

**Private & Confidential – Not for Circulation**

[This Disclosure Document has been prepared in conformity with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008]



**IDBI BANK LIMITED**

**(Formerly Industrial Development Bank of India Limited)**

(Incorporated under the Companies Act, 1956,  
a Banking Company under the Banking Regulation Act, 1949  
and a Public Financial Institution under section 4A of Companies Act, 1956)

Regd. Office: IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005  
Tel: (022) 66553355/22189111 Fax: (022) 2218 8137 Website: www.idbi.com

**Disclosure Document for 44,990 Unsecured Redeemable  
Non-Convertible Bonds of Rs.10,00,000 each for cash at par aggregating  
Rs.4,499 crore on Private Placement basis under IDBI Omni Bonds 2009-10**

**General Risk:** For taking an investment decision, investors must rely on their own examination of the Issuer and the Offer including the risks involved. The Bonds have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this Disclosure Document.

**Issuer's Absolute Responsibility:** The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Disclosure Document contains all information with regard to the Issuer, and the Issue, which is material in the context of the Issue, that the information contained in this Disclosure Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Disclosure Document or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**Credit Rating:**

Senior & Subordinated (Lower) Tier II Bonds : ICRA 'LAA+' (L Double A plus with Stable outlook),  
CRISIL 'AA+/Stable' (Double A plus with Stable outlook), and  
Fitch 'AA+' (Double A plus)

Upper Tier II bonds : ICRA 'LAA' (L Double A with Stable outlook), and  
CRISIL 'AA/Stable' (Double A with Stable outlook)

For details of the above rating definitions, the investors are advised to refer Section XXI on 'Credit Rating' (page 24) of the Disclosure Document.

The Rating(s) are not a recommendation to buy, sell or hold securities and Investors should take their own decisions. The rating may be subject to revision or withdrawal at any time by the assigning Rating Agency on the basis of new information. Each rating should be evaluated independent of any other rating.

**Listing** : The Bonds are proposed to be listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE).

**Registrars to the Issue**

Investors Services of India Ltd. (ISIL),  
IDBI Building, Plot No.39-41, Sector 11,  
CBD Belapur, Navi Mumbai – 400 614

**Trustees to the Bondholders**

IDBI Trusteeship Services Ltd. (ITSL)  
Asian Building, Ground Floor,  
17, R. Kamani Marg,  
Ballard Estate, Mumbai – 400 021

*This Schedule under SEBI guidelines dated June 6, 2008 for private placement of bonds is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the bonds to be issued by Issuer.*

**TABLE OF CONTENTS**

Section	Title	Page No.
I.	Name and Address of the Registered Office	3
II.	Names and Addresses of the Directors on Board	3
III.	Brief History of IDBI Bank Ltd.	4
IV.	Brief Summary of the Business/Activities of IDBI Bank Ltd.	5
V.	Details of the Bonds (Debt Securities) issued and sought to be listed	8
VI.	Issue Size	10
VII.	Details of Utilization of the Issue Proceeds	11
VIII.	Material contracts/agreements involving financial obligations and other documents	11
IX.	Details of past borrowings including debt securities	12
X.	Material event/ development at the time of issue	16
XI.	Particulars of Debt Securities Issued	17
XII.	List of highest ten holders of each class or kind of securities of the issuer	17
XIII.	Undertaking to use a common form of transfer	19
XIV.	Redemption amount, period of maturity, yield	19
XV.	Information relating to Terms of Offer	19
XVI.	Discount at which the offer is being made and effective price for the investor	24
XVII.	Debt Equity Ratio (before & after the proposed issue)	24
XVIII.	Debt Servicing Track Record	24
XIX.	Permission and Consent from the creditors	24
XX.	Trustees to the Bondholders	24
XXI.	Credit Rating	24
XXII.	Listing with Stock Exchanges	25
XXIII.	Summary Term Sheet	26

**I. Name and Address of the Registered Office****IDBI BANK LIMITED**

Regd. Office: IDBI Tower, WTC Complex, Cuffe Parade, Mumbai - 400 005

**II. Names and Addresses of the Directors on the Board as on August 31, 2009**

<b>Sr.No.</b>	<b>Name of the Director with address</b>
1.	Shri Yogesh Agrawal CMD IDBI Bank Ltd., IDBI Tower, WTC Complex, Cuffe Parade, Mumbai-400 005
2.	Shri O.V Bundellu DMD IDBI Bank Ltd., IDBI Tower, WTC Complex, Cuffe Parade, Mumbai-400 005
3.	Shri Girish Chandra Chaturvedi Additional Secretary, Dept. of Financial Services, Ministry of Finance, Government of India, Jeevan Deep Building, 10, Parliament Street, New Delhi – 110 001.
4.	Shri Ajay Shankar Secretary, Ministry of Commerce and Industry, Department of Industrial Policy & Promotion, Government of India, Udyog Bhavan, New Delhi – 110 001.
5.	Shri Analjit Singh Executive Chairman, Max India Ltd., Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 110 020.
6.	Ms. Lila Firoz Poonawalla Chairperson – Lila Consulting Services, Akshay Centre, 1st Floor, Office No.8, Thergoan, Pune – 411 033.
7.	Shri K. Narasimha Murthy Partner – Narasimha Murthy & Co., (Cost Accountants Firm), 3-6-365, 104-105, Pavani Estate, Himayatnagar, Hyderabad – 500 029.
8.	Shri Hiralal Zutshi D-25, Defence Colony, New Delhi – 110 024.

9.	Shri Subhash Tuli S.Tuli & Co., Chartered Accountants, 8-Halwasia Court, Hazratganj, Lucknow – 226 001.
10.	Dr. Yashwantrao Shankarrao Patil Throat 3, Vasant Vihar, 85, Napean Sea Road, RBI DG's Quarter, Mumbai – 400 006
11.	Dr. Sailendra Narain B-231, Vikasini CHS, Sector 8B, CBD Belapur, Navi Mumbai – 400 614.

### **III. Brief History of IDBI Bank Ltd.**

Industrial Development Bank of India (IDBI) was established in 1964 by the Government of India (Gol) under an Act of Parliament, the Industrial Development Bank of India Act, 1964 (the IDBI Act), as a wholly-owned subsidiary of Reserve Bank of India (RBI) to provide credit and extend other facilities for the development of industry. In 1976, the ownership of IDBI was transferred to the Gol and it was entrusted with the additional responsibility of acting as the principal financial institution for coordinating the activities of institutions engaged in financing, promotion or development of industry.

Over the last four decades, IDBI's role as catalyst to industrial development has encompassed a broad spectrum of activities. IDBI had extended finance to all types of industrial concerns covered under the provisions of the IDBI Act irrespective of the size or form or sector of organization. IDBI primarily provided finance to large and medium industrial enterprises engaged or to be engaged in the manufacture, processing or preservation of goods, mining, shipping, transport, hotel industry, information technology, medical and health, leasing, generation and distribution of power, maintenance, repair, testing, servicing of vehicles; setting up of industrial estates as also in the research and development for promotion of industrial growth. IDBI had also been assigned a special role for co-ordinating the activities of institutions engaged in financing, promoting or developing industries.

In the past, the Gol had provided direct and indirect financial assistance and support to IDBI including access to low cost funds and assistance by way of restructuring of high cost liabilities. Though Gol has no legal obligation to provide financial assistance or extend support to IDBI, it had done so from time to time considering the unique role assigned to IDBI in the industrial development of the country. The structural changes in the industrial sector including the opening up of the economy and the ongoing disintermediation in the financial sector had changed the credit profile of IDBI. IDBI always kept itself adapted with the structural changes in the industrial sector including the opening up of the economy and the ongoing disintermediation in the financial sector in order to avail the opportunities and meeting the challenges thereupon. The sources and availability of cheap long term funds declined resulting in difficulties in operations as a stand alone DFI. To impart more flexibility in its operations and enable it to diversify on both asset and liability side and thereby expand its scope of operations, IDBI Ltd. took up banking operations with effect from October 1, 2004 in consonance with the provisions of the IDBI Repeal Act, 2003 and the Memorandum and Articles of Association of IDBI Ltd. Consequent on the repeal of IDBI Act, IDBI Ltd. is a banking company incorporated under the Companies Act, 1956 and Banking Regulation Act 1949. IDBI Ltd. also continues as a Public Financial Institution (PFI) under section 4A of the Companies Act, 1956.

### **Merger of erstwhile IDBI Bank Ltd.**

To create a more conducive environment for the transition and to give fillip to the business operations of the new entity (IDBI Ltd.), the then IDBI's Board decided that for effective transition to a banking company, IDBI Ltd. should leverage on its banking subsidiary, IDBI Bank Ltd. The scheme of Amalgamation/Merger of IDBI Bank Ltd. with IDBI Ltd became effective from October 1, 2004 after the same was approved separately by the respective General Body of Shareholders and by RBI, in terms of the provisions of the Banking Regulation Act, 1949 .

The merger has brought in benefits in terms of enhanced size and improved quality of balance sheet, lower cost of funds, extended branch network, a higher technology platform, lean workforce, along with a wide array of retail and wholesale products. This has benefited the various stakeholders by increased value creation, along with the convenience of a universal bank. The benefits of economies of scale and the convenience of single-window servicing to clients is a major advantage. The

opportunity for the Bank has come from the access to cheaper short-term retail funds. This has enabled the Bank to lower its overall cost of liability and price the products competitively. Enlarging the clientele base through market penetration, product diversification or market development, market segmentation and providing structured products under a single roof are the other advantages for the Bank. Also, the enlarged capital base of the Bank has provided impetus to expanding business. The in-house knowledge and expertise in long term finance, including project finance, coupled with the skill of retail financing, has enabled the merged entity to emerge as a preferred source of finance from all segments of the market. IDBI Ltd. has, therefore, become a banking company, having a wide array of wholesale and retail products.

#### **Merger of erstwhile United Western Bank Ltd. (UWB)**

The Government of India, by a notification dated September 30, 2006, conveyed its approval of the amalgamation of erstwhile UWB with IDBI Ltd., with effect from October 3, 2006. Following the amalgamation of erstwhile UWB into IDBI, the Bank's delivery channels now comprise 583 branches, 1014 ATMs spread across 365 centers. Further, the acquisition of UWB has, inter alia, helped growing IDBI's low-cost CASA deposit base and priority sector business volumes.

#### **Change of Name**

To properly reflect the business of banking being carried on by it, the name of 'Industrial Development Bank of India Limited' has been changed to 'IDBI Bank Limited' w.e.f. May 07, 2008, the date on which the Registrar of Companies, Maharashtra, issued fresh certificate of incorporation. Subsequently, the change of name was notified by Reserve Bank of India, vide DBOD.BP.BC.NO.21.01.002/2007-08 dated May 16, 2008, which was published in Government Gazette dated on June 14, 2008.

