

Private & Confidential –For Private Circulation Only  
Disclosure Document dated August 23, 2013



## INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED

(A Government of India Enterprise)  
An ISO 9001:2008 Certified Company

Registered Office and Corporate Office, 8th Floor, Hindustan Times Building  
18 & 20, Kasturba Gandhi Marg, New Delhi-110001

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DISCLOSURE DOCUMENT ISSUED IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 ISSUED VIDE CIRCULAR NO. LAD-NRO/GN/2008/13/127878 DATED JUNE 06, 2008, AS AMENDED AND SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) (AMENDMENT) REGULATIONS, 2012 ISSUED VIDE CIRCULAR NO. LAD-NRO/GN/2012-13/19/5392 DATED OCTOBER 12, 2012, AS AMENDED

PRIVATE PLACEMENT OF TAX FREE SECURED REDEEMABLE NON-CONVERTIBLE BONDS OF FACE VALUE OF RS. 10.00 LACS EACH IN THE NATURE OF DEBENTURES HAVING TAX BENEFITS UNDER SECTION 10 (15) (iv) (h) OF THE INCOME TAX ACT, 1961, AS AMENDED (“BONDS”) FOR AN AMOUNT AGGREGATING RS. 632.30 CRORE BY INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED (“IIFCL” OR THE “ISSUER” OR THE “COMPANY”).

### TRUSTEE FOR THE BONDHOLDERS



#### IL&FS Trust Company Ltd.

The IL&FS Financial Centre  
Plot C-22, G Block,  
Bandra Kurla Complex  
Bandra (East)  
Mumbai – 400051  
Tel No. (022) 26533333  
E-mail: itcl@iflindia.com

### REGISTRAR TO THE ISSUE



Karvy Computershare Private Limited

#### Karvy Computershare Pvt. Ltd.

Plot no. 17 to 24  
Vithalrao Nagar  
Madhapur  
Hyderabad – 500081  
Tel No. (040) 23420815 – 820

E-mail: mailmanager@karvy.com

### LISTING

The Bonds are proposed to be listed on Wholesale Debt Market (“WDM”) segment of BSE Limited (“BSE”).

### ARRANGERS TO THE ISSUE

(in alphabetic order)

A. K. Capital Services Ltd.

Barclays Bank PLC

ICICI Bank Ltd.

The Hongkong and Shanghai Banking Corporation Ltd.

Yes Bank Ltd.

Axis Bank Ltd.

ICICI Securities Primary Dealership Ltd.

IDBI Capital Market Services Ltd.

Trust Investment Advisors Pvt. Ltd.



