

## IDFC offers Tranche 2 of tax-saving long term infrastructure bonds

The Infrastructure Development Finance Company Limited has announced the public issue of the second tranche of long term infrastructure bonds of face value of Rs. 5,000, in the nature of secured, redeemable, non-convertible debentures, having benefits under Section 80CCF of the Income Tax Act, 1961, for an aggregate amount not exceeding Rs. 4400 crore on the terms set out in the Shelf Prospectus dated September 29, 2011 filed with the Registrar of Companies, Tamil Nadu the National Stock Exchange of India Limited, BSE Limited and the Securities and Exchange Board of India in accordance with the SEBI Debt Regulations on September 29, 2011 and the Prospectus - Tranche 2 dated January 3, 2012 (the "Prospectus - Tranche 2") filed with the RoC, Stock Exchanges and SEBI.

This is the issue of the second tranche of long term infrastructure bonds having benefits under Section 80CCF of the Income Tax Act, 1961, (the "Bonds") by the Company within the overall aggregate limit of Rs. 5000 crore for the financial year 2011-12 (the "Shelf Limit"). The Issue of Tranche 2 Bonds opened for Subscription on January 11, 2012, and will close on February 25, 2012, or earlier, as may be decided by the Board of the Company. In the event of an early closure or extension of the Issue, the Company shall ensure that notice of the same is provided to the prospective investors through newspaper advertisements on or before such earlier or extended date of Issue closure.

Ratings: The Tranche 2 Bonds have been rated as (ICRA) AAA by

ICRA and Fitch AAA(Ind) by Fitch. While the ICRA rating indicates stable outlook and the highest degree of safety for timely servicing of financial obligations, the Fitch rating indicates a long term stable outlook.

Issue Structure: The Tranche 2



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Bonds will be issued in two series - Series 1 Tranche 2 Bonds and Series 2 Tranche 2 Bonds and will carry an interest rate of 8.70% per annum, as more specifically laid down in the table below. The Tranche 2 Bonds will carry a minimum Lock-in period of Five (5) Years from the Deemed Date of Allotment and can be redeemed after Ten (10) Years from the Deemed Date of Allotment. The Tranche 2 Bonds also have a buy back option at the end of five (5) years. The Minimum Subscription will be two (2) Tranche 2 Bonds and in multiples of One (1) Tranche 2 Bond thereafter. For the purpose of fulfilling the requirement of minimum subscription of two Tranche 2 Bonds, an applicant may choose to apply for two Tranche 2 Bonds of the same series or two Tranche 2 Bonds across different series.

Security: The Tranche 2 Bonds are

fully secured with first floating pari passu charge over certain receivables of the Company and first fixed pari passu charge over specified immovable properties of the Company. The security cover is 1.0 times of the outstanding Tranche 2 Bonds at any point in time.

The first tranche of the Bonds was issued by the Company in December, 2011 on the terms set out in the Shelf Prospectus and the Prospectus - Tranche 1 dated November 11, 2011 for an aggregate amount of Rs. 532.62 crore. The funds raised through the public issue of Tranche 1 Bonds and Tranche 2 Bonds will be utilized towards "Infrastructure Lending" as defined by Reserve Bank of India ("the RBI") in the Regulations issued by it from time to time, after meeting the expenditures of, and related to the Issue. The Tranche 2 Bonds will be in the nature of Debt and will be eligible for capital allocation and accordingly will be utilized in accordance with Statutory and Regulatory requirements of Reserve Bank of India and the Ministry of Finance.

The Lead Managers to the Bond Issue are Karvy Investor Services Limited, HDFC Bank Limited - Investment Banking Division, ICICI Securities Limited, JM Financial Consultants Private Limited and IDFC Capital Limited. The Co-Lead Managers to the Issue are Bajaj Capital Limited, RR Investors Capital Services Private Limited and SMC Capitals Limited. The Registrar to the Issue is Karvy Computershare Private Limited.