#### **Government Holding**

As on August 28, 2009, the Central Government's shareholding in IDBI Bank Ltd. is 52.67%. The provisions of Memorandum and Articles of Association of IDBI Ltd. require that the "Central Government being a shareholder of the Company, shall at all times maintain not less than 51% of the issued capital of the Company. IDBI Bank Ltd. has been categorized as 'Other Public Sector Bank' by the RBI. The Central Government has advised all its Ministries that the Bank "may be treated on par with Nationalized Banks/State Bank of India by Government Departments/Public Sector Undertakings/ other entities for all purposes, including deposits/bonds/ investments/ guarantees and government business". Further, in the Finance Bill 2009, section 10(23D) of the Income Tax Act, 1961 defining the expression 'Public Sector Banks' has been amended incorporating 'Other Public Sector Banks' under the said expression.

#### **IV. Brief Summary of the Business/Activities of IDBI Bank Limited**

Following its transformation into commercial banking and the aforesaid mergers, the organizational structure of the merged entity has been realigned to give a clear focus on retail banking and development banking activities.

##### **(i) Commercial Banking :**

IDBI Bank Ltd's banking operations are divided into two areas; (i) Corporate Banking and (ii) Retail Banking.

**(a) Corporate Banking:** In the Corporate Vertical, the Bank has Infrastructure & Conglomerates segment, the Large Corporate segment and the Mid-corporate segment. IDBI Bank Ltd. provides financial services (both fund based and non-fund based) to large and mid sized corporates. A wide range of banking products & services is offered to corporate customers based on their profile and business requirements. The Bank provides both fund based and non fund based assistance. Various products & services offered are as under:

**Fund based :** Fund based assistance primarily comprises term loans, cash credit, demand loans, bridge loan facilities etc. towards project finance, non project finance and working capital.

**Project finance** - Project finance is provided for acquisition of capital equipments and meeting other fixed expenses for setting up green-field projects as also for expansion, modernization and diversification purposes of existing projects/ companies. Such assistance is extended over the medium and long term, with a provision of repricing at regular intervals.

**Infrastructure finance** - Financing infrastructure projects have been the key focus area of IDBI Bank Ltd. since the opening up of the infrastructure sector to the private sector. The Bank has been providing assistance to the key infrastructure industries viz. electricity generation, telecom services, roads & bridges, seaports/ airports etc., for acquisition of capital equipments and

meeting other fixed expenses. The assistance is usually extended over the long term with an option to reprice the loan at regular intervals over the medium term.

Corporate Finance - IDBI Bank Ltd. also provides non-project finance in the form of corporate loans to finance acquisition of non project related capital goods, normal capital expenses, general corporate expenses as also to meet core working capital requirements. Such loans are extended for relatively shorter maturity, usually upto three/five years.

Working Capital Finance - Working Capital finance is provided in the form of cash credit facilities, demand loans, overdraft facilities to meet operating expenses of the company.

Film financing - Under this product, assistance is provided for production of films. The entire assistance is recovered before exhibition/release of the film.

Trade Finance - Fund based trade finance products are for export purpose which include pre-shipment credit in Indian Rupees and Packing Credit in Foreign Currency and also post shipment credit by way of discounting bills. Appropriate security package is stipulated by the Bank for the above assistance.

**Non fund based** : Non fund based assistance comprises Letters of Credit and Bank Guarantees. The facilities are offered for both imports and exports depending on the need of the clients.

To give a full complement of products to the Corporate clients, IDBI Bank Ltd. also provides :

Debt syndication for projects including infrastructure projects: The facilities are designed to help Project Sponsors achieve financial closure.

Forex Services: Forward Covers, Derivatives, Swaps, options and other hedging facilities.

Cash Management Services (CMS) (collection and payment solutions) as also collection and payment services for taxes and other statutory dues.

Liability products in the form of current accounts, corporate term deposits, corporate payroll account, arranging short term requirements by way of CDs, etc. are also provided to corporate clients.

Merchant appraisal (opinion on projects for third parties) and Financial structuring : IDBI Bank Ltd. also carries out independent appraisal for projects to assess risks and also suggest possible risk mitigants. The appraisal helps the project achieve financial closure. Such appraisal is carried out without any financial commitments. The Bank earns a fee income from such assignments.

**(b) Retail Banking** : In the Retail vertical, the Bank has the Personal Banking Segment, SME segment and the Agri Business Segment.

Personal Banking : IDBI Bank Ltd. offers a suite of personal banking products including retail liability, retail asset products, retail payment products and retail investment/insurance products. The Retail liability products include savings account, term deposits and customized products for retail individuals as well as certain target groups such as high networth individuals, Senior citizens, defence personnel, salaried employees as well as Non Residents Indians (NRIs). Retail asset products include home loans, personal loans, IPO loans, loans against securities etc. Assistance is also extended to doctors and other professionals/ small business to meet the special needs of this sector. The services are provided by branch banking facilities as well as internet banking facilities. The range of retail payment services include International Debit cards and Gift cards and several technology-driven products like online rail and air booking, card to card money transfers, mobile banking, travel and currency cards, etc.

In addition, the Bank has a "preferred" offering for its affluent and high net worth customers, offering financial advice and a range of wealth management products and services.

IDBI Bank Ltd. undertakes distribution of third party products viz., Life and Non Life Insurance products as well as Mutual Fund products through its branches. The Bank along with ICMS (IDBI Capital Market Services Ltd), its wholly owned subsidiary, offers (a) Portfolio Management Service (PMS) and Portfolio Investment Service (PIS) to NRI and Resident Indians, and (b) demat and trading portal for securities trading for its clients. The banking account in all these products is opened with the Bank.

In order to provide technologically superior services to customers and making transactions with the bank convenient, IDBI Bank Ltd. has developed a wide network of inter-connected retail branches, ATMs, Retail Asset Centers, internet banking, Mobile/phone banking and call centers. All the branches of the Bank are covered by 'Core Banking Solutions (CBS)' and provide ready connectivity. All retail operations are centralized in automated central/regional processing units.

Remittance Services: is provided by IDBI Bank Ltd. for individual inward remittances by Non Resident Indians (NRIs) through bank to bank transfers, online Money Transfer as well as other web based transfer.

**SME sector lending :** To give focused attention in a coordinated manner to the SME sector, a dedicated vertical has been created within the Bank. The SME vertical generally handles all cases with a sales turnover upto Rs.100 crore. A host of transaction-banking products and services (current accounts, cash management, forex services) are offered to SME customers. Fund based assistance is extended for meeting capital expenditure requirements by way of term loan, as also working capital requirements of the sector by way of cash credit, demand loan etc. Non fund based assistance includes Letters of Credit and Bank Guarantees. The facilities are offered for both imports and exports depending on the need of the clients. The Bank has also created a special fund (Entrepreneurial Development Fund) with an initial corpus of Rs.10 crore to subscribe to equity in SME projects in deserving cases, to enable the entrepreneur to achieve financial closure.

**Agricultural Sector :** IDBI Bank Ltd. provides fund based assistance to the Agricultural sector for Crop Loans, purchasing of seeds and fertilizers, and also Capital equipments viz. farming implements, including Tractors. Agribusiness loans are extended to both farm and non farm sectors as well as to companies / corporates engaged in Agricultural business. Apart from the loans to sector mentioned above, the Bank finances procurement of food grains and also extends assistance against Warehouse Receipts.

Self Help Groups (SHGs) / Micro Finance Agencies (MFIs): IDBI Bank Ltd. also extends assistance to Self Help Groups and Micro Finance Institutions/ Agencies by way of Line of Credit for onlending in the Agricultural and Rural Sector, primarily as small/ micro loans. Appraisal/ due diligence of these proposals, disbursement and recovery is handled by the assisted SHGs/ MFIs and not by the Bank.

**Priority Sector Assistance:** As stipulated by RBI, Domestic Commercial Banks in India are required to extend 40% of the net bank credit to the Priority Sector comprising of Agricultural loans, loans to small business/ professionals, educational loans, Housing Loans upto Rs.20 lakh etc. As a large part of the portfolio of IDBI Bank Ltd. did not include Priority Sector assistance at the time of its conversion into a banking company, RBI has granted time upto March 31, 2011 to meet with the stipulated norms. The Bank, through its assistance by way of the aforesaid products, is within the targets set for individual years for meeting the overall priority sector target.

### (ii) Treasury Operations

The Treasury in IDBI Bank Ltd. operates with primary focus of maintaining adequate liquidity to meet its requirements. Treasury efficiently manages surplus funds with an appropriate portfolio mix of G-Sec and corporate securities, consistent with risk perceptions and within the investment policy framework outlined by the Board. These investments are made with the objective of maximizing returns, without compromising on safety and liquidity needs. To mitigate market risks and to generate adequate returns, the Treasury has in place an adequate Risk Management philosophy governed through risk management tools such as Duration, Modified Duration, PV01 and Value at Risk (VaR) for G-Secs. The Forex operations of treasury focus on corporate line service like providing exchange rate cover on clients' foreign currency (FC) exchange both on Principal and Interest rate. The Treasury Department of the Bank has also been providing interest rate and forex derivative hedging products to cover the underlying liabilities/ receivables of Corporates. All hedging/ Derivative products are offered in compliance with RBI guidelines and within the permitted Risk Limits.

### (iii) Investment Banking

Investment Banking Services being offered by IDBI Bank Ltd. include Debt Syndication, Equity placements, IPO monitoring, Carbon Credit Advisory, Securitization, Project Advisory, Mergers & Acquisitions Advisory and Merchant appraisal. Investment Banking activities are also being carried out through the bank's subsidiary, IDBI Capital Market Services Ltd.(ICMS) which has the license to carry out these operations. ICMS concentrates on smaller sized deals, placement of Debt in the secondary market and primary equity issues which are not handled by the Bank.

### Financial Highlights of IDBI Bank Ltd. for the last 3 years :

	(Rs. Crore)		
As at the year-end (March 31)	2008-09	2007-08	2006-07
Capital	725	725	724
Reserves & Surplus	8,697	8,097	7,576
Employees' Stock Options (Grants) o/s	2	2	
Deposits	112,401	72,998	43,354
Borrowings	44,417	38,612	42,404
Other Liabilities & Provisions	6,160	10,262	9,781
<b>Total Liabilities</b>	<b>172,402</b>	<b>1,30,694</b>	<b>1,03,839</b>

<b>As at the year-end (March 31)</b>	<b>2008-09</b>	<b>2007-08</b>	<b>2006-07</b>
Cash & Balances with RBI	8,591	6,695	5,407
Balances with Banks and Money at Call & Short Notices	2,629	2,064	1,505
Investments	50,048	32,803	25,675
Advances	103,428	82,212	62,471
Fixed & Other Assets	7,706	6,920	8,782
<b>Total Assets</b>	<b>172,402</b>	<b>1,30,694</b>	<b>1,03,839</b>
<b>For the Period</b>	<b>2008-09</b>	<b>2007-08</b>	<b>2006-07</b>
Total Income (net of Provisions )	12,630	9,146	7,148
Total Expenses	11,644	8,323	6,466
Profit Before Tax	986	823	682
Provision for Tax	127	93	52
Profit After Tax	859	730	630

#### **V. Details of the Bonds (Debt Securities) proposed to be issued and sought to be listed**

(i) **IDBI Omni Bonds – Senior Debt** : Unsecured, redeemable unsubordinated non-convertible bonds in dematerialized form governed by the Industrial Development Bank of India (Issue and Management of Bonds) Rules, 2004 . The Bonds shall rank pari passu along with other uninsured, unsecured creditors of the Bank. These Bonds will rank superior to all the existing and future unsecured subordinated borrowings of the Bank.

