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13<sup>th</sup> October, 2002

Securities & Exchange Commission  
Division of Corporate Finance  
450, Fifth Street,  
Washington DC 20459, USA  
Fax :

By Air Mail

SUPPL

Dear Sir,

This is to inform you that at a meeting of the Board of Directors of Grasim Industries Limited held today, the Board has decided to augment the Company's holding in Larsen & Toubro Limited (L&T) beyond 15% of its total equity. Accordingly, Grasim and its wholly owned subsidiary, Samruddhi Swastik Trading And Investments Ltd. (SS) have decided to make a voluntary open offer to the public shareholders of L&T under Regulation 10 and other provisions of Chapter III of the SEBI Takeover Code, to acquire from them up to 49,732,070 fully paid-up equity shares of L&T (representing 20% of the total subscribed and fully paid-up equity capital of L&T, out of which upto 15% of the total subscribed and fully paid-up equity capital of L&T would be acquired by Grasim and upto 5% would be acquired by SS), at a price of Rs.190/- per fully paid-up equity share (the "Offer Price") payable in cash.

A copy of Press Release is also enclosed which is being released to the Press during the course of the day.

Thanking you,

Yours faithfully,

*Ashok Malu*

Ashok Malu  
Company Secretary

Encl.a.a.

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October 13, 2000

**PRESS RELEASE**

The Board of Gracim Industries Limited (Gracim), a flagship company of the Aditya Birla Group, today approved an Open Offer for purchase of upto 20% of the Issued & Subscribed Equity Shares of Larsen & Toubro Limited (L&T) in accordance with the provisions and guidelines issued by Securities & Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997.

The acquisition is planned to be done through Gracim and its wholly owned subsidiary, Samrudhhi Swastik Trading And Investments Limited, acting in concert.

The offer price of Rs.150/- per share is higher compared to the average price of Rs.174.93 per share over the last 26 weeks and Rs.170.03 per share over the last 2 weeks on the National Stock Exchange, which has the highest trading volumes for L&T.

This initiative reflects Gracim's commitment to its strategic investment in L&T to enhance long-term shareholder value in both the Companies.

JM Morgan Stanley acted as Transaction Advisor and Matha & Matha & Craigie Stuart & Coes acted as Legal Advisors.