



PRESS RELEASE

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L&T Chairman Mr. A. M. Naik inaugurates USD 25 mn globally benchmarked factory

Mumbai, January 25, Mr A.M. Naik, Chairman and Managing Director of Larsen & Toubro, inaugurated the Talegaon factory of Tractor Engineers Limited (TENGL), a wholly owned subsidiary of Larsen & Toubro Limited (L&T). The factory at Talegaon is the largest integrated factory for track systems and track modules in India, and will help TENGL achieve its revenue target of USD 125 million by 2010.



Mr. A. M. Naik, Chairman & Managing Director, Larsen & Toubro Limited, addressing the gathering at the inauguration of TENGL's new manufacturing plant at Talegaon Industrial Area, Dist. Pune, Maharashtra.

The first phase of this new state-of-the-art factory produces 6000 m/c sets of crawler undercarriages. This will be ramped up to 20,000 m/c sets by Feb 2009 when the third phase of expansion is completed. The plant is designed on the principles of lean manufacturing and single piece flow, and has a dust-free assembly area which is the first of its kind in the world for such products. The total investment in the facility is USD 25 million.

The track systems manufactured by TENGL have found wide application in construction, earthmoving and mining equipment. TENGL's heavy duty apron feeders are used in material handling systems around the world.

Speaking at the inauguration, Mr. A. M. Naik said that mechanisation of the construction industry is the key for infrastructure development. India's need of the hour is good and dependable mobile equipment that will quicken the pace of development. "Our engineers must provide the working platform using TENGL undercarriages to ensure that equipment is made more reliable and comparable with the best in the world." he said. Commenting on the choice of location, he said "Setting up a facility in Talegaon is in line with our efforts to spread the centres of manufacturing into the tier 2 & tier 3 cities & towns, to create employment across the country, and reduce the pressure on already overloaded metros".

TENGL expects greater demand with the increased requirements of rapid modernisation and development. TENGL already exports its products to customers in US, UK, Europe, New Zealand, South Africa, Australia, Turkey, South Africa, and New Zealand. In the domestic market, the company supplies to major original equipment manufacturers like L&T-Komatsu Ltd, Telcon, JCB, Revathi Equipment Ltd, and Atlas Copco. It also has a full-fledged product development and technology centre.

Background:

TENGL is a wholly-owned subsidiary of Larsen & Toubro Limited, a USD 5 billion technology, engineering and construction company, with global operations. It is one of the largest and most respected companies in India's private sector.

A strong, customer-focussed approach and the constant quest for top-class quality have enabled L&T to attain and sustain leadership in its major lines of business over seven decades.



The new Talegaon Plant.