Maturity period

The minimum maturity period of the bonds shall be 5 years.

Rate of interest

The bonds may be issued with a Fixed or Floating rate of interest. Floating rate of interest shall be referenced to a suitable benchmark rate as may be decided by IDBI Bank Ltd.

**CREDIT RATING** : 'LAA+' by ICRA (rating outlook Stable), 'AA+/Stable' by CRISIL & 'AA+(ind) by Fitch Ratings (Section XXI gives the Rating Definition)

(ii) **IDBI Omni Bonds – Subordinated (Lower) Tier II** : Unsecured, redeemable subordinated non-convertible bonds in dematerialized form governed by the Industrial Development Bank of India Ltd. (Issue and Management of Bonds) Rules, 2004. Bonds issued as IDBI Omni Bonds–Subordinated (Lower) Tier II would be subject to Capital Adequacy Guidelines of Reserve Bank of India (RBI), issued and updated from time to time. The Bonds are issued in accordance with the following guidelines as issued by RBI in this regard.

Maturity period

The bonds would have a minimum maturity of 5 years. However, if the bonds are issued in the last quarter of the year i.e. from 1st January to 31st March, they would have a minimum tenure of sixty three months.

Rate of interest

The coupon rate will be decided by the Board of the Bank or by the delegated authority.

Call Option

IDBI Omni Bonds - Subordinated (Lower) Tier II shall not be issued with a 'put option'. However, IDBI Bank may issue the instruments with a call option subject to strict compliance with each of the following conditions:

- (i) Call option may be exercised after the instrument has run for at least five years; and
- (ii) Call option shall be exercised only with the prior approval of RBI. While considering the proposals received from banks for exercising the call option the RBI would, among other things, take into consideration the bank's CRAR position both at the time of exercise of the call option and after exercise of the call option.

Step-up Option

IDBI Bank may have a step-up option which may be exercised only once during the whole life of the instrument, in conjunction with the call option, after the lapse of five years from the date of issue. The step-up shall not be more than 50 bps.



Other conditions

(i) IDBI Omni Bonds - Subordinated (Lower) Tier II should be fully paid-up, unsecured, subordinated to the claims of other creditors, free of restrictive clauses and should not be redeemable at the initiative of the holder or without the consent of the Reserve Bank of India.

(ii) Necessary permission from Exchange Control Department, RBI, should be obtained for issuing the instruments to NRIs/OCBs/FIIs.

Grant of advances against bonds

IDBI Bank shall not grant advances against the security of its own bonds.

**CREDIT RATING: 'LAA+' by ICRA** (rating outlook Stable), **'AA+/Stable' by CRISIL & 'AA+(ind)' by Fitch Ratings** (Section XXI gives the Rating Definition)

iii) **IDBI Omni Bonds - Upper Tier II:** Unsecured, redeemable subordinated non-convertible bonds in dematerialized form governed by the Industrial Development Bank of India Ltd. (Issue and Management of Bonds) Rules, 2004. Bonds issued as IDBI Omni Bonds—Upper Tier II would be subject to Capital Adequacy Guidelines of Reserve Bank of India (RBI), issued and updated from time to time. The Bonds are issued in accordance with the following guidelines as issued by RBI in this regard.

Maturity period

The Bonds would have a minimum maturity of 15 years.

Rate of interest

The interest payable to the investors would be either at a fixed rate or at a floating rate referenced to a market determined rupee interest benchmark rate.

Options

IDBI Omni Bonds - Upper Tier II shall not be issued with a 'put option'. However IDBI Bank Ltd. may issue the instruments with a call option, subject to the following conditions:

(a) Call option may be exercised only if the instrument has run for at least ten years

(b) Call option shall be exercised only with the prior approval of RBI. While considering the proposal for exercising the call option, RBI would, among other things, take into consideration the bank's CRAR position both at the time of exercise of the call option and after exercise of the call option.

Step-up option

IDBI Bank Ltd. may have a step-up option which may be exercised only once during the whole life of the instrument, in conjunction with the call option, after the lapse of ten years from the date of issue. The step-up would not be more than 100 bps.

Lock-In Clause

a) The Bonds shall be subjected to a lock-in clause in terms of which IDBI Bank Ltd. shall not be liable to pay either interest or principal, even at maturity, if -

1. Capital to Risk Assets Ratio (CRAR) of the Bank is below the minimum regulatory requirement prescribed by RBI ; or

2. the impact of such payment results in the Bank's CRAR falling below or remaining below the minimum regulatory requirement prescribed by RBI.

b) However, the Bank may pay interest with the prior approval of RBI when the impact of such payment may result in net loss or increase the net loss provided CRAR remains above the regulatory norm.

c) The interest amount due and remaining unpaid may be paid in the later years, subject to the Bank complying with the above regulatory requirement.

Seniority of claim

The claims of the investors in IDBI Omni Bonds Upper Tier II shall be -

a. Superior to the claims of investors in instruments eligible for inclusion in Tier 1 capital; and

b. Subordinate to the claims of all other creditors.

Redemption

IDBI Omni Bonds Upper Tier II shall not be redeemable at the initiative of the holder. All redemptions shall be made only with the prior approval of the RBI.

Other conditions

a) IDBI Omni Bonds Upper Tier II shall be fully paid-up, unsecured, and free of any restrictive clauses.

b) Investments by FIIs raised in Indian Rupees shall be outside the limit for investment in corporate debt instruments, as fixed by Government of India from time to time. However, investment by FII in these instruments will be subject to a separate ceiling of USD 500 million. In addition, NRIs shall also be eligible to invest in these instruments as per existing policy.

**CREDIT RATING: 'LAA' by ICRA** (rating outlook Stable) & **'AA/Stable' by CRISIL** (Section XXI gives the Rating Definition).

**The summary term sheet for the proposed bond issue is given in Section XXIII of this Disclosure Document.**

#### **Authority for the Placement**

The proposed issue of Bonds is being made pursuant to Articles 75 and 76 of the Articles of Association of IDBI Bank Ltd. and relevant provisions of the Companies Act, 1956. The private placement of Bonds under the terms of this Disclosure Document is being made pursuant to the approval accorded by the Board of Directors of the Bank in their meeting held on August 28, 2009 for raising an amount up to Rs.7,500 crore during FY 2009-10 comprising Rs.5,500 crore of Senior Bonds/ Subordinated (lower) Tier II bonds, Rs.1,500 crore of Upper Tier II Bonds and Rs.500 crore of Innovative Perpetual Debt Instruments qualifying as Tier I capital. The aforesaid approval by the Board is within the overall borrowing limit of Rs.1,25,000 crore on outstanding basis under Section 293(1)(d) of the Companies Act, 1956, as approved by the shareholders at its meeting held on September 29, 2004. As against the Board approved limit of Rs.7,500 crore, the status of bond issuance by IDBI Bank as on September 10, 2009, residual limit and ratings available thereagainst are shown below:

(Rs. crore)

<b>Instruments</b>	<b>Board Approved Limit</b>	<b>Bonds issued till 10-09-2009</b>	<b>Residual limit available</b>	<b>Rating available for residual limit upto</b>
	(a)	(b)	©=(a)-(b)	(d)
Senior Bonds	5,500	1	5,499	3,999
Lower Tier II Bonds				
Upper Tier II Bonds	1,500	500	1,000	500
Perpetual Tier I Bonds	500	0	500	0
<b>Total</b>	<b>7,500</b>	<b>501</b>	<b>6,999</b>	<b>4,499</b>

The Issue is also made in accordance with SEBI (Disclosure and Investor Protection) Guidelines, 2000 and SEBI (Issue and Listing of Debt Securities) Regulations, 2008.

RBI, vide its circular DBOD No. BP. BC. 90 /21.01.002/ 2003-04 dated June 11, 2004, has permitted banks to issue long-term bonds with a minimum maturity of 5 years to the extent of their exposure of residual maturity of more than 5 years to the infrastructure sector. Banks are also permitted to issue subordinated (Lower) Tier II bonds to the extent of 50% of the bank's Tier I capital to meet the Capital Adequacy norms, as per RBI's circular DBOD. BP.BC.5/21.01.002/98-99 dated February 8, 1999. RBI, vide its circular DBOD.BP.BC. 57/ 21.01.002/ 2005-2006 dated January 25, 2006, has also permitted the banks to issue, interalia, Upper Tier II bonds for an aggregate amount (including other components of Tier II capital) not exceeding 100% of Tier I capital.

RBI, vide its letter dated August 10, 2006, has also permitted IDBI Bank Ltd. to issue bonds, on reimbursement basis, to meet financing requirements of long-term projects other than infrastructure projects.

Apart from the above, a liability restructuring scheme had been formulated under the aegis of GoI, at the time of conversion of IDBI into a commercial bank, under which investments of select banks/ institutions in IDBI bonds made upto March 01, 2003 are being reinvested on maturity in IDBI Omni Bonds at prevailing market rates at the time of fresh investment and with a maturity equivalent to the maturity of the original bonds.

The Bank can undertake the proposed issue of bonds in conformity with the aforesaid approvals and no further approval from any government authority(ies)/ RBI is required by the Bank in this regard.

#### **VI. Issue Size**

Aggregate amount of Rs.4,499 crore, comprising Senior/ Subordinated (Lower) Tier II bonds of Rs.3,999 crore and Upper Tier II bonds of Rs.500 crore, to be issued in tranches.

**VII. Details of Utilization of the Issue Proceeds**

The Issue is for augmenting the long term rupee resources of the Bank for the purpose of carrying out its functions authorized under the Memorandum and Articles of Association as well as for the purpose of capital enhancement [applicable for issues of Subordinated (Lower) Tier II bonds and Upper Tier II bonds].

The Main Object Clause of IDBI Bank Ltd. as contained in the Memorandum and Articles of Association enables the Bank to undertake the activities for which the funds are being raised in the present issue. Also, the main objects as contained in Memorandum and Articles of Association adequately cover its existing and proposed activities. The funds raised by way of this issue will be utilized for on-lending/ investment in shares/debenture including lending to infrastructure projects, debt servicing and such other activities as may be permitted under the Memorandum and Articles of Association.

Pending utilization of the issue proceeds as specified above, the same may be invested in interest bearing liquid instruments including deposits with other banks for necessary duration.

