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# IDFC floats first tranche of tax-free infra bonds

Issue open from November 21 to December 6 to raise Rs 5,000 cr

PRESS TRUST OF INDIA

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INFRASTRUCTURE Development Finance Company (IDFC) announced the public issue of its tax-saving, long-term infrastructure bonds on Monday.

The bond issue is open for subscription from Monday until December 6 for retail investors, the company said.

This issue is the first tranche of bonds from the infra firm. IDFC seeks to raise up to Rs 5,000 crore through infra bonds in the present financial year.

In 2010, the company had received the infra finance company (IFC) status within the non-banking finance company (NBFC) category from the Reserve Bank of India (RBI).

The five-year issue carries a coupon of 9 per cent. In the past financial year, IDFC had raised Rs 1,451 crore from over 730,000 retail investors.

About total borrowing



### Ambitious plans

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basket, IDFC's executive director Vikram Limaye said that while, around 63 per cent of the money is raised through bonds or debentures, the rest is through rupee and forex loans and sub-debts, among others.

"All of our foreign loan

exposure is fully hedged and we don't see any stress due to current fluctuations," he added.

Referring to the concerns on asset quality in the power sector, he said his company did not have any exposure to the state elec-

tricity boards (SEBs).

While 42-43 per cent of total loans of IDFC is for the power sector, around 24 per cent is to transportation and telecom sectors each.

"Going ahead, the ratio may change if the policy bottlenecks continue in the power sector. However, we are of the opinion that things will improve in the future," Limaye said.

IDFC had posted net profit of Rs 524 crore for the September quarter, up 55 per cent over the same period last year.

IDFC's total income rose 41 per cent to Rs 1,715 crore in the same period, up from Rs 1,217 crore.

The company is planning to increase the forex loan share in its overall borrowings to facilitate greater participation from overseas investors.

"At present, out of our total borrowing, forex loans account for around 8 per cent and we plan to increase it to around 12 per cent in the future," Limaye said.