## TABLE OF CONTENTS

<b>I. DISCLAIMER.....</b>	<b>4</b>
1.    DISCLAIMER OF THE ISSUER .....	4
2.    DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA .....	4
3.    DISCLAIMER OF THE ARRANGERS TO THE ISSUE .....	5
4.    DISCLAIMER OF THE STOCK EXCHANGE .....	5
<b>II. DEFINITIONS/ ABBREVIATIONS.....</b>	<b>6</b>
<b>III. ISSUER INFORMATION .....</b>	<b>8</b>
<b>IV. DETAILS OF DIRECTORS OF THE ISSUER .....</b>	<b>10</b>
1.    DIRECTORS OF THE ISSUER.....	10
2.    CHANGES IN DIRECTORS OF THE ISSUER SINCE LAST THREE YEARS .....	12
<b>V. DETAILS OF STATUTORY AUDITORS OF THE ISSUER.....</b>	<b>12</b>
1.    STATUTORY AUDITOR OF THE ISSUER (FY 2013-14) .....	12
2.    CHANGE IN STATUTORY AUDITORS OF THE ISSUER SINCE LAST THREE YEARS.....	12
<b>VI. BRIEF SUMMARY OF BUSINESS/ ACTIVITIES OF ISSUER AND ITS LINE OF BUSINESS .....</b>	<b>14</b>
1.    HIGHLIGHTS OF IIFCL.....	14
2.    CORPORATE STRUCTURE.....	17
3.    KEY OPERATIONAL & FINANCIAL PARAMETERS OF THE ISSUER.....	24
4.    GROSS DEBT EQUITY RATIO OF THE ISSUER (standalone) .....	25
5.    PROJECT COST AND MEANS OF FINANCING, IN CASE OF FUNDING OF NEW PROJECTS .....	25
6.    SUBSIDIARIES OF THE ISSUER.....	25
<b>VII. BRIEF HISTORY OF ISSUER SINCE INCORPORATION, DETAILS OF ACTIVITIES INCLUDING ANY REORGANIZATION, RECONSTRUCTION OR AMALGAMATION, CHANGES IN CAPITAL STRUCTURE, (AUTHORIZED, ISSUED AND SUBSCRIBED) AND BORROWINGS .....</b>	<b>27</b>
1.    BRIEF HISTORY OF THE ISSUER .....	27
2.    CHANGE IN REGISTERED OFFICE OF THE ISSUER.....	27
3.    KEY MILESTONES .....	27
4.    CAPITAL STRUCTURE .....	28
5.    EQUITY SHARE CAPITAL HISTORY OF THE ISSUER FOR LAST FIVE YEARS .....	28
6.    CHANGES IN AUTHORISED CAPITAL OF THE ISSUER .....	28
7.    DETAILS OF ANY ACQUISITION OR AMALGAMATION IN THE LAST 1 YEAR .....	28
8.    DETAILS OF ANY REORGANIZATION OR RECONSTRUCTION IN THE LAST 1 YEAR .....	28
9.    SHAREHOLDING PATTERN OF THE ISSUER AS ON MARCH 31, 2013 .....	28
10.   TOP 10 EQUITY SHARE HOLDERS OF THE ISSUER.....	29
11.   PROMOTER HOLDING IN THE ISSUER .....	29
12.   BORROWINGS OF THE ISSUER.....	30
a.  SECURED LOAN FACILITIES.....	30
b.  UNSECURED LOAN FACILITIES .....	30
c.  NON-CONVERTIBLE BONDS/ DEBENTURES .....	31
13.   TOP 10 BONDHOLDERS .....	33
14.   AMOUNT OF CORPORATE GUARANTEES ISSUED BY THE ISSUER IN FAVOUR OF VARIOUS COUNTER PARTIES INCLUDING ITS SUBSIDIARIES, JOINT VENTURE ENTITIES, GROUP COMPANIES ETC.....	33
15.   COMMERCIAL PAPER ISSUED BY THE ISSUER (as on March 31, 2013).....	33
16.   OTHER BORROWINGS (INCLUDING HYBRID DEBT LIKE FOREIGN CURRENCY CONVERTIBLE BONDS ("FCCBs"), OPTIONALLY CONVERTIBLE BONDS/ DEBENTURES/ PREFERENCE SHARES) .....	33
17.   SERVICING BEHAVIOR ON EXISTING DEBT SECURITIES, DEFAULT(S) AND/OR DELAY(S) IN PAYMENTS OF INTEREST AND PRINCIPAL OF ANY KIND OF TERM LOANS, DEBT SECURITIES AND OTHER FINANCIAL INDEBTEDNESS INCLUDING CORPORATE GUARANTEE ISSUED BY THE ISSUER, IN THE PAST 5 YEARS.....	34
18.   OUTSTANDING BORROWINGS/ DEBT SECURITIES ISSUED FOR CONSIDERATION OTHER THAN CASH, WHETHER IN WHOLE OR PART, AT A PREMIUM OR DISCOUNT, OR IN PURSUANCE OF AN OPTION .....	34
19.   AUDITED CONSOLIDATED AND STANDALONE FINANCIAL INFORMATION OF THE ISSUER.....	34
Annexed as Annexure-F1.....	34
20.   LATEST AUDITED QUARTERLY CONSOLIDATED AND STANDALONE FINANCIAL INFORMATION OF THE ISSUER.....	34
Annexed as Annexure-F-1 .....	34
21.   MATERIAL EVENT, DEVELOPMENT OR CHANGE AT THE TIME OF ISSUE .....	34
<b>VIII. SUMMARY TERM SHEET .....</b>	<b>35</b>