**VIII. Material contracts/agreements involving financial obligations and other documents**

1	Memorandum and Articles of Association of IDBI Bank Ltd.
2	Copy of the letter from the RBI dated April 15, 2005 classifying IDBI Ltd. under the new category 'Other Public Sector Banks'
3	Copy of Notification dated May 16, 2008 issued by Reserve Bank of India regarding change of the name of the Bank 'Industrial Development Bank of India Limited' to 'IDBI Bank Limited' (published in the Government Gazette on June 14, 2008)
4	Annual Report 2008-09 of IDBI Bank Ltd.
5	IDBI Ltd. (Issue and Management of Bonds) Rules, 2004.
6	Resolution under section 293(1)(d) of the Companies Act regarding borrowing powers passed at the Extra Ordinary General Meeting (EGM) of the shareholders of IDBI Ltd. held on April 29, 2005.
7	Resolutions of the Board of Directors of IDBI Bank Ltd. passed at the meeting held on August 28, 2009 authorising Deputy Managing Director , Executive Director, Chief General Manager and General Manager severally to finalize and file the Disclosure Document (including any updation thereof), on behalf of the Board of Directors, with the Stock Exchanges, for individual tranche of private placement of bonds during FY 2009-10
8	Letter from ICRA dated September 01, 2009 assigning a 'LAA+' rating for Senior/ Subordinated (Lower) Tier II bond issues for an aggregate amount of Rs.4,000 crore.
9	Letter from ICRA dated September 01, 2009 assigning a 'LAA' rating for Upper Tier II bond issues for an aggregate amount of Rs.1,000 crore.
10	Letter from CRISIL dated July 23, 2009 assigning a 'AA+/Stable' rating for Senior/ Subordinated (Lower) Tier II bond issues for an aggregate amount of Rs.4,000 crore.
11	Letter from CRISIL dated September 09, 2009 assigning a 'AA/Stable' rating for Upper Tier II bond issues for an aggregate amount of Rs.1,000 crore.
12	Letter from FITCH dated April 09, 2009 assigning a 'AA+(ind)' rating for Senior/ Subordinated (Lower) Tier II bond issues for an aggregate amount of Rs.4,000 crore.
13	Tripartite Agreement between IDBI, NSDL and ISIL dated March 4, 2003.
14	Tripartite Agreement between IDBI, CDSL and ISIL dated October 17, 2005.
15	Letter of Consent dated May 27, 2009 of Investor Services of India Ltd. to act as Registrar for IDBI Omni Bond Issues 2009-10.
16	Letter of Consent dated June 10, 2009 of IDBI Trusteeship Services Ltd. to act as Bond Trustee for IDBI Omni Bond Issues 2009-10.

**IX. Details of past borrowings including debt securities**

The details of borrowings and deposits of IDBI Bank Limited as on June 30, 2009 are as under :

(Rs. Crore)		
As at 30-06-2009		
<b>Borrowings</b>		<b>42493</b>
1. Borrowings in India		
i. RBI	0	
ii. Other Banks	864	
iii. GoI borrowings	0	
iv. Tier I bonds issued to GoI	2131	
v. Tier I bonds (IPDI)	332	
v. Upper Tier II Bonds	2000	
vi. Subordinated (lower) Tier II Bonds	4917	
vii. Bonds guaranteed by GoI	3092	
viii. Others	25543	<b>38879</b>
2. Borrowings outside India		<b>3614</b>
<b>Deposits (in India)</b>		<b>115554</b>
<b>Total</b>		<b>158047</b>

**(A) Public Issues of unsecured IDBI Bonds (Flexi Bonds)**

Details of all outstanding public issues of bonds as on August 31, 2009 are furnished in the following table:

Year of Issue	Type of Issue	Amount Outstanding (Rs. Crore)	Deemed date of allotment	Redemption date	Rating at the time of issue
March 2001 Flexi – 2A	Floating Rate Bond	0.16	May 1, 2001	01/05/2011	'AAA' by CARE and 'AAA' by CRISIL
September 1998 Flexi – 4	Education Bond	2.74	November 16, 1998	16/11/2009-12	
February 1999 Flexi – 6	Retirement Bond	0.72	April 5 1999	5/5/2013	
July 1999 Flexi – 7	Retirement Bond	1.00	September 11, 1999	11/09/09 & 11/09/13	
December 2001 Flexi – 11	Regular Income Bond	48.15	February 5, 2002	5/2/2012	'AA+' by CRISIL & 'LAA+' by ICRA
February 2002 Flexi – 12	Regular Income Bond Retirement Bond	46.66	March 15, 2002	15/3/2012 15/3/2009 -12	'AA+' by CRISIL, 'LAA+' by ICRA & 'IndAA+' by Fitch
March 2002 Flexi – 13	Regular Income Bond Money Multiplier Bond Retirement Bond	52.80	April 30, 2002	30/4/2012 30/9/2009 & 30/11/11 30/4/2009 -12	'AA+' by CRISIL, 'Ind AA+' by Fitch & 'LAA' by ICRA
July 2002 Flexi – 14	Regular Income Bond Money Multiplier Bond Retirement Bond	144.14	September 12, 2002	12/9/2009 12/2/10 & 12/4/12 12/09/09 -12	'AA+' by CRISIL, 'IndAA+' by Fitch & 'LAA' by ICRA
October 2002 Flexi – 15	Money Multiplier Bond Regular Income Bond	96.95	November 25, 2002	25/5/2010 & 25/9/12 25/11/09	'AA+' by CRISIL, 'AA+(Ind)' by Fitch and 'LAA' by ICRA

Year of Issue	Type of Issue	Amount Outstanding (Rs. Crore)	Deemed date of allotment	Redemption date	Rating at the time of issue
January 2003 Flexi - 17	Money Multiplier Bond Regular Income Bond	44.31	March 4, 2003	4/4/10 & 4/5/12 4/3/10 & 13	'AA+' by CRISIL, 'AA+(Ind)' by Fitch and 'LAA' by ICRA
March 2003 Flexi - 18	Money Multiplier Bond Regular Income Bond	36.56	April 25, 2003	25/10/10 & 12 25/4/10 & 13	
December 2003 Flexi - 19	Money Multiplier Bond Retirement Bond Regular Income Bond	223.80	January 12, 2004	12/1/11 & 15 12/ 1/ 11- 14 12/1/11 & 14	
January 2004 Flexi 20	Money Multiplier Bond Regular Income Bond	31.83	March 5, 2004	5/2/11 & 5/8/15 5/3/11 & 14	'AA+' by CRISIL, 'AA+(Ind)' by Fitch and 'LAA' by ICRA
March 2004 Flexi - 21	Retirement Bond Regular Income Bond	34.08	March 29, 2004 April 20, 2004	20/4/11 & 14 20/4/11 & 14 or 19	'AA+' by CRISIL, 'AA+(Ind)' by Fitch and 'LAA' by ICRA
January 2005 Flexi - 22	Infrastructure ( Tax Saving) Bond Growing Interest Bond Retirement Bond Regular Income Bond	99.43	25.02.05	25/02/010 & 12  25/02/10 25/02/10 25/02/12 & 15	'AA+' by CRISIL, 'AA+(Ind)' by Fitch and 'LAA+' by ICRA
March 2005 Flexi - 23	Infrastructure (Tax Saving) Bond	279.07	20.04.05	20/04/10	'AA+' by CRISIL, 'AA+(Ind)' by Fitch & 'LAA+' by ICRA

Flexibonds series 2A-23 are listed on BSE and NSE.

State Bank of India, Mumbai Main Branch, Mumbai Samachar Marg, Fort, Mumbai -400 023, is the debenture trustee for Flexibonds series 4-7. IL&FS Trust Co. Ltd. is the bond trustee for Flexibonds series 11-23.

**(B) Private placements of Omni Bonds during FY 2006 to FY2010**

Year of Issue	Type of issue	Date of Allotment	Tenor (years)	Amount mobilized (Rs. Crore)	Rating at the time of issue
2005 -06	T2005 Sr.IV	06-Apr-05	5	210.00	'AA+' by CRISIL, 'AA+(ind)' by FITCH & 'LAA' by ICRA
	T2005 Sr.V	08-Apr-05	10	100.00	
	Omni 2005G	23-Apr-05	7	20.00	
	Omni 2005H	27-Apr-05	7	25.00	
	Omni 2005I	28-Apr-05	7	25.00	
	Omni 2005J	10-May-05	3	100.00	
	Omni 2005K	12-May-05	3	95.00	
	IDBI Omni Bond Tier II Sr. VI	13-May-05	7	15.00	
	Omni 2005L	04-Jun-05	7	5.00	'AA+' by CRISIL, 'AA+(ind)' by FITCH & 'LAA+' by ICRA
	IDBI Omni Bond Tier II Sr. VII	08-Jun-05	10	172.80	
	Omni 2005M	16-Jun-05	7	8.00	
	Omni 2005N	23-Jun-05	7	50.00	
	IDBI Omni Bond Tier II Sr.VIII RRB I	20-Jul-05	7	84.80	

Year of Issue	Type of issue	Date of Allotment	Tenor (years)	Amount mobilized (Rs. Crore)	Rating at the time of issue
2005-06	IDBI Omni Bond Tier II Sr.VIII RRB II	20-Jul-05	10	165.70	'AA+' by CRISIL, 'AA+(ind)' by FITCH & 'LAA+' by ICRA
	Omni 2005O	27-Jul-05	5	300.00	
	Omni 2005P	07-Aug-05	5	149.50	
	Omni 2005Q	23-Aug-05	5	250.00	
	IDBI Omni Bond Tier II Sr. IX RRB I	27-Sep-05	6	34.30	
	IDBI Omni Bond Tier II Sr. IX RRB II	27-Sep-05	8	15.90	
	IDBI Omni Bond Tier II Sr. IX RRB III	27-Sep-05	11	53.20	
	Omni 2005R	04-Oct-05	5	265.00	
	Omni 2005S	05-Oct-05	7	95.00	
	Omni 2005T	23-Oct-05	7	100.00	
	Omni 2005U RRB I	28-Nov-05	5	71.20	
	Omni 2005U RRB II	28-Nov-05	7	627.20	
	Omni 2005V	16-Nov-05	7	479.00	
	Omni 2005W	16-Nov-05	7	10.00	
	Omni 2005X	12-Dec-05	7	33.00	
	Omni 2005Y	16-Dec-05	10	500.00	
	Omni 2006A RRB I	23-Jan-06	5	55.60	
	Omni 2006A RRB II	23-Jan-06	10	629.70	
	Omni 2006B	05-Jan-06	5	156.00	
	Omni 2006C	19-Jan-06	7	5.00	
	Omni 2006D	30-Jan-06	10	1000.00	
	Omni 2006E	02-Feb-06	10	500.00	
	Omni 2006F	03-Feb-06	7	88.00	
	Omni 2006G RRB I	08-Mar-06	5	11.40	
	Omni 2006G RRB II	08-Mar-06	7	2.30	
	Omni 2006G RRB III	08-Mar-06	10	80.10	
	Omni 2006H	11-Feb-06	7	10.00	
	Omni 2006I	11-Feb-06	7	509.70	
	Omni 2006J	23-Feb-06	10	75.00	
	Omni 2006K	04-Mar-06	7	70.00	
	Omni 2006L	07-Mar-06	5	60.00	
	Omni 2006M	08-Mar-06	5	50.00	
Omni 2006N RRB I	27-Mar-06	5	10.00		
Omni 2006N RRB II	27-Mar-06	7	5.00		
Omni 2006O	28-Mar-06	5	5.00		
Omni 2006P	29-Mar-06	9y 10m	500.00		
Omni 2006Q	29-Mar-06	5	5.00		
Omni 2006R	30-Mar-06	5	11.00		
2006-07	IDBI Omni Bonds 2006 Sr.I	05-Apr-06	7	283.00	'AA+' by CRISIL, "AA+(ind)" by FITCH & "LAA+" by ICRA
	IDBI Omni Bonds 2006 Sr.II	04-May-06	7	100.00	
	IDBI Omni Bonds 2006 Sr.III RRB I	26-May-06	5	262.90	
	IDBI Omni Bonds 2006 Sr.III RRB II	26-May-06	7	10.00	

