

L&T FINANCE LIMITED

PRESS RELEASE

NOT FOR DISTRIBUTION OUTSIDE INDIA

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

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).

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