L&T Finance Holdings

BY FAX/ E Mail/ HAND DELIVERY

March 27, 2012

Mr. Hari K.
The National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Mr. Bhushan Mokashi
Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Tower,
Dalal Street, Mumbai – 400 001

Dear Sir,

SUB: Press Release - L&T Finance Limited (LTF), a subsidiary of L&T Finance Holdings Limited (LTFH) announces acquisition of FIL Fund Management Private Limited and FIL Trustee Company Private Limited

We are pleased to inform the Exchanges that L&T Finance Limited (LTF), a subsidiary of L&T Finance Holdings Limited (LTFH), has executed definitive agreements to acquire FIL Fund Management Private Limited (Fidelity AMC) & FIL Trustee Company Private Limited, the companies carrying on the mutual fund business of Fidelity in India, subject to regulatory approvals.

Accordingly, a press release, the contents of which are self explanatory is enclosed.

Kindly take note of the above.

Thanking you,

Yours faithfully,

For **L&T Finance Holdings Limited**

N. Suryanarayanan
Company Secretary

L&T Finance Holdings Limited
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L&T Finance Holdings Limited is a subsidiary of Larsen & Toubro Limited

Press Release – L&T Finance Limited

L&T Finance Limited acquires Fidelity's Indian mutual fund business

Tuesday, 27th March, 2012, Mumbai: L&T Finance Limited (LTF), a subsidiary of L&T Finance Holdings Limited (LTFH), has announced today that it has executed definitive agreements to acquire FIL Fund Management Private Limited (Fidelity AMC) & FIL Trustee Company Private Limited, the companies carrying on the mutual fund business of Fidelity in India, subject to regulatory approvals.

Fidelity AMC, incorporated in 2004, manages the 15th largest mutual fund in India with a market share of 1.3% and an average AUM for the quarter ended December 2011 of INR 8,881 crores (~68% of its assets are equity oriented). It has built a robust equity oriented franchise which has access to large HNI customers and a strong SIP portfolio. Its equity assets are the 10th largest in India with a market share of 3.1%. Further, in the past 3 years, the fund performance has resulted in 4 of its 5 equity funds being ranked amongst top 10 in their respective category. It was awarded by Lipper in 2011 for being Best Equity Fund House over the past 3 years.

On this occasion, Mr. Y. M. Deosthalee, CMD of L&T Finance Holdings Limited, said, "With this acquisition we are one step closer to achieving our vision of being among the top players in the Indian mutual fund industry. We remain committed to that goal and look forward to building one of India's most admired asset management businesses. This acquisition provides L&T Mutual Fund the necessary scale, products and access to retail customers to grow profitably."

L&T Financial Services established its presence in the Mutual Fund industry through the acquisition of the mutual fund business of DBS Chola in January 2010. Since then, L&T Mutual Fund has grown its total average AUM by a CAGR in excess of ~ 33% to ~ INR 4,616 crores (average AUM for the quarter ended December 2011). It has a strong debt–focused portfolio with a pan India distribution network.

"We see tremendous complementary strengths between both the mutual funds. The strong equity-focus of Fidelity's Indian Mutual Fund, when combined with L&T Mutual Fund, results in a balanced asset base. The size of the combined entity (average AUM of ~ INR 13,497 crores for the quarter ended December 2011, with a market share of ~ 2.0%) together with the backing of the "L&T" brand would provide an optimal platform to improve margins and grow profitably. Together, the complementary skill sets, distribution reach and client base present a well balanced overall picture", said Mr. N. Sivaraman, President & Whole-time Director, L&T Finance Holdings Limited.

The fund houses share common investment philosophies which include "Bottom-up" stock picking which is largely research driven. This provides an optimal platform for the smooth and efficient integration of the two businesses.

Mr. N. Sivaraman further added, "We have significant bandwidth in the equity investment management team comprising 9 members (3 portfolio managers and a team of 6 analysts/associates) which will ensure that the integration is smooth and the investors and distributors continue to enjoy the same high quality experience that they have come to expect from both L&T Mutual Fund and Fidelity Mutual Fund."

"L&T Group has had a long standing reputation of caring for and rewarding a large number of individual investors in India. At L&T Financial Services, we have inherited this culture and are proud of serving more than 380,000 equity shareholders, 700,000 bondholders and 140,000 mutual fund unit holders, across L&T Finance Holdings

Limited and its subsidiaries. We believe that the strength of our brand and a strong track record in the area of investor care will help us carry forward and enhance the investor experience and value creation of the Fidelity Mutual Fund unit holders", added Mr. Y. M. Deosthalee.

Lazard was the financial advisor to L&T Finance in the transaction.

About L&T Finance Holdings Limited:

LTFH is a non-operating holding company offering a diverse range of financial products and services across the corporate, retail and infrastructure finance sectors, as well as mutual fund products and investment management services, through its direct and indirect wholly-owned subsidiaries, namely, L&T Finance Limited (L&T Finance), L&T Infrastructure Finance Company Limited (L&T Infra), L&T Investment Management Limited (L&T Mutual Fund) and L&T FinCorp Limited (L&T FinCorp). It is registered with the RBI as an NBFC-ND-SI, and has applied to the RBI for registration as a CIC-ND-SI. LTFH is promoted by Larsen & Toubro Limited (L&T), one of the leading companies in India, with interests in engineering, construction, electrical & electronics manufacturing & services, IT and financial services. As of December 2011, LTFH (consolidated) had loans and advances of ~ INR 23,500 crores.

About L&T Finance Limited:

Incorporated as an NBFC in 1994, L&T Finance is registered with the RBI as an NBFC-ND-SI, and is classified as an Asset Finance Company (AFC). L&T Finance offers a spectrum of financial products and services for trade, industry and agriculture. It is primarily engaged in short to medium term asset backed financing viz. construction equipment finance, transportation equipment finance, rural products finance, supply chain finance, corporate loans and leases, microfinance, etc. As of December 2011, L&T Finance had loans and advances of INR. ~ 13,800 crores.

Statutory Details: L&T Mutual Fund has been established as a trust under the Indian Trust Act, 1882 by L&T Finance Limited, Sponsor/ Settlor (liability restricted to the seed corpus of Rs. 1 lakh) with L&T Mutual Fund Trustee Limited as the Trustee Company and L&T Investment Management Limited as the Investment Manager.

Risk Factors: Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

All investments in mutual funds and securities are subject to market risks and the NAV of the Schemes of the Fund may go up or down depending upon the factors and forces affecting the securities market. Investment in mutual fund units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal. Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the Schemes.

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