



PRESS RELEASE

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L&T Raises Rs.550 Crore Private Equity for its Infrastructure Holding Company

Mumbai, April 21, 2006: Larsen & Toubro Limited and L&T-Infrastructure Development Projects Limited (L&T-IDPL) today signed definitive agreements for raising Rs.550 crores of equity from a group of private equity investors comprising Silver Peak Investments (Mauritius) Limited (a wholly owned subsidiary of JP Morgan Chase & Co. through JP Morgan Special Situations Asia LLC) and a consortium led by India Development Fund (a fund managed by IDFC Private Equity), for an approximate stake of 21.6%.

With this investment, the post-issue equity valuation of L&T-IDPL will work out to Rs.2448 crores. The interest shown by investors and the resulting valuation offered by them demonstrates the robustness, diversity and potential of L&T-IDPL as a platform for exploiting opportunities in the Indian infrastructure sectors. The valuation also factors in L&T's status as India's leading infrastructure player, both in development and execution of infrastructure projects.

The transaction sets a benchmark for the value of L&T's current portfolio of investments and its value as a platform. The combination of JP Morgan Chase's international experience and IDF's knowledge of India's infrastructure sector would reinforce L&T's processes in evaluating investments in the sector and also introduce the investors' perspective to the process of value creation.

L&T-IDPL portfolio is well diversified with a balanced mix of projects across all sectors. The portfolio includes more than twenty projects in operation and construction with a further six projects under development.

L&T-IDPL, by itself and through L&T Infocity, has developed and sold/leased a total floor space area of over six million sq.ft. in cities like Hyderabad, Bangalore, Visakhapatnam, Chennai, Kochi and internationally, in Colombo, Sri Lanka. L&T's track record as a credible developer of I.T. Parks has attracted international banks and software companies for developing built-to-suit and multi-tenanted facilities for their operations in India and Sri Lanka.

JP Morgan is a leading global financial institution, which will bring a wealth of advisory and capital market expertise, including specifically in the infrastructure sector. Through its Asian Special Situations Group, it invests across a range of industries in the capital structure of companies in various phases of their strategy and growth.

IDFC Private Equity manages two funds – India Development Fund and IDFC Private Equity Fund II - with a combined corpus of USD 620 million (Rs.2,800 crore). Portfolio companies include GMR Energy, Gujarat State Petronet, Chalet Hotels, Hotel Leelaventures, Gujarat Pipavav Port and Delhi International Airport. IDFC and a fund managed by Old Lane are part of the IDFC Private Equity consortium for this transaction.

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