<b>IX. TERMS OF OFFER (DETAILS OF DEBT SECURITIES PROPOSED TO BE ISSUED, MODE OF ISSUANCE, ISSUE SIZE, UTILIZATION OF ISSUE PROCEEDS, STOCK EXCHANGES WHERE SECURITIES ARE PROPOSED TO BE LISTED, REDEMPTION AMOUNT, PERIOD OF MATURITY, YIELD ON REDEMPTION, DISCOUNT AT WHICH OFFER IS MADE AND EFFECTIVE YIELD FOR INVESTOR).....</b>	<b>40</b>
1. ISSUE SIZE .....	40
2. ELIGIBILITY TO COME OUT WITH THE ISSUE .....	40
3. REGISTRATION AND GOVERNMENT APPROVALS .....	40
4. AUTHORITY FOR THE ISSUE .....	40
5. OBJECTS OF THE ISSUE .....	40
6. UTILISATION OF ISSUE PROCEEDS .....	41
7. MINIMUM SUBSCRIPTION .....	41
8. UNDERWRITING .....	41
9. NATURE OF BONDS.....	41
10. FACE VALUE, ISSUE PRICE, EFFECTIVE YIELD FOR INVESTOR.....	41
11. SECURITY .....	41
12. TERMS OF PAYMENT .....	42
13. DEEMED DATE OF ALLOTMENT .....	42
14. LETTER(S) OF ALLOTMENT/ BOND CERTIFICATE(S)/ REFUND ORDER(S)/ ISSUE OF LETTER(S) OF ALLOTMENT.....	42
15. ISSUE OF BOND CERTIFICATE(S) .....	42
16. DEPOSITORY ARRANGEMENTS.....	42
17. PROCEDURE FOR APPLYING FOR DEMAT FACILITY .....	42
18. FICTITIOUS APPLICATIONS .....	43
19. MARKET LOT .....	43
20. TRADING OF BONDS .....	43
21. MODE OF TRANSFER OF BONDS.....	43
22. BASIS OF ALLOCATION / ALLOTMENT.....	43
23. COMMON FORM OF TRANSFER.....	43
25. INTEREST ON APPLICATION MONEY .....	44
26. INTEREST ON THE BONDS .....	44
27. COMPUTATION OF INTEREST .....	44
28. RECORD DATE .....	44
29. TAX BENEFITS.....	44
30. DEDUCTION OF TAX AT SOURCE .....	44
31. PUT & CALL OPTION .....	45
32. REDEMPTION .....	45
33. ADDITIONAL COVENANTS .....	45
34. SETTLEMENT/ PAYMENT ON REDEMPTION .....	45
35. EFFECT OF HOLIDAYS .....	45
37. LIST OF BENEFICIAL OWNERS.....	45
38. SUCCESSION.....	46
39. WHO CAN APPLY .....	46
i. Qualified Institutional Buyers (“QIBs”).....	46
ii. Corporates and Non-Institutional Investors.....	46
40. WHO ARE NOT ELIGIBLE TO APPLY FOR BONDS .....	47
41. DOCUMENTS TO BE PROVIDED BY INVESTORS .....	47
42. HOW TO APPLY .....	47
43. FORCE MAJEURE.....	48
44. APPLICATIONS UNDER POWER OF ATTORNEY.....	48
45. APPLICATION BY MUTUAL FUNDS.....	48
46. ACKNOWLEDGEMENTS .....	49
47. RIGHT TO ACCEPT OR REJECT APPLICATIONS .....	49
48. PAN/GIR NUMBER .....	49
49. SIGNATURES .....	49
50. NOMINATION FACILITY.....	49
51. RIGHT OF BONDHOLDER(S) .....	49
52. MODIFICATION OF RIGHTS.....	49
53. FUTURE BORROWINGS .....	50
54. BOND/ DEBENTURE REDEMPTION RESERVE (“DRR”) .....	50
55. NOTICES .....	50
56. JOINT-HOLDERS .....	50
57. DISPUTES & GOVERNING LAW .....	50
58. INVESTOR RELATIONS AND GRIEVANCE REDRESSAL .....	50

