



PRESS RELEASE

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L&T Inaugurates Switchgear Factory in China

Mumbai, October 30, 2006: Larsen & Toubro Limited (L&T) today inaugurated a state-of-the-art factory for low voltage switchgear at Wuxi in the Jiangsu province of China. Set up as a wholly owned subsidiary of India's largest switchgear manufacturer, Larsen & Toubro (Wuxi) Electric Company Limited (LTW), is the Company's first manufacturing facility in the electrical sector outside India, and forms part of L&T's increasing thrust on expanding its international footprint.

The factory was inaugurated by the Chairman of LTW and whole-time Director of L&T, Mr. R. N. Mukhija, in the presence of the Consul General of India, Mr. V. Prakash, Vice Mayor of Wuxi, Mr Tan Xue Ming, senior Wuxi Government officials and L&T's major business associates.

L&T will manufacture and market its indigenously developed, high-end air circuit breakers (ACBs) and moulded case circuit breakers (MCCBs) out of the new factory. The ACB has protection releases powered by embedded software with communication features designed by L&T's engineers. These high-end ACBs are one of the latest in a series of products launched by L&T to meet international quality and standard certifications.

Products manufactured at LTW are being certified by China Quality Certification Center for the China Compulsory Certification (CCC) mark. They have already been certified by the IEC System for mutual recognition of test certificates for electrical equipment (IECEE) CB scheme.

Speaking on the occasion, Mr. Mukhija said, "L&T has supplied some critical and sophisticated equipment to heavy engineering installations in China. We are going to play a bigger role in China's huge infrastructure development. L&T is setting up production facilities for valves business in Jiangsu and rubber machinery in QingDao. The Switchgear manufacturing facility at Wuxi will cater to the needs of many industries with our ACBs that are contemporary to the best in the world. Our next step would be to roll out more switchgear products from this unit."

Mr. Mukhija added, “L&T’s manufacturing operations in China have now brought us closer to customers and we would be delighted to serve them as well as meet their expectations on product and service fronts.”

The LTW project envisages an investment of US \$ 11 million. In the first year of operation, in 2007, LTW proposes to manufacture close to 5000 units of ACBs valued at US \$ 8 million. In the third year of operation, LTW will produce more than 15,000 units for sale in China as well as international markets and earn sales revenue of US \$ 25 million.

The project will generate employment for more than 300 people comprising management personnel, engineers and skilled operators. Locally available talent and experience will form the majority of this strength.

LTW has received the ISO 9000 2000 certification for the factory operations. Set up in 11 months in area of 25,500 sq metres, the factory has features like Forced Draft Ventilation System for dust-free environment and epoxy flooring for an improved ambience. Other modern features include assembly flow lines, computerized test benches, precision machines for critical operations and a comprehensive quality control laboratory.

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