



PRESS RELEASE

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L&T Finance Limited Public Issue of NCDs oversubscribed by 3.86times (Provisional)

Total subscription of Rs.1930.84 crore (Prov.) vis-à-vis Issue size of Rs. 500 crore with an option to retain over-subscription upto Rs.500 crore, aggregating upto a total of Rs.1,000 crore

Retail Category gets subscription of Rs.452.82 crore (Prov) vis-à-vis reserved portion of Rs. 175 crore

Non Institutional Investors Category – Rs.880.59 crore (prov) vis-à-vis reserved portion of Rs. 150 crore

Qualified Institutional Buyers – Rs.597.42 crore (Prov) vis-à-vis reserved portion of Rs. 175 crore

NCDs to be listed on the National Stock Exchange of India Limited on or after September 17, 2009

Mumbai, September 9, 2009: L&T Finance Limited's first-ever public issue of 50,00,000 Secured Redeemable Non-Convertible Debentures ("NCDs") of face value of Rs. 1,000/- each aggregating to Rs. 500 crore with an option to retain over-subscription upto Rs. 500 crore for issuance of additional NCDs, aggregating upto a total of Rs. 1,000 crore has been oversubscribed. The NCD Issue with various investment options and yield on Redemption of upto 10.50% (per annum) opened on August 18, 2009, and closed on September 4, 2009.

The retail category got a subscription of Rs.452.82 crore(prov) vis-à-vis a reservation upto 35 per cent of the Issue size. The Qualified Institutional Buyers ("QIBs") category got a subscription of Rs. 597.42 crore (Prov.) vis-à-vis a reservation of upto 35 per cent of the Issue size. The Non-Institutional Investors ("NIIs") category got a subscription of Rs.880.59 crore (prov.) vis-à-vis a reservation of upto 30 per cent of the Issue size.

The NCDs offered through the Prospectus are proposed to be listed on the National Stock Exchange of India Limited on or after September 17, 2009. 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 funds raised through this Issue, after meeting the expenditures of and related to the Issue, will be used by the Company for its various financing activities including lending and investments, to repay existing loans, deployment in business operations, including capital expenditure and working capital requirements.

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.

L&T Finance Limited (LTF) was incorporated by Larsen & Toubro Limited on November 22, 1994, as a public limited company under the Companies Act, 1956, to provide a range of financial products and 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 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; NSE at www.nse-india.com and on the websites of Lead Managers at www.sbicaps.com, www.jmfinancial.in and 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.