<b>X. CREDIT RATING FOR THE BONDS .....</b>	<b>51</b>
<b>XI. TRUSTEES FOR THE BONDHOLDERS .....</b>	<b>52</b>
<b>XII. STOCK EXCHANGES WHERE BONDS ARE PROPOSED TO BE LISTED .....</b>	<b>53</b>
<b>XIII. MATERIAL CONTRACTS &amp; AGREEMENTS INVOLVING FINANCIAL OBLIGATIONS OF THE ISSUER .....</b>	<b>54</b>
A. MATERIAL CONTRACTS .....	54
B. DOCUMENTS .....	54
<b>XIV. DECLARATION .....</b>	<b>55</b>
<b>XV. ANNEXURES</b>	
COPY OF CBDT NOTIFICATION	
COPY OF RATING LETTER FROM ICRA LIMITED	
COPY OF RATING LETTER FROM CREDIT ANALYSIS & RESEARCH LIMITED	
COPY OF RATING LETTER FROM BRICKWORK RATINGS INDIA PRIVATE LIMITED	
COPY OF CONSENT LETTER FROM IL&FS TRUST COMPANY LIMITED	
FINANCIAL STATEMENTS (F1)	

## I. DISCLAIMER

### 1. DISCLAIMER OF THE ISSUER

This Disclosure Document is neither a Prospectus nor a Statement in Lieu of Prospectus and is prepared in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, as amended. This Disclosure Document does not constitute an offer to public in general to subscribe for or otherwise acquire the Bonds to be issued by India Infrastructure Finance Company Limited (the "Issuer"/ the "Company"/ "IIFCL"). This Disclosure Document is for the exclusive use of the addressee and it should not be circulated or distributed to third party(ies). It is not and shall not be deemed to constitute an offer or an invitation to the public in general to subscribe to the Bonds issued by the Issuer. This bond issue is made strictly on private placement basis. Apart from this Disclosure Document, no offer document or prospectus has been prepared in connection with the offering of this bond issue or in relation to the issuer.

This Disclosure Document is not intended to form the basis of evaluation for the prospective subscribers to whom it is addressed and who are willing and eligible to subscribe to the bonds issued by IIFCL. This Disclosure Document has been prepared to give general information regarding IIFCL to parties proposing to invest in this issue of Bonds and it does not purport to contain all the information that any such party may require. IIFCL believes that the information contained in this Disclosure Document is true and correct as of the date hereof. IIFCL does not undertake to update this Disclosure Document to reflect subsequent events and thus prospective subscribers must confirm about the accuracy and relevancy of any information contained herein with IIFCL. However, IIFCL reserves its right for providing the information at its absolute discretion. IIFCL accepts no responsibility for statements made in any advertisement or any other material and anyone placing reliance on any other source of information would be doing so at his own risk and responsibility.

Prospective subscribers must make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in Bonds. It is the responsibility of the prospective subscriber to have obtained all consents, approvals or authorizations required by them to make an offer to subscribe for, and purchase the Bonds. It is the responsibility of the prospective subscriber to verify if they have necessary power and competence to apply for the Bonds under the relevant laws and regulations in force. Prospective subscribers should conduct their own investigation, due diligence and analysis before applying for the Bonds. Nothing in this Disclosure Document should be construed as advice or recommendation by the Issuer or by the Arrangers to the Issue to subscribers to the Bonds. The prospective subscribers also acknowledge that the Arrangers to the Issue do not owe the subscribers any duty of care in respect of this private placement offer to subscribe for the bonds. Prospective subscribers should also consult their own advisors on the implications of application, allotment, sale, holding, ownership and redemption of these Bonds and matters incidental thereto.

This Disclosure Document is not intended for distribution. It is meant for the consideration of the person to whom it is addressed and should not be reproduced by the recipient. The securities mentioned herein are being issued on private placement Basis and this offer does not constitute a public offer/ invitation.

The Issuer reserves the right to withdraw the private placement of the bond issue prior to the issue closing date(s) in the event of any unforeseen development adversely affecting the economic and regulatory environment or any other force majeure condition including any change in applicable law. In such an event, the Issuer will refund the application money, if any, along with interest payable on such application money, if any.

### 2. DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA

This Disclosure Document has not been filed with Securities & Exchange Board of India ("SEBI"). The Bonds have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Disclosure Document. It is to be distinctly understood that this Disclosure Document should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this Disclosure Document. The Issue of Bonds being made on private placement basis, filing of this Disclosure Document is not required with SEBI. However SEBI reserves the right to take up at any point of time, with the Issuer, any irregularities or lapses in this Disclosure Document.