Year of Issue	Type of issue	Date of Allotment	Tenor (years)	Amount mobilized (Rs. Crore)	Rating at the time of issue
2006-07	IDBI Omni Bonds 2006 Sr.III RRB III	26-May-06	10	473.50	"AA+" by CRISIL, "AA+(ind)" by FITCH & "LAA+" by ICRA
	IDBI Omni Bonds 2006 Sr.IV	14-May-06	5	5.00	
	IDBI Omni Bonds 2006 Sr.V	28-May-06	5	25.00	
	IDBI Omni Bonds 2006 Sr.VI	31-May-06	7	130.00	
	IDBI Omni Bonds 2006 Sr.VII	28-Jul-06	7	200.00	
	IDBI Omni Bonds 2006 Sr.VIII	29-Jul-06	7	10.00	
	IDBI Omni Bonds 2006 Sr.IX	10-Aug-06	7	30.00	
	IDBI Omni Bonds 2006 Sr.X	16-Aug-06	7	10.00	
	IDBI Omni Bonds 2006 Sr.XI	30-Aug-06	7	3.00	
	IDBI Omni Bonds 2006 Sr.XIII	10-Sep-06	7	30.00	
	IDBI Omni Bonds 2006 Tier II Sr.XII	21-Sep-06	10	346.40	
	IDBI Omni Bonds 2006 Tier II Sr.XIV	29-Sep-06	6	40.00	
	IDBI Omni Bonds 2006 Tier II Sr.XV	16-Nov-06	10	250.00	
	IDBI Omni Bonds 2006 Tier II Sr.XVI	20-Dec-06	10	448.10	
	IDBI Omni Bonds 2006 Tier II Sr.XVII	22-Dec-06	10	300.00	
	IDBI Omni Bonds 2007 Tier II Sr.I	05-Feb-07	10	34.30	
IDBI Omni Bonds 2007 Sr.II	05-Feb-07	5	100.00		
2007-08	IDBI Omni Bonds 2007 Tier II Sr.III	06-Apr-07	7y 3m	480.00	"AA+" by CRISIL, "AA+(ind)" by FITCH & "LAA+" by ICRA
	IDBI Omni Bonds 2007 Tier II Sr.IV	07-May-07	10	48.00	
	IDBI Omni Bonds 2007 Tier II Sr.V	10-Aug-07	7	300.00	
	IDBI Omni Bonds 2007 SR.VI	12-Sep-07	5	40.00	
	IDBI Omni Bonds 2007 Sr.VII	23-Sep-07	15	4.20	
	IDBI Omni Bonds 2007 Tier II Sr.VIII	29-Sep-07	7	40.00	
	IDBI Omni Bonds 2008 Tier II Sr.I	01-Jan-08	10	500.00	
	IDBI Omni Bonds 2008 Sr.II	16-Feb-08	10	2.00	
	IDBI Omni Bonds 2008 Sr.III	01-Mar-08	5	380.00	
	IDBI Omni Bonds 2008 Sr.IV RRB I	12-Mar-08	1y 6m	85.00	
	IDBI Omni Bonds 2008 Sr.IV RRB II	12-Mar-08	2y 12d	400.00	
	IDBI Omni Bonds 2008 Sr.V	24-Mar-08	1y 6m	500.00	
IDBI Omni Bonds 2008 Sr.VI	25-Mar-08	1y 6m	220.00		
2008-09	IDBI Omni Bonds 2008 Sr.VII	30-Apr-08	7	200.00	'AA+' by CRISIL, 'AA+(ind)' by FITCH & 'LAA+' by ICRA
	IDBI Omni Bonds 2008 Tier II Sr.VIII	13-Jun-08	7y 4m	150.00	'AA+/Stable' by CRISIL, 'AA+(ind)' by FITCH & 'LAA+' by ICRA
	IDBI Omni Bonds 2008 Sr.IX RRB I	26-Sep-08	5	296.00	
	IDBI Omni Bonds 2008 Sr.IX RRB II	26-Sep-08	10	895.80	'AA+/Stable' by CRISIL, 'AA+(ind)' by FITCH & 'LAA+' by ICRA
	IDBI Omni Bonds 2008 Sr.X	28-Sep-08	7	20.00	
	IDBI Omni Bonds 2008 Tier II Sr.XI	29-Sep-08	8	40.00	'LAA' by ICRA
	IDBI Omni Bonds 2008 Upper Tier II Sr.XII	29-Sep-08	15	650.00	
	IDBI Omni Bonds 2008 Sr.XIII	05-Oct-08	7	20.00	'AA+/Negative' by CRISIL, 'AA+(ind)' by FITCH & 'LAA+' by ICRA
IDBI Omni Bonds 2008 Upper Tier II Sr.XIV	29-Oct-08	15	500.00	'LAA' by ICRA, 'AA/Negative' by CRISIL	

Year of Issue	Type of issue	Date of Allotment	Tenor (years)	Amount mobilized (Rs. Crore)	Rating at the time of issue
2008-09	IDBI Omni Bonds 2008 Sr.XV RRB I	15-Dec-08	5	394.70	'AA+(ind)' by FITCH, 'AA+/Negative' by CRISIL & 'LAA+' by ICRA
	IDBI Omni Bonds 2008 Sr.XV RRB II	15-Dec-08	10	1439.90	
	IDBI Omni Bonds 2008-09 Perpetual Tier I Sr.XVI	26-Mar-09	Perpetual	332.00	'LAA' by ICRA & 'AA+/Negative' by CRISIL
	IDBI Omni Bonds 2008-09 Sr.XVII	14-Mar-09	20	2.00	'AA+(ind)' by FITCH, 'AA+/Negative' by CRISIL
	IDBI Omni Bonds 2008-09 Sr.XVIII	26-Mar-09	5	902.00	'LAA' by ICRA, 'AA-(ind) by FITCH & 'AA/Negative' by CRISIL
	IDBI Omni Bonds 2008-09 Upper Tier II Sr.XIX	31-Mar-09	15	350.00	
2009-10	IDBI Omni Bonds 2009-10 Sr.I	13-Jun-09	20	1.00	AA+/Negative by CRISIL & "LAA+" by ICRA
	IDBI Omni Bonds 2009-10 Upper Tier II Sr.II	26-Jun-09	15	500.00	AA/Negative' by CRISIL & 'LAA' by ICRA

Above Omnibonds Series are listed on BSE & NSE. IDBI Trusteeship Services Ltd. is the Bond Trustee for all the issues.

**(C) List of Outstanding FC Borrowings (as on August 31, 2009)**

Sr. No.	Lender/Paying Agent	Date of Agreement	Amount Drawn	Outstanding as on 31.08.09	Last date of Repayment	Rate of Interest (%)
1	Borrowing 1 IBRD – 3779	21.11.1994	USD 26.33 mln	USD 8.89 mln	15.07.2014	6M Libor + 0.14
2	Borrowing 2 DL XXI	30.09.1996	USD 50 mln	USD 2.94 mln	29.12.2009	6M Libor + 0.75
3	Borrowing 3 DL XXIX	16.12.1997	USD 50.09 mln	USD 1.68 mln	01.04.2010	6M Libor + 0.00
4.	Borrowing 11 YEN XIV	25.03.2005	JPY 5.245 bln	JPY 5.245 bln	07.04.2010	JPY 6M Libor + 0.70
5.	Borrowing 12 YEN XVII	10.01.2006	JPY 7.976 bln	JPY 1.312 bln	15.07.2009	JPY 6M Libor + 0.28
6.	Borrowing 14 YEN XXV	04.08.2008	JPY 5.411 bln	JPY 5.411 bln	29.06.2011	JPY LIBOR + 1.00
7	Borrowing 15 YEN XXVI	02.09.2008	JPY 10.814 bln	JPY 10.814 bln	31.08.2011	JPY LIBOR + 1.05
8.	Borrowing 16 SGD I	05.03.2009	SGD 116.30 mln	SGD 116.30 mln	05.03.2010	SGD LIBOR + 0.5

Total FC liability outstanding as on August 31, 2009: USD 625.04 million (equivalent to INR 3,051.76 crore, converted at FEDAI closing rate).

**X. Material event/ development at the time of issue**

**Highlights of Q1 FY 10 financial results vis-à-vis Q1 FY 09 (June 30, 2009)**

- **Net profit** up 7.56 % to Rs.172 Crore (from Rs.160 Crore)
- **Fee based income** grew by 65% to Rs.252 Crore (from Rs.152 Crore)
- **NII** grew by 249% to Rs.316 Crore (from Rs.91 Crore)
- **Business** up 42% to Rs.2,13,509 Crore (from Rs.1,50,832 Crore)
- **Deposits** increased by 59% to Rs.1,15,554 Crore (from Rs.72,717 Crore)
- **Advances** up by 25% to Rs.97,955 Crore (from Rs.78,115 Crore)
- **Total assets** grew by 34% to Rs.1,74,608 Crore (from Rs.1,30,410 Crore)



Financial results for the quarter ended June 30, 2009 are as under :

**Working results:**

	(Rs. Crore)		
	Q1 2009-10	Q1 2008-09	FY 2008-09
<b>Total Income</b>	<b>4219</b>	<b>2756</b>	<b>13022</b>
Interest income	3463	2416	11545
Non-Interest Income	756	340	1476
<b>Total Expenses</b>	<b>3463</b>	<b>2537</b>	<b>11644</b>
Interest expenses	3147	2326	10306
Operating expenses	316	212	1338
<b>Operating Profit</b>	<b>756</b>	<b>219</b>	<b>1378</b>
<b>Provisions (net)</b>	<b>584</b>	<b>59</b>	<b>519</b>
<b>Net Profit</b>	<b>172</b>	<b>160</b>	<b>859</b>

**Profitability:**

IDBI reported a **net profit** of Rs.172 crore for the **quarter ended June 30, 2009** as against Rs.160 crore in the corresponding quarter. This amounts to an increase in net profit by 7.56% for the quarter compared to corresponding period last year.

**Net Interest Income** (NII) for the quarter ended June 30, 2009 stood at Rs.316 crore as against Rs.91 crore in the corresponding quarter of the previous year, recording a growth of 249%.

