



PRESS RELEASE

L&T Finance Enters into MoU for Purchase of 100% Stake of DBS Cholamandalam Asset Management

Mumbai, September 25, 2009: L&T Finance Limited (LTF) and Cholamandalam DBS Finance Limited (CDFL) have today signed an MoU for the purchase by LTF of the 100% shareholding of CDFL in DBS Cholamandalam Asset Management Limited (DCAM) for a consideration of Rs. 45 crores adjusted for cash balance and current assets as of date of closing.

Consummation of this transaction is subject to appropriate regulatory approvals to be obtained.

This acquisition would help synergise with L&T's existing Financial Services Business by deepening and widening its services.

L&T believes that its brand and reach will enable building a robust and valuable asset management business. DCAM has a professional team with a vast experience in asset management business. Many of its schemes have star ratings from Morningstar and Value Research and are placed in Platinum, Gold and Silver category by ET Mutual Fund Tracker.

The average assets under management of DCAM was Rs. 2893 crores as of August 31, 2009.

L&T was advised by Equirus Capital on the transaction.

About L&T's Financial Services Business

L&T has a presence in the financial services sector through its two wholly owned subsidiaries - L&T Finance Ltd. (LTF), and L&T Infrastructure Finance Ltd. (LTIF). Both LTF and LTIF are predominantly fund-based organizations catering to different classes of customers. On a consolidated basis, these entities have an asset size of over Rs. 9,000 crores. They have a nation-wide distribution network, with presence in over 230 locations, especially in the rural and semi-urban areas.

LTF

LTF offers a wide range of products that include asset-backed funding for purchase of construction equipment, tractors, commercial vehicles, farm equipments, supply chain finance, channel finance, term loans, lease products, capital market products, and micro-finance. It also undertakes distribution of third party financial products.

LTIF

LTIF undertakes funding of large sized infrastructure projects, across various sectors in the country. It offers structured financial solutions for projects, equipment and other infrastructure development activities in segments like power, transportation, aviation, railways, ports, shipping and urban infrastructure.

About Cholamandalam DBS Finance Limited

Cholamandalam DBS is a listed joint venture between the Murugappa Group and DBS Bank of Singapore. One of the leading Non-Banking Finance Companies in India, the Company operates out of over 150 branches across the country. The Company, along with its subsidiaries offers individual and institutional customers a range of financial services – vehicle finance, home equity, capital market finance, corporate finance, securities broking and distribution of investment and insurance products. CDFL in the last one year has taken several strategic initiatives to strengthen its position to be a strong NBFC. Considering its own longer term vision in its core business, CDFL has decided to exit the asset management business.

About DCAM

DBS Cholamandalam Asset Management, an investment Manager for DBS Chola Mutual Fund, currently manages over Rs. 2890 crores (average AUM for Aug'09). It is one of the oldest AMCs in India, operating since 1996 and currently manages 6 Debt funds 11 Equity funds. The average AUM has grown from Rs. 1023 crores in Mar'09 to Rs. 2893 crores in Aug'09.

DBS Chola Opportunities Fund has been given a Platinum Medal and DBS Chola Growth Fund and DBS Chola Midcap Fund have been given Silver Medal by Economic Times Intelligence Group (Apr'09 to Jun'09). DBS Chola Monthly Income Plan, DBS Chola Freedom Income Fund and DBS Chola Liquid Fund are rated 4 star by both Value Research and Morning Star (Aug'09).

3 of its funds, viz., the DBS Chola Infrastructure fund, DBS Chola Midcap and the DBS Chola Small Cap Fund featured among the top 100 funds in the world for the quarter ended June '09 as per a study conducted by Lipper.

Sanjay Sinha, Chief Executive Officer (September 08 to date) is a PGCGM from IIM Calcutta, Hon. Grad. in Economics from University Of Delhi.

He has experience of over 20 years in the asset management business in India, including career with UTI AMC Pvt. Ltd and SBI Funds Management. Funds managed by him were the first few funds from UTI that won awards for their performance. During his tenure at SBI Mutual Fund, the Fund House won 34 awards in the 3 years between 2005-08 for the performance of its funds.