### **3. DISCLAIMER OF THE ARRANGERS TO THE ISSUE**

It is advised that the Issuer has exercised self due-diligence to ensure complete compliance of prescribed disclosure norms in this Disclosure Document. The role of the Arrangers to the Issue in the assignment is confined to marketing and placement of the bonds on the basis of this Disclosure Document as prepared by the Issuer. The Arrangers have neither scrutinized/ vetted nor have they done any due-diligence for verification of the contents of this Disclosure Document. The Arrangers shall use this Disclosure Document for the purpose of soliciting subscription from a particular class of eligible investors in the Bonds to be issued by the Issuer on private placement basis. It is to be distinctly understood that the aforesaid use of this Disclosure Document by the Arrangers should not in any way be deemed or construed that the Disclosure Document has been prepared, cleared, approved or vetted by the Arrangers; nor do they in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Disclosure Document; nor do they take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the Issuer. The Arrangers or any of its directors, employees, affiliates or representatives do not accept any responsibility and/or liability for any loss or damage arising of whatever nature and extent in connection with the use of any of the information contained in this Disclosure Document.

### **4. DISCLAIMER OF THE STOCK EXCHANGE**

As required, a copy of this Disclosure Document has been submitted to BSE Limited (hereinafter referred to as "BSE") for hosting the same on its website. It is to be distinctly understood that such submission of the Disclosure Document with BSE or hosting the same on its website should not in any way be deemed or construed that the Disclosure Document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Disclosure Document; nor does it warrant that this Issuer's securities will be listed or continue to be listed on the Exchange; nor does it take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

## II. DEFINITIONS/ ABBREVIATIONS

AY	Assessment Year
Allotment/ Allot/ Allotted	The issue and allotment of the Bonds to the successful Applicant(s) in the Issue
Allottee	A successful Applicant to whom the Bonds are allotted pursuant to the Issue, either in full or in part
Applicant/ Investor	A person who makes an offer to subscribe the Bonds pursuant to the terms of this Disclosure Document and the Application Form.
Application Form	The form in terms of which the Applicant shall make an offer to subscribe to the Bonds and which will be considered as the application for allotment of Bonds in the Issue
Bondholder(s)	Any person or entity holding the Bonds and whose name appears in the list of Beneficial Owners provided by the Depositories
Beneficial Owner(s)	Bondholder(s) holding Bond(s) in dematerialized form (Beneficial Owner of the Bond(s) as defined in clause (a) of sub-section of Section 2 of the Depositories Act, 1996)
Board/ Board of Directors	The Board of Directors of India Infrastructure Finance Company Limited or Committee thereof, unless otherwise specified
Bond(s)	Tax Free Secured Redeemable Non-Convertible Bonds of face value of Rs. 10,00,000/- each in the nature of Debentures having tax benefits under section 10 (15) (iv) (h) of The Income Tax Act, 1961, as amended ("Bonds") to be issued by India Infrastructure Finance Company Limited ("IIFCL" or "Issuer" or the "Company") through private placement route under the terms of this Disclosure Document
BRICKWORK	Brickwork Ratings India Private Limited
BSE/ Designated Stock Exchange	BSE Limited being the stock exchange in which Bonds of the Issuer are proposed to be listed
Record Date	Reference date for payment of interest/ repayment of principal
CAR	Capital Adequacy Ratio
CAG	Comptroller and Auditor General of India
CBDT	Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India
CBDT Notification	Notification No. 61/2013/F. No.178/37/2013-(ITA.I) dated August 08, 2013 issued by the Central Board of Direct Taxes ("CBDT"), Department of Revenue, Ministry of Finance, Government of India
CDSL	Central Depository Services (India) Limited
CMD	Chairman & Managing Director of India Infrastructure Finance Company Limited
CRISIL	CRISIL Limited
CARE	Credit Analysis & Research Limited
Debt Securities	Non-Convertible debt securities which create or acknowledge indebtedness and include debenture, bonds and such other securities of a body corporate or any statutory body constituted by virtue of a legislation, whether constituting a charge on the assets of the Issuer or not, but excludes security bonds issued by Government or such other bodies as may be specified by SEBI, security receipts and securitized debt instruments
Deemed Date of Allotment	The cut-off date declared by the Issuer from which all benefits under the Bonds including interest on the Bonds shall be available to the Bondholder(s). The actual allotment of Bonds (i.e. approval from the Board of Directors or a Committee thereof) may take place on a date other than the Deemed Date of Allotment
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant	A Depository participant as defined under Depositories Act
Disclosure Document	Disclosure Document dated August 23, 2013 for private placement of Tax Free Secured Redeemable Non-Convertible Bonds of face value of Rs.10.00 Lacs each in the nature of Debentures having tax benefits under section 10 (15) (iv) (h) of The Income Tax Act, 1961, as amended ("Bonds") to be issued by India Infrastructure Finance Company Limited for an amount aggregating Rs. 632.30 crore.
DP	Depository Participant
DRR	Bond/ Debenture Redemption Reserve
EPS	Earnings Per Share