**Fee based income** during the quarter has shown considerable improvement to Rs.252 Crore as against Rs.152 Crore in the previous quarter, recording a growth of 65%.

**Business:**

As of June 30, 2009, IDBI's **total business** (deposits and advances) stood at Rs.213509 crore as against Rs.150832 crore as of June 30, 2008, registering a growth of 42%.

**Deposits** increased to Rs.115554 Crore at end-June 2009 from Rs.72717 crore at end-June 2008, with a robust growth of 59%.

**Advances** also increased by 25% to Rs.97955 crore, as compared to Rs. 78115 crore as at end- June 2008.

As of June 30, 2009, **aggregate assets** stood at Rs.174608 crore as against Rs.130410 crore as on June 30, 2008, registering a growth of 34%.

**CAR:**

IDBI continued to maintain a sound capital base as indicated by its Capital Adequacy Ratio (CAR). As against the stipulated RBI norm of 9%, the Bank's CAR stood at 12.30% (Tier-I: 7.11%) as of June 30, 2009.

**XI. Particulars of Debt Securities Issued**

(i) for consideration other than cash (ii) at a premium or discount (iii) in pursuance of an option

No such issue has been made by IDBI Bank Ltd.

**XII. List of highest ten holders of each class or kind of securities of the issuer**

**A. LIST OF TOP 10 SHAREHOLDERS AS ON 28-08-2009**

Sr. No.	Name of Holder	Address	Current Holding	% of Total
1	PRESIDENT OF INDIA	NEW DELHI	381778000	52.67
2	LIFE INSURANCE CORPORATION OF INDIA	INVESTMENT DEPARTMENT CENTRAL OFFICE YOGAKSHEMA, JEEVAN BIMA MARG MUMBAI- 400021	41312108	5.7
3	LIC OF INDIA - MARKET PLUS	---Do---	31348613	4.33
4	SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	4TH FLOOR PLOT NO C-11 G BLOCK, BANDRA KURLA COMPLEX, BANDRA (EAST) MUMBAI- 400051	15000000	2.07

Sr. No.	Name of Holder	Address	Current Holding	% of Total
5	LIC OF INDIA MONEY PLUS	INVESTMENT DEPARTMENT CENTRAL OFFICE YOGAKSHEMA, JEEVAN BIMA MARG MUMBAI- 400021	12916794	1.78
6	UNITED INDIA INSURANCE COMPANY LIMITED	24, WHITES ROAD, CHENNAI - 600014	8629675	1.19
7	GMO EMERGING MARKETS FUND	CITIBANK N.A. CUSTODY SERVICES 77, RAMNORD HOUSE DR.A.B.ROAD WORLI, MUMBAI - 400018	7799500	1.08
8	LIC OF INDIA MARKET PLUS-1	INVESTMENT DEPARTMENT CENTRAL OFFICE YOGAKSHEMA, JEEVAN BIMA MARG MUMBAI- 400021	4839903	0.67
9	THE ORIENTAL INSURANCE COMPANY LTD.	ORIENTAL HOUSE, PB 7037, A-25/27, ASAF ALI ROAD, NEW DELHI – 110 002	4037359	0.56
10	SBI LIFE INSURANCE CO. LTD.	2ND FLOOR, TURNER MORRISON BUILDING, G.N VAIDYA MARG, FORT, MUMBAI-400023	3364201	0.46

**B. IDBI Bonds (Omni Bonds & Flexi Bonds)**

LIST OF TOP TEN BONDHOLDERS AS ON 31-08-2009				
SR NO	NAME OF HOLDER	ADDRESS	PIN Code	AMOUNT (Rs. Crore)
1	LIFE INSURANCE CORPORATION OF INDIA	INVESTMENT DEPARTMENT 6TH FLOOR, WEST WING, CENTRAL OFFICE, YOGAKSHEMA, JEEVAN BIMA MARG, MUMBAI	400021	8117
2	STATE BANK OF INDIA	SECURITIES SERVICES BRANCH, 2ND FLOOR, MUMBAI MAIN BRANCH, MUMBAI SAMACHAR MARG, MUMBAI	400023	1126
3	COAL MINES PROVIDENT FUND	ICICI SECURITIES PRIMARY DEALERSHIP LIMITED, ICICI CENTRE, H. T. PAREKH MARG MUMBAI	400020	1079
4	CBT EPF EPS A/C HSBC AMC LTD	HDFC BANK LTD CUSTODY SERVICES TRADE WORLD A WING GR FLOOR KAMALA MILLS COMPOUND S B MARG MUMBAI	400013	1024
5	CBT EPF EPF A/C ICICI PRUDENTIAL AMC LTD	HDFC BANK LTD CUSTODY SERVICES TRADE WORLD A WING GR FLOOR KAMALA MILLS COMPOUND S B MARG MUMBAI	400013	804
6	CENTRAL BOARD OF TRUSTEES EMPLOYEES PROVIDENT FUND	STATE BANK OF INDIA EPFO SECURITIES SERVICES BRANCH IIND FLOOR MUMBAI MAIN BRANCH MUMBAI	400023	749
7	UCO BANK	TREASURY BRANCH UCO BANK BUILDING MEZZANINE FLOOR MUMBAI	400001	322
8	RELIANCE CAPITAL TRUSTEE CO LTD- RELIANCE FIXED HORIZON FUND –IX	DB HOUSE HAZARIMAL SOMANI MARG FORT, POST BOX-1142 MUMBAI	400001	296
9	COAL MINES PENSION FUND	STATE BANK OF INDIA SECURITIES SERVICES BRANCH MAIN BRANCH BUILDING, 2 ND FLOOR, FORT, MUMBAI	400001	294
10	AXIS BANK LIMITED	11TH FLOOR, MAKER TOWER F, CUFFE PARADE, MUMBAI	400005	293

**XIII. Common form of transfer**

The bonds will be issued in demat form only and there would be no physical holding.

**XIV. Redemption amount, period of maturity, yield**

As disclosed in the Term Sheet at Section XXIII.

**XV. Information relating to Terms of Offer****A. General Terms****Minimum Investment**

Each Bond has a face value of Rs.10 Lakh. Minimum investment is indicated in the Summary Term Sheet (Section XXIII).

**Terms of Payment**

The full amount of issue price of the Bonds applied for should be paid along with the application.

**Interest on Application money.**

Successful applicants will be paid interest on their application money at coupon rate from the date of credit of the Application money in IDBI Bank's account upto one day prior to the deemed date of allotment. Such Interest will be paid within 30 days from the deemed date of allotment by way of direct credit to the mandated account of the investor or by a warrant/ Pay Order/ DD and will be dispatched by Speed Post/ Registered Post/ Courier to the investor at his risk. Income Tax as applicable will be deducted at source from interest on application money. Those desirous of claiming exemption from tax are required to submit a certificate issued by the concerned Income-Tax Officer under Section 197(1) of Income Tax Act or submit Form 15G/15H in duplicate as applicable along with the application form. Unsuccessful applicants will not receive any interest on application money.

**Computation of interest**

Interest/ interest on application money will be paid at the coupon rate on actual/ 365 days basis on principal amount of the bonds outstanding from time to time.

**Effect of Holidays**

If Redemption/ Interest payment date falls on Sunday/ Bank Holiday in Mumbai, the location of the Registered Office of the Bank, then the payment will be made on the next working day along with additional interest for the intervening period at the coupon rate of the bonds.

**Investment holding and Market Lot**

Investment in the bonds shall be held in "Demat form" only. The market lot will be one bond.

**Depository Arrangement**

The Bank has entered into depository arrangements for dematerialization of bonds with National Securities Depository Limited (NSDL) and Central Depository Services Ltd. (CDSL). Investors will hold the security in dematerialized form only and deal with the same as per the provisions of Depositories Act, 1996 (as amended from time to time). Investors should indicate the necessary details in the application form.

IDBI Ltd. signed two tripartite agreements in this connection viz.

- 1) Tripartite Agreement dated March 4, 2003 between IDBI Ltd., National Securities Depository Limited (NSDL) and the Registrar, Investor Services of India Ltd.
- 2) Tripartite Agreement dated October 17, 2005 between IDBI Ltd., Central Depository Services Limited (CDSL) and the Registrar, Investor Services of India Ltd.

These agreements executed by IDBI continue to apply with full force and effect for IDBI Bank Ltd. also.

**Procedure for allotment of bonds in Demat form**

1. Investor(s) should have a Beneficiary Account with any Depository Participant of NSDL or CDSL
2. For allotment of Bonds in dematerialized form, the beneficiary account number and depository participants ID shall be specified correctly in the relevant columns of the Application Form. If incomplete/incorrect Beneficiary Account Details are given in the Application Form which do not match with the details in the Depository system, the allotment of Bonds shall be kept in abeyance till such time satisfactory demat account details are provided by the investor.
3. The Bonds allotted to investor would be directly credited to the Beneficiary Account as given in the application form after verification. Allotment advice/refund order (if any) would be sent directly to the applicant by the Registrars to the Issue but the confirmation of the credit of the bonds to the investor's Depository Account will be provided to the investor by the investor's Depository Participant.
4. Interest or other benefits with respect to the bonds held in dematerialized form would be paid to those Bondholders whose names appear on the list of beneficial owners given by the depositories to IDBI Bank Ltd. as on the Record Date. In case the beneficial owner is not identified by the depository on the Record Date due to any reason whatsoever, the Bank shall keep in abeyance the payment of interest or other benefits, till such time the beneficial owner is identified by the depository and intimated to IDBI Bank Ltd.
5. Investors may please note that the Bonds in demat form can be traded only on the stock exchanges having electronic connectivity with NSDL or CDSL.

**Tax Deduction at Source**

As per the Finance Bill 2008, new clause (ix) was inserted in Section 193 of Income Tax Act 1961 with effect from June 1, 2008. This has excluded any interest payable on securities issued by a company in dematerialized form and listed in recognized Stock Exchanges under Securities Contracts (Regulation) Act, 1956 for the purpose of tax deduction at source. Since bonds to be issued through this Disclosure Document would be in demat mode and listed on Stock Exchanges, tax will not be deducted at source in respect of interest paid on such bonds.

**Capital Gains**

The difference between the sale price on transfer and the cost of acquisition of the Bond held by the bondholder as a capital asset, will be treated as long-term capital gain/loss in the hands of the investor, provided that such Bond was held for a continuous period of more than twelve months. As per Section 112 of IT Act, 1961, tax on long term capital gain arising on transfer of listed securities will be limited to 10% plus surcharge/education cess, as applicable, of such gain for all the assesses. IDBI Bonds, on being listed, will be eligible for this benefit. It may be noted that the Bonds being debt instruments, will not have the benefit of cost indexation.

Investors who wish to avail of the exemption from tax on capital gains on transfer of capital asset as provided in sections 54EC or 54F of IT Act, may do so subject to the conditions as prescribed in those sections. Moreover, investors are advised to consult their tax advisors in this matter.

**Income from the Bonds**

Interest payable on these bonds in any financial year will be taxable in that year.

