



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 Larsen & Toubro Limited and L&T Capital Holdings Limited and providing a range of financial services, will open on August 18, 2009, its first-ever public offer of 50,00,000 Secured Redeemable Non-Convertible Debentures ("NCDs") of the face-value of Rs. 1,000 each. The NCD Issue aggregates to Rs. 500 crore, with an option to retain over-subscription up to Rs. 500 crore for issuance of additional NCDs, aggregating upto a total of Rs. 1,000 crore. The NCD 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.

The NCDs have been rated 'CARE AA+' by CARE and 'LAA+' by ICRA. Instruments with a rating of 'CARE AA+' by CARE are considered to offer high safety for timely servicing of debt obligations. Such instruments carry very low credit risk. The rating of 'LAA+' by ICRA indicates high-credit-quality and the rated instrument carries low credit risk.

There are four investment options:

**Option 1 (Quarterly interest payment):** The face value is Rs. 1,000 and the minimum application is Rs. 10,000 (Retail) and Rs. 1,01,000 (NIIIs and QIBs) and in multiples of Rs. 1,000 therein. The redemption date or maturity period is 60 months from the deemed date of allotment. The coupon rate is 9.51% p.a. and the annualized yield is 9.85%. The interest payment is quarterly and the face value plus any interest that may have accrued is payable on redemption.

**Option 1I (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 (NIIIs and QIBs) and in multiples of Rs. 1,000 therein. The redemption date or maturity period is 60 months from the deemed date of allotment. The coupon rate is 9.62% p.a. and the annualized yield is 9.85%. The interest payment is semi-annual and the face value plus any interest that may have accrued is payable on redemption.

**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 (NIIIs 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 (NIIIs 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).

L&T Finance Limited (LTF) was promoted by Larsen & Toubro Limited and L&T Capital Holdings Limited. The Company was incorporated on November 22, 1994, as a public limited company under the Companies Act, 1956, to provide a range of financial services. The Company began by financing the small and medium enterprises and later synergized with the opportunities provided by L&T ecosystem consisting of its subsidiaries and associates along with its large network of dealers, vendors, suppliers, clients, etc. The Company has now evolved into a multi-product asset backed finance company with a diversified corporate and retail portfolio. As on March 31, 2009, the Company had an asset base of Rs. 521,864 lakhs. LTF has consistently made profits with its revenues for the year ending March 31, 2009, standing at Rs. 83,028 lakhs.

The funds raised through this Issue will be used by the Company for its various financing activities including lending and investments and for its business operations, including capital expenditure and working capital requirements.

The Lead Managers to the Issue are SBI Capital Markets Limited, JM Financial Consultants Private Limited and Standard Chartered Bank. The Prospectus is available on the website of the Company at [www.ltfinance.com](http://www.ltfinance.com); NSE at [www.nse-india.com](http://www.nse-india.com) and on the websites of Lead Managers at [www.sbicaps.com](http://www.sbicaps.com), [www.jmfinancial.in](http://www.jmfinancial.in) and [www.standardchartered.co.in](http://www.standardchartered.co.in).

**Disclaimer:** L&T Finance Limited (the "Company") is proposing, subject to requisite approvals, market conditions and other factors, to make a public offer of NCDs in future and has filed a Prospectus with the Registrar of Companies ("ROC"), National Stock Exchange of India Limited ("NSE") and the Securities & Exchange Board of India ("SEBI").

Any potential investor should note that investment in bonds involves risks and for details relating to the same, the investors should read the Section titled "Risk Factors" on page 8 of the Prospectus. Investors should note that this is not a prospectus announcement nor an offer nor an invitation to subscribe to any securities of the Company. Investors are advised to invest only on the basis of the information contained in the Prospectus.

**For further details contact:**

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