Fis	Financial Institutions
FIIs	Foreign Institutional Investors
Financial Year/ FY	Period of twelve months ending March 31, of that particular year
Gol	Government of India/ Central Government
Trustees	Trustees for the Bondholders in this case being IL&FS Trust Company Limited
ICRA	ICRA Limited
Issuer/ IIFCL Company	India Infrastructure Finance Company Limited, a company registered under The Companies Act, 1956 and a Public Financial Institution notified under Section 4A of Companies Act, 1956 and having its Registered Office at 8 <sup>th</sup> Floor, Hindustan Times Building; 18 & 20, Kasturba Gandhi Marg, New Delhi-110001, India
I.T. Act	The Income Tax Act, 1961, as amended from time to time
Listing Agreement	Listing Agreement for Debt Securities issued by Securities and Exchange Board of India vide circular no. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 and Amendments to Simplified Debt Listing Agreement for Debt Securities issued by Securities and Exchange Board of India vide circular no. SEBI/IMD/DOF-1/BOND/Cir-5/2009 dated November 26, 2009 and Amendments to Simplified Debt Listing Agreement for Debt Securities issued by Securities and Exchange Board of India vide circular no. SEBI/IMD/DOF-1/BOND/Cir-1/2010 dated January 07, 2010
MF	Mutual Fund
MoF	Ministry of Finance
NECS	National Electronic Clearing Service
NEFT	National Electronic Funds Transfer
NSDL	National Securities Depository Limited
PAN	Permanent Account Number
Private Placement	An offer or invitation to less than fifty persons to subscribe to the Bonds in terms of sub-section (3) of Section 67 of the Companies Act, 1956 (1 of 1956)
GIR	General Index Registration Number
Rs./ INR	Indian National Rupee
RBI	Reserve Bank of India
RBI Regulations	Reserve Bank of India (Raising Money through Private Placement by NBFCs-Debentures) issued vide circular no. RBI/2012-13/560 DNBD(PD) CC No. 330 /03.10.001/2012-13 dated June 27, 2013, as amended and Reserve Bank of India (Raising Money through Private Placement by NBFCs-Non-Convertible-Debentures (NCDs)-Clarification) (amendment) issued vide circular no. RBI/2013-14/115 DNBS(PD) CC No.349/03.10.001/2013-14 dated July 02, 2013, as amended
RTGS	Real Time Gross Settlement
Registrar	Registrar to the Issue, in this case being Karvy Computershare Private Limited
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SIFTI	Scheme for Financing Viable Infrastructure Projects through a Special Purpose Vehicle called the India Infrastructure Finance Company Limited, notified by Ministry of Finance
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, as amended
SWF	Sovereign Wealth Funds
TDS	Tax Deducted at Source under provisions of the I.T. Act
The Companies Act	The Companies Act, 1956 as amended from time to time
The Issue/ The Offer/ Private Placement	Private Placement of Tax Free Secured Redeemable Non-Convertible Bonds of face value of Rs. 10.00 Lacs each in the nature of Debentures having tax benefits under section 10 (15) (iv) (h) of The Income Tax Act, 1961, as amended ("Bonds") to be issued by India Infrastructure Finance Company Limited for an amount aggregating Rs. 632.30 crore