**Amendment of the Terms of the Bonds**

IDBI Bank Ltd. may amend the terms of the Bond(s), within the purview of applicable laws, at any time by a resolution passed at a meeting of the Bondholders with the consent of the Bondholders holding in the aggregate more than 50% in nominal value of the Bonds held and outstanding under the respective schemes from those present and voting.

**Right to Purchase/ Reissue Bond(s)**

IDBI Bank Ltd. may purchase the Bonds in the open market, through market makers or otherwise. Such Bonds may be cancelled (extinguished), held, resold or reissued to any person at the discretion of the Bank. Where IDBI Bank Ltd. purchases Bonds, it shall have and shall be deemed always to have had the right to keep such Bonds alive for the purposes of resale or reissue and in exercising such right, the Bank shall have and deemed always to have had the power to resell or reissue the same Bonds or by issuing other Bonds in lieu thereof. However, extant RBI guidelines regarding obtaining prior approval for redemption of subordinated bonds including Upper Tier II/ Perpetual Tier I bonds would be applicable.

**Future Borrowings / Issues**

IDBI Bank Ltd. will be entitled to borrow/ raise loans or avail of financial assistance in whatever form as also issue debentures / bonds / other securities in any manner having such ranking in priority, pari passu or otherwise and change the capital structure including the issue of shares of any class, on such terms and conditions as the Bank may think appropriate, without the consent of, or intimation to, the Bondholders or the Trustees.

**B. Issue Procedure****WHO CAN APPLY**

The eligible applicants include individuals, HUFs, Corporations, Banks (including Co-operative Banks and Regional Rural Banks), Companies, Mutual Funds, Trusts, Provident/ Superannuation/ Gratuity/ Pension Funds, Societies, Associations of Persons, FIs, and Insurance/ Investment Companies.

**Application by Provident Funds, Superannuation Funds and Gratuity Funds**

IDBI Bank Ltd. being a Public Sector Banking company as well as a Public Financial Institution, bonds issued by it are eligible for investment by Recognized Provident Funds and Approved Superannuation & Gratuity Funds as per investment pattern stipulated by PFRDA, Gol and updated from time to time, subject to compliance of the terms and conditions of their Trust Deeds.

**Availability of Disclosure Document and Application Forms**

Copies of Disclosure Document and Application Forms may be obtained from the Head Office and select branches of IDBI Bank Ltd. Disclosure Document may also be obtained from the websites of Bombay Stock Exchange and National Stock Exchange.

**HOW TO APPLY**

Investors are advised to comply with the following General Instructions:

**1. Instructions for filling in Application Forms**

- a) Application for the Bonds must be in the prescribed form and completed in BLOCK LETTERS in English as per the instructions contained therein.
- b) A separate cheque/draft must accompany each application form In case of payment by RTGS, payment particulars must be mentioned on each application form.

**2. Applications under Power of Attorney or by Authorized Representatives**

A certified copy of the Power of Attorney and/or the relevant authority, as the case may be, along with the names and specimen signatures of all the authorized signatories and the tax exemption certificate/document, if any, must be lodged along with the submission of the completed application form. Future modifications/additions in the Power of Attorney or Authority should also be notified with the Registrar of Issue.

**3. PAN of the Applicant**

All the applicants should mention their Permanent Account Number (PAN) allotted under the I.T. Act. In case PAN has not been allotted, or the Applicant is not assessed to income Tax, the appropriate information should be mentioned in the space provided. Application Forms without this information will be considered incomplete and are liable to be rejected.

**4. Bank Account Details/ RTGS particulars**

The applicant must fill in the relevant column in the application form giving particulars of their Bank Account number and name of the bank with whom such account is held, to enable the Registrars to the Issue to print the said details in the redemption / interest warrant. This is in the interest of the applicant for avoiding misuse of the redemption / interest warrant. Furnishing this information is mandatory and applications not containing such details are liable to be rejected. The applicants must fill in RTGS particulars of their bank accounts to enable the Bank to remit redemption/ interest payments by RTGS.

**5. Joint Applications in the case of Individuals**

Applications may be made in single or joint names (not more than three). In the case of joint applications, all payments will be made out in favour of the first applicant. All communications will be addressed to the applicant whose name appears first at the address stated in the Application Form.

**Documents to be provided by investors**

Investors need to submit the following documentation, along with the application form, as applicable.

- Memorandum and Articles of Association/Documents Governing Constitution
- Resolution authorising investment
- Certified True Copy of the Power of Attorney
- Specimen signatures of the authorized signatories duly certified by an appropriate authority.
- Certificate issued by the Assessing Officer under Section 197(1) of I.T.Act for investors seeking exemption from Tax deduction at source from interest on the application money.
- SEBI registration Certificate (for Mutual Funds)
- PAN to be submitted.
- Demat details (DP ID & Client ID) to be submitted.

#### **TERMS OF PAYMENT**

The full amount of issue price of the Bonds applied for should be paid along with the application.

#### **PAYMENT INSTRUCTIONS**

- (a) Payment may be made by way of RTGS (**IFSC code : IBKL0000796, a/c no. : 79634920010004**) or by cheque/drafts drawn on any bank, including a Co-operative Bank which is situated at and is a member or sub-member of the Bankers' Clearing House located at the IDBI Bank Ltd. branch where the Application Form is submitted. Outstation cheques/bank drafts or cheques/bank drafts drawn on a bank not participating in the clearing process will not be accepted.
- (b) All cheques/drafts must be made payable to "IDBI Bank Limited" and crossed "A/C PAYEE ONLY".

#### **SUBMISSION OF COMPLETED APPLICATION FORMS**

Applications, duly completed and accompanied by cheque/demand draft must be lodged, while the issue under private placement of the bond is open, with IDBI Bank Ltd.'s select branches.

#### **Acknowledgements**

No separate receipts will be issued for the application money. However, IDBI Bank's branches receiving the duly completed application form will acknowledge receipt of the application by stamping and returning to the applicant the acknowledgement slip at the bottom of each application form.

#### **Notices**

All notices to the bond holder(s) required to be given by IDBI Bank Ltd. shall be deemed to have been given if sent to the bonds holder(s) at the address stated in the application form, or at the address as notified by the bonds holder(s) in due course or may, at the sole discretion of the Bank, but without any obligation, be published in one English and one regional language daily newspaper. All notices to IDBI Bank Ltd. by the bonds holder(s) must be sent by registered post or by hand delivery to the Bank at its head office or to such person(s) at such address as may be notified by the Bank from time to time.

#### **Undertakings from the Issuer**

IDBI Bank Ltd. hereby undertakes that

- (a) The complaints in respect of the issue would be attended to expeditiously and satisfactorily.
- (b) IDBI Bank Ltd. would take necessary steps for listing the instruments on time.
- (c) IDBI Bank Ltd. shall co-operate with the rating agencies in providing true and adequate information.

#### **Basis of Allocation/ Allotment**

The Issuer will decide the basis of allotment. The issuer reserves the right to reject any/all applications at its sole discretion, without assigning any reason whatsoever.

#### **Interest in case of delay on Allotment/Despatch**

IDBI Bank Ltd. agrees that

1. As far as possible, allotment of bonds shall be made within 30 days of the date of closure of the issue;
2. IDBI Bank Ltd. shall pay interest as per the provision of DIP guidelines if the allotment has not been made and/or the Refund Orders have not been dispatched to the investors within 30 days from the date of closure of the Issue, for the delay beyond 30 days.

#### **Issue of duplicate redemption/interest warrant(s)**

If any, redemption/Interest Warrant(s) is lost, stolen or destroyed, then upon production of proof thereof, to the satisfaction of IDBI Bank Ltd. and upon furnishing such indemnity, as may be deemed adequate and upon payment of any expenses incurred

by the Bank in connection thereof, new redemption/interest warrants shall be issued. If any redemption/interest warrant(s) is/are mutilated or defaced, then, upon surrender of such interest warrant(s), the Bank shall cancel the same and issue a duplicate interest warrant(s) in lieu thereof. The procedure for issue of the duplicate warrant shall be governed by the provisions of the Industrial Development Bank of India Ltd. (Issue and Management of Bonds) Rules, 2004.

**Transferability of Bonds**

The necessary transfers will be effected by the depository, NSDL/CDSL. The concerned depositories shall inform the Registrars about the rightful owners of the bonds for payment of interest and principal amount.

**Record Date**

The Record Date for all interest payments and for the repayment of the face value amount upon redemption of the Bonds will be one month prior to the due date of payment of interest or repayment of face value. Interest payment/ repayment will be made to the bondholders as appearing on the record date. Interest will be paid as mentioned under the head 'Interest/ Coupon Payment Dates' under key terms in the Term Sheet (Section XXIII). In case of bonds carrying call/ put options, notice for exercise of such option will be given by IDBI Bank Ltd. to investors at least 15 days before the option date. However, the Record Date for such option shall be one month prior to the option date.

**Redemption of Bond**

On maturity of the bonds, redemption proceeds would be sent to the bondholders as appearing on the record date.

**Nomination**

The sole Bondholder or all the holders jointly or the surviving holder or holders not being person(s) holding the Bond as holder of an office, or acting for a trust, or acting in any other capacity for any other person with a beneficial interest in the Bond, may nominate one or more persons not exceeding four, including a minor, who shall in the event of death of the sole holder or all the joint-holders, be entitled to the amount payable by IDBI Bank Ltd. in respect of the bond. The nomination made at the time of Application may be substituted or cancelled at a later date by a request in writing to the Bank or Registrars and Transfer Agents to the issue, signed by all the bondholders. A nomination shall stand rescinded upon the transfer of the Bond by the person nominating. A transferee will be entitled to make a fresh nomination for which request in writing should be made to the Bank or the Registrars to the Issue. When the Bond is held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the holders. The share of each nominee can also be specified.

**Succession**

On the demise of the sole holder of a Bond or the last survivor in case of joint bondholders, the title of any person(s) to the Bond may be recognized by IDBI Bank Ltd. subject to the provisions of Regulation 15 of the Industrial Development Bank of India Ltd. (Issue and Management of Bonds) Rules, 2004.

**Register of Bondholders**

The register of Bondholders containing necessary particulars will be maintained by IDBI Bank Ltd./Registrar to the Issue at their Head Offices.

**Investor Relations and Grievance Redressal**

Arrangements have been made to redress investor grievances expeditiously. All grievances related to the Issue, quoting the Folio/ Certificate No. (including prefix), number of Bonds, amount invested and the Bank's branch where the Application was submitted, may be addressed to the Registrars at the address given below.

**Registrars :**

Investor Services of India Ltd.(ISIL) has been appointed as Registrars to the Issue. The Registrar will monitor the applications while the private placement is open and will coordinate the post private placement activities of allotment, despatching interest warrants etc. Any query/complaint regarding application/ allotment/ transfer should be forwarded to ISIL at their address given below. All requests for registration of transfer along with appropriate documents should also be sent to the registrars.

**Investor Services of India Ltd.**

(Unit: IDBI Omni Bonds)

IDBI Building, Plot No.39-41

Sector 11, CBD Belapur, Navi Mumbai - 400 614

Tel. : (022) 27579636/ 27579640 Fax : (022) 27579650

**XVI. Discount at which the offer is being made and effective price for the investor**

Not applicable as the issue is being made at par.

