

Details of the public issue of secured listed redeemable NCDs (2010 A Series) by L&T Finance Limited.

Public issue of NCDs aggregating Rs.250 Crores with an option to retain oversubscription up to Rs.250 Crores for issuance of additional NCDs, aggregating to a total of up to Rs.500 Crores

Common Terms of the NCDs

Issuer	L&T Finance Limited
Issue	2,500,000 NCDs of Rs. 1,000 each aggregating to Rs. 250 Crores with an option to retain oversubscription up to Rs. 250 Crores for issuance of additional 2,500,000 NCDs, aggregating to a total of up to Rs. 500 Crores
Stock Exchanges proposed for listing of the NCDs	The NSE and the BSE
Issuance and trading	In dematerialised form only
Depository	NSDL and CDSL
Security	Security will be created for the purpose of this Issue as per the Debenture Trust - cum - Mortgage Deed.
Rating(s)	'CARE AA+' by CARE and 'LAA+' by ICRA
Issue Schedule*	Issue Opening Date: February 9, 2010 and Issue Closing Date: February 22, 2010
Date of Allotment	The date of allotment shall be the date on which the Board / Committee of Directors, as the case may be, approves the allotment of NCDs.

*** The subscription list for the public issue shall remain open for subscription during banking hours for the period indicated above, except that it may close on such earlier date as may be decided by the Board / Committee of Directors of the Company, as the case may be.**

Issue Structure

Particulars	NII	Retail	QIB
Reservation for each category	Up to 40% of issue size* (Rs.200 Crores for allotment to NII assuming Issue size of Rs.500 Crores)	Up to 30% of issue size (Rs.150 Crores for allotment to retail assuming Issue size of Rs.500 Crores)	Up to 30% of issue size (Rs. 150 Crores for allotment to QIB assuming Issue size of Rs.500 Crores)

Particulars	NII	Retail	QIB
Minimum number of NCDs per application#	101 NCDs (Rs.1,01,000/-)	10 NCDs (Rs.10,000/-)	101 NCDs (Rs.1,01,000/-)
Terms of Payment	Full amount on application	Full amount on application	Full amount on application
Mode of allotment	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form
Trading Lot	One NCD	One NCD	One NCD

The minimum number of NCDs per application form will be calculated on the basis of the total number of NCDs applied for under each such application form and not any specific Option.

* Out of which up to 15% of issue size including the oversubscription amount is reserved for resident individuals and HUFs.

Principal Terms and Conditions of the issue

Nature of the NCDs

The NCDs which shall have a fixed rate of interest. The NCDs will be issued with a face value of Rs.1,000/- each. Interest on the NCDs shall be payable on annual or semi-annual basis depending on the option selected by the NCD Holder (the "Option") as provided below:

Option	I	II
Interest Payment	Semi-annual	Annual
Face Value (Rs.)	1,000/-	1,000/-
Coupon Rate	8.40% p.a.	8.50% p.a.
Yield on Redemption	8.58%	8.50%
Tenor	36 months	36 months
Redemption Date / Maturity Period	36 months from the date of allotment	36 months from the date of allotment
Redemption Amount	Face value plus any interest that may have accrued payable on redemption.	Face value plus any interest that may have accrued payable on redemption
Interest on refunds	2.50% p.a.	2.50% p.a.
Interest on application money on which allotments are made	7.00% p.a.	7.00% p.a.



Interest on Application Money

The Company shall pay interest on the application money on the amount allotted, from the date of realization of the cheque(s) / demand draft(s) up to one day prior to the Date of Allotment, at the rate of 7.00% per annum (“**Application Interest**”). In the event the Company / Registrar is not able to determine the date of realisation of application money, pursuant to application, the interest on application money shall be calculated from the date of application up to one day prior to the Date of Allotment.

Refund of Application money

The Company shall pay interest on refund of application monies on the amount not allotted up to one day prior to the Date of Allotment, at the rate of 2.50% per annum on the amount refunded (“**Refund Interest**”).

The Refund Interest shall be paid along with the refund of application money. Payment of interest on refund of application money is not applicable in case of applications that are rejected on technical grounds or are withdrawn by the applicants.

Security

The principal amount of the NCDs to be issued together with all interest, costs, charges, fees, remuneration of Trustees and expenses payable in respect thereof shall be secured in favour of the Trustees by way of an exclusive first charge in favour of Trustees by way of mortgage on movables being the receivables arising from Construction Equipment, Lease / Hire Purchase / Term Loans, Loan Against Securities, etc., as specifically identified from time to time, to the satisfaction of the Trustees by way of submission of quarterly stock statements, aggregating up to 1.10 times of the outstanding NCDs and, at the discretion of the Company, to create a mortgage over an immoveable property of the Company.