### III. ISSUER INFORMATION

<b>Name of the Issuer</b>	:	India Infrastructure Finance Company Limited  8 <sup>th</sup> Floor, Hindustan Times Building; 18 & 20, Kasturba Gandhi Marg New Delhi-110001 Tel No.: (011) 23708263, 23708264 Website: <a href="http://www.iifcl.org">www.iifcl.org</a> Email: <a href="mailto:grievancefeedback@iifcl.org">grievancefeedback@iifcl.org</a>										
<b>Compliance Officer for the Issue</b>	:	<b>Shri, Abhirup Singh</b> <b>Compliance Officer</b> <b>India Infrastructure Finance Company Limited</b> 8 <sup>th</sup> Floor, Hindustan Times Building 18 & 20, Kasturba Gandhi Marg New Delhi-110001 Tel No.: (011) 23708263, 23708264										
<b>Chief Financial Officer of the Issue</b>	:	<b>Shri. Rajeev Mukhija</b> <b>General Manager &amp; Chief Financial Officer and Company Secretary</b> <b>India Infrastructure Finance Company Limited</b> 8 <sup>th</sup> Floor, Hindustan Times Building 18 & 20, Kasturba Gandhi Marg New Delhi-110001 Tel No.: (011) 23708263, 23708264 <a href="mailto:cfo@iifcl.org">cfo@iifcl.org</a>										
<b>Arrangers to the Issue</b> (in alphabetic order)	:	<table> <tr> <td><b>A. K. Capital Services Ltd.</b></td> <td><b>Axis Bank Ltd.</b></td> </tr> <tr> <td><b>Barclays Bank PLC</b></td> <td><b>ICICI Securities Primary Dealership Ltd.</b></td> </tr> <tr> <td><b>ICICI Bank Ltd.</b></td> <td><b>IDBI Capital Market Services Ltd.</b></td> </tr> <tr> <td><b>The Hongkong and Shanghai Banking Corporation Ltd.</b></td> <td><b>Trust Investment Advisors Pvt. Ltd.</b></td> </tr> <tr> <td><b>Yes Bank Ltd.</b></td> <td></td> </tr> </table>	<b>A. K. Capital Services Ltd.</b>	<b>Axis Bank Ltd.</b>	<b>Barclays Bank PLC</b>	<b>ICICI Securities Primary Dealership Ltd.</b>	<b>ICICI Bank Ltd.</b>	<b>IDBI Capital Market Services Ltd.</b>	<b>The Hongkong and Shanghai Banking Corporation Ltd.</b>	<b>Trust Investment Advisors Pvt. Ltd.</b>	<b>Yes Bank Ltd.</b>	
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<b>The Hongkong and Shanghai Banking Corporation Ltd.</b>	<b>Trust Investment Advisors Pvt. Ltd.</b>											
<b>Yes Bank Ltd.</b>												
<b>Trustees for the Bondholders</b>	:	<b>IL&amp;FS Trust Company Limited</b> The IL&FS Financial Centre Plot C-22, G Block Bandra Kurla Complex Bandra (East) Mumbai – 400051 Tel No. (022) 26533333 E-mail: <a href="mailto:itcl@ilfsindia.com">itcl@ilfsindia.com</a>										
<b>Registrar to the Issue</b>	:	<b>Karvy Computershare Private Limited</b> Plot no. 17 to 24 Vithalrao Nagar Madhapur Hyderabad – 500081 Tel No. (040) 23420815 – 820 E-mail: <a href="mailto:mailmanager@karvy.com">mailmanager@karvy.com</a>										

<b>Credit Rating Agencies</b>	:	<b>Credit Analysis &amp; Research Limited</b> B-47, 3rd Floor, Inner Circle Connaught Place, New Delhi – 110001 Tel No. (011) 45333200, 23716199 Website: <a href="http://www.careratings.com">www.careratings.com</a>  <b>ICRA Limited</b> Registered Office 1105, Kailash Building 11 <sup>th</sup> Floor, 26, Kasturba Gandhi Marg New Delhi—110001 Tel No. (011) 23357940-50 Website: <a href="http://www.icra.in">www.icra.in</a>  <b>Brickwork Ratings India Pvt. Ltd.</b> Corporate Office 3 <sup>rd</sup> Floor, Raj Alkaa Park 29/3 & 32/2 Kalena Agrahara Bannerghatta Road Bengaluru – 560 076 Tel No. (080) 4040 9940 Website: <a href="http://www.brickworkratings.com">www.brickworkratings.com</a>
<b>Auditors of the Issuer</b>	:	<b>M/s. K. M. Agarwal</b> <i>Chartered Accountants</i> Firm Registration No: 000853N Head Office 36, Netaji Subhash Marg, Darya Ganj, New Delhi-110002, India Tel No. (011) 23277049, 23273738 E-mail: <a href="mailto:kmagarwal_1969@rediffmail.com">kmagarwal_1969@rediffmail.com</a>