**XVII. Debt Equity Ratio (before & after the proposed issue)**

Particulars	(Rs. Crore)	
	As on June 30, 2009	Post issue #
<b>LOAN FUNDS</b>		
Subordinated Bonds	9380	9630
Other Long Term Borrowings	24095	24072
<b>Total</b>	<b>33475</b>	<b>33702</b>
<b>Shareholder's Fund</b>		
Equity Share Capital	725	725
Reserves & Surplus (excluding Revaluation Reserve)	6718	6718
<b>Total</b>	<b>7443</b>	<b>7443</b>
<b>Long Term Debt/Equity Ratio</b>	<b>4.50 : 1</b>	<b>4.53 : 1</b>

# Taking into account the basic issue size of Rs.250 crore

**XVIII. Debt Servicing Track Record**

IDBI Bank Ltd. has a consistent record of paying principal instalments and interest on all loans, bonds and deposits on due dates. No default has been committed by the Bank in servicing of its debt liabilities.

**XIX. Permission and Consent from the creditors**

The Bonds are unsecured in nature and Bank is not required to obtain any consent of the creditors for any issue to be made under this document.

**XX. Trustees to the Bondholders**

 IDBI Bank Ltd. has appointed **IDBI Trusteeship Services Ltd. (ITSL)** to act as Trustees to the Bondholders. The Bank and the Trustees will enter into a Trustee Agreement, specifying, inter alia, the powers, authorities and obligations of the Trustees and the Bank. ITSL has, vide letter dated May 10, 2009, given its consent to act as the Bond Trustee for IDBI Omni Bond issues 2009-10. The Bondholders shall, without further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Bonds as the Trustees may in their absolute discretion deem necessary or required to be done in the interest of the Bondholders.

In terms of the Agreement, the Trustees will endeavor to protect the interest of the Bondholders, in the event of default in regard to timely payment of interest or repayment of principal by IDBI Bank Ltd. Any payment made by IDBI Bank Ltd. to the Trustees on behalf of the Bondholders shall discharge IDBI Bank Ltd. pro tanto to the Bondholders. No Bondholder shall be entitled to proceed directly against the Bank unless the Trustees, having become so bound to proceed, fail to do so.

**XXI. Credit Rating**

IDBI Bank has obtained ratings from rating agencies for its bond issues during FY 2009-10 aggregating Rs.5,000 crore by way of Senior/ Subordinated (Lower) Tier II bonds (Rs.4,000 crore) and Upper Tier II bonds (Rs.1,000 crore) . The rating details of issues under the present Disclosure Document are given below:



Rating Agency	Instrument	Rating	Category	Rating Definition
<b>ICRA</b> <b>(Investment Information and Credit Rating Agency)</b>	Senior / Subordinated (Lower) Tier II bonds	"LAA+" (L Double A plus with a stable outlook)	Long Term Debt	The rating indicates high credit quality. The rated instrument carries low credit risk.
	Upper Tier II	"LAA/Stable" (L Double A with a stable outlook)	Long Term Debt	
<b>CRISIL</b> <b>(Credit Rating Information Services of India Ltd.)</b>	Senior / Subordinated (Lower) Tier II bonds	"AA+/Stable" (Double A plus with stable outlook)	Long Term Debt	The rating indicates high degree of safety with regard to timely payment of interest and principal on the instrument.
	Upper Tier II	"AA/Stable" (Double A with stable outlook)	Long Term Debt	
<b>FITCH</b> <b>(Fitch Ratings India Pvt. Ltd.)</b>	Senior / Subordinated (Lower) Tier II bonds	"AA+(ind)" (Double A plus )	Long Term Debt	The credit risk inherent in these financial commitments differs only slightly from the country's highest rated issuers or issues

**Notes :**

- (1) The signs '+' (plus) or '-' (minus) is appended to reflect comparative standing within the category.
- (2) A Rating outlook indicates the direction in which a rating may move over a medium-term horizon of one-to-two years.

Other than the credit ratings mentioned above, Fitch Ratings has assigned a 'AA-(ind) (pronounced as AA minus) for an amount of Rs.1,000 crore to be raised as Upper Tier II bonds. The Bank is not using this rating for the proposed Upper Tier II bonds issue and has not sought any other Credit Rating from any other rating agency(ies) for the bonds offered for subscription under the present disclosure document.

The ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal or suspension at any time by the assigning rating agency on the basis of new information or unavailability of information or other circumstances, which may have an impact on the rating.

**XXII. Listing with Stock Exchanges**

Applications are being made to the National Stock Exchange of India Ltd.(NSE) and the Bombay Stock Exchange Ltd. (BSE) for permission to deal in and for official quotation of the Bonds. IDBI Bank shall complete all the formalities relating to the listing of the Bonds within seventy days from the date of closure of the respective issue. If the permissions to deal in and for an official quotation of bonds are not granted by any of the Stock Exchanges, IDBI Bank shall forthwith repay, without interest, all such moneys received from the applicants in pursuance of this Disclosure Document. If such money is not repaid within eight days after IDBI Bank becomes liable to repay (i.e. from the date of refusal or within 70 days from the date of closing of the subscription list, whichever is earlier, then IDBI Bank will be liable to repay the money, with interest, as prescribed under applicable regulations

**XXIII. Summary Term Sheet for the Issue**

**Issue of 2,500 Unsecured Redeemable Non-Convertible Upper Tier II Bonds of the face value of Rs.10,00,000 each at par, amounting to Rs.250 crore on Private Placement basis with a green shoe option to retain additional subscription upto Rs.250 crore**

Name of the Issue	<b>IDBI Omni Bonds 2009-10 Upper Tier II Series III</b>
Minimum subscription	5 bonds and in multiples of 1 bond thereafter
Instrument	<b>Regular Return Bond</b>
Tenor	15 years from the deemed date of allotment
Coupon Rate	<b>9.00 % p.a.</b>
Coupon Payment date(s)	September 25 every year
Date of redemption	15 Years after the deemed date of allotment. As per extant guidelines of Reserve Bank of India, consent of RBI will be taken for redemption on due date or on Call option date
Put/ call option	Call option by IDBI Bank at the end of 10 years, subject to prior approval of RBI; No Put option by Bondholder
Step up of coupon	50 bps in the coupon rate if Call option is not exercised at the end of 10 years
Interest on Application Money	At coupon rate from the date of credit to the IDBI Bank's account till the day prior to the date of allotment.
Security	The bonds are unsecured in nature
Listing	The bonds will be listed on the Wholesale Debt Market (WDM) segment of the National Stock Exchange of India Ltd. (NSE) and on the Bombay Stock Exchange Ltd. (BSE).
Rating	<b>'LAA'</b> by ICRA (rating outlook Stable) & <b>'AA/Stable'</b> by CRISIL
Issuance and Trading	Only in dematerialized form
Depository	NSDL & CDSL
Trustee	IDBI Trusteeship Services Ltd.
Registrar	Investor Services of India Ltd.
Settlement	RTGS/ High Value Cheques <b>RTGS Details:</b> IFSC Code: <b>IBKL0000796</b> Branch Name: <b>Specialized Treasury Branch</b> A/c Code : <b>79634920010004</b>

**Issue Schedule**

Issue opens on	September 10, 2009
Issue closes on	September 18, 2009
Pay-in Dates	Between September 10 and September 18, 2009
Deemed Date of Allotment	September 25, 2009

*Note: IDBI Bank Limited reserves the right to change the Issue Programme including closure any time during the issue period. The Bank may also accept or reject any application in part or in full, at its sole discretion and without assigning any reason or prior notice. For full details on the instrument and terms thereof, investors may please refer to the RBI Master Circular dated July 01, 2009 on Capital Adequacy of Banks and Section V(iii) of the Disclosure Document dated September 09, 2009 being hosted on [www.nse-india.com](http://www.nse-india.com) and [www.bseindia.com](http://www.bseindia.com)*

**IDBI Omni Bonds 2009-10 Upper Tier II Series III****LEAD ARRANGERS TO THE ISSUE****A. K. Capital Services Ltd.**

30-39, 3rd Floor  
Free Press House  
215, Nariman Point  
Mumbai – 400 021  
Tel: (022) 66349300  
Fax: 91-22-66360977

**AXIS BANK LTD.**

Central Office Maker Tower 'F'  
11th Floor, Cuffe Parade, Colaba  
Mumbai-400 005  
Tel.: +91 22 22160304/ 2411/ 5552  
Fax: 22164721

**The Hongkong and Shanghai  
Banking Corporation Ltd.**

52/60 Mahatma Gandhi Road,  
Mumbai 400 001  
Tel: 91 22 4085 4242 / 6625 4942  
Fax : 2262 3339



ICICI Centre  
H.T. Parekh Marg, Churchgate  
Mumbai- 400020  
Tel: +91 22 2288 2460/ 70  
Fax: +91 22 2288 2312

**IDBI Capital Markets Ltd**

5th Floor, Mafatlal Centre  
Nariman Point  
Mumbai – 400 021  
Tel No. +91 22 6637 1212  
Fax No. +91 22 2285 0785

**IDFC-SSKI Ltd.**

803/804 Tulsiani Chambers,  
East Wing, Nariman Point, Mumbai –  
400021  
Tel: +91 22 6638 3268  
Fax: +91 22 2282 6615

**Kotak Mahindra Bank**

2nd floor, Bakhtawar  
229 Nariman Point  
Mumbai 400 021  
Tel: +91 22 67836000  
Fax: +91 22 22885661

**Standard Chartered Bank**

90, Mahatma Gandhi Road  
Fort  
Mumbai – 400 001  
Tel No. +91 22 2267 0224/ 2265 1304  
Fax No. +91 22 2265 1255

**Trust Investment Advisors Private  
Ltd.**

1<sup>st</sup> Floor, Balarama, Village Parikhari,  
Bandra Kurla Complex, Bandra (East),  
Mumbai – 4 00 051  
Tel. : 91-22-3068 1150  
Fax : 91-22-3068 1151

### **Declaration**

All the relevant provisions of the Companies Act, 1956, Memorandum and Articles of Association of IDBI Bank Ltd., IDBI Ltd. (Issue and Management of Bonds) Rules, 2004 and the guidelines issued by the Government and/or the guidelines issued by the Securities and Exchange Board of India (SEBI) established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with. Further, the disclosure document has been prepared as per SEBI (issue and listing of Debt Securities) Regulations 2008.

IDBI Bank Ltd. accepts no responsibility for statements made otherwise than in this Disclosure Document or any other material issued by or at the instance of IDBI Bank Ltd. and anyone placing reliance on any other source of information would be doing so at his own risk.

**Signed pursuant to the authority granted by the Board of Directors of IDBI Bank Ltd. at its meeting held on the August 28, 2009.**

**(Debasish Mallick)  
Chief General Manager  
Domestic Resources Department**

Place : Mumbai  
Date : September 09, 2009