## L&T FINANCE LIMITED

PRESS RELEASE

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## L&T Finance Limited Public Offer of NCDs Opens on August 18, 2009 and closes on September 4, 2009 Yield on redemption up to 10.50% Credit Rating of CARE AA+ by CARE and LAA+ by ICRA

Mumbai, August 17, 2009: L&T Finance Limited ("the Company"), promoted by engineering and construction giant Larserpt& aloutarbofLiRsite如0arcdof&Th@aloutal Issue with various investment options and yield on Redemption of upto 10.50% (per annum) opens on August 18, 2009, and closes on September 4, 2009.

The NCDs offered through the Prospectus are proposed to be listed on National Stock Exchange of India Limited ("NSE"). The face value of Rs. 1,000 per NCD and tradable lot size of 1 NCD is expected to enhance liquidity and trading in the secondary market.

**Option I1I (Cumulative interest payment):** The face value is Rs. 1,000 and the minimum application is Rs. 10,000 (Retail) and Rs. 1,01,000 (NIIs and QIBs) and in multiples of Rs. 1,000 therein. The redemption date or maturity period is 88 months from the deemed date of allotment. The coupon rate is 9.95% compounded annually and the annualized yield is 9.95%. The interest payment is cumulative and Rs. 2,005 per NCD is payable on redemption.

**Option IV (Semi-annual interest payment):** The face value is Rs. 1,000 and the minimum application is Rs. 10,000 (Retail) and Rs. 1,01,000 (NIIs and QIBs) and in multiples of Rs. 1,000 therein. The redemption date or maturity period is 120 months from the deemed date of allotment. The coupon rate is 10.24% p.a. and the annualized yield is 10.50%. The interest payment is semi-annual and the face value plus any interest that may have accrued is payable on redemption.

Senior citizens, who are 65 or more years of age at any time during the financial year (FY) 2009-10, enjoy the special privilege to submit a self declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A (1C) of the I.T. Act even if the aggregate income credited or paid or likely to be credited or paid does not exceed the maximum amount not chargeable to tax; i.e., Rs. 225,000 for FY 2008-09 (proposed Rs. 240,000 from FY 2009-10).

Any	potential	investor	should	note	that	investme	ent in	bonds	involves	risks	and	for