#### IV. DETAILS OF DIRECTORS OF THE ISSUER

##### 1. DIRECTORS OF THE ISSUER

The composition of the Board of Directors of the Issuer as on date of this Disclosure Document is as under:

Sr. No.	Name, Designation and DIN	Age (in years)	Residential Address	Director of the Company since	Other Directorships
1.	<b>Dr. Harsh Kumar Bhanwala</b> Chairman and Managing Director (Whole-Time Director) <i>DIN:06417704</i>	52	F-7, Upasana, Hailey Road, Connaught Circus, New Delhi 110001	October 25, 2012	<ul style="list-style-type: none"> <li>IIFCL Projects Limited</li> <li>IIFCL Asset Management Company Limited</li> <li>India Infrastructure Finance Company (UK) Limited</li> </ul>
2.	<b>Shri Rajiv Takru</b> Secretary Dept. of Financial Services, Ministry of Finance, Government of India, Govt. Nominee Director <i>DIN: 02023255</i>	58	D2/129 Kaka Nagar New Delhi-110003	February 04, 2013	<ul style="list-style-type: none"> <li>Reserve Bank of India (RBI)</li> <li>Life Insurance Corporation of India (LIC)</li> <li>State Bank of India (SBI)</li> <li>Exim Import Bank of India (EXIM Bank)</li> </ul>
3.	<b>Shri Ravi Mital</b> Advisor (Infra), Planning Commission Govt. Nominee Director <i>DIN: 06507252</i>	52	D 3/2, MS Flats, Sector 13, RK Puram, New Delhi	February 18, 2013	None
4.	<b>Ms. Sharmila Chavaly</b> Joint Secretary (Infrastructure & Energy Division), Department of Economic Affairs Government of India <i>DIN: 06411077</i>	53	D-I/220, Chanakyapuri New Delhi – 110021	October 22, 2012	<ul style="list-style-type: none"> <li>Indian Railway Finance Corporation Limited;</li> <li>ONGC Videsh Limited.</li> </ul>
5.	<b>Shri K. R. Kamath</b> CMD, Punjab National Bank Scheduled Commercial Bank Nominee Director <i>DIN: 01715073</i>	56	20, Rajdoot Marg Chanakyapuri New Delhi – 110 021	March 22, 2012	<ul style="list-style-type: none"> <li>Export Credit Guarantee Corporation of India Limited;</li> <li>Punjab National Bank;</li> <li>PNB Gilts Limited;</li> <li>PNB Housing Finance Limited;</li> <li>PNB Investment Services Limited;</li> <li>PNB International Limited;</li> <li>Credit Guarantee Fund Trust for Micro &amp; Small Enterprises (Trustee)</li> <li>Credit Risk Guarantee Fund Trust for Low Income Housing (Trustee)</li> </ul>

6.	<b>Shri Hari Santosh Kumar</b> Part-Time Non-Official Director <i>DIN: 05170606</i>	63	C-71, Pushpanjali Vikas Marg Extension New Delhi 110 092	December 15, 2011	None
7.	<b>Shri V. Venkata Ramana</b> Part-Time Non-Official Director <i>DIN: 05220644</i>	48	Plot No. 300, Prashanth Hills, Khajaguda (Near Delhi Public School) Raidurg Nav Khalsa Hyderabad – 500 008	February 10, 2012	None

None of the current directors of the Issuer appear in the RBI's defaulter list or ECGC's default list.

## 2. CHANGES IN DIRECTORS OF THE ISSUER SINCE LAST THREE YEARS

Changes in the Board of Directors of the Issuer during the last three years are as under:

Name	Date of Appointment	Date of Cessation	Reason
Shri. S. K. Goel	June 24, 2010	June 23, 2013	Cessation
Ms. Sindhushree Khullar	April 11, 2012	February 18, 2013	Cessation
Shri. D. K. Mittal	August 03, 2011	February 04, 2013	Cessation
Ms. Sudha Pillai	October 19, 2009	April 11, 2012	Cessation
Shri. Raman Singh Sidhu	May 14, 2010	May 30, 2011	Cessation
Shri. S. K. Goel	June 24, 2010	June 23, 2013	Appointment/ Cessation
Prof. