documents on behalf of L&T, said, “L&T’s total construction capabilities encompassing various facets of engineering & construction, including supply of critical material handling equipment, will ensure timely completion of this project.” Mr. K.G. Hariharan (Director DPCL, & Senior Vice President, L&T–ECC), expressed satisfaction over “one more addition to L&T’s infrastructure ventures ” and was confident that the long association of L&T and Tata Steel is sure to make the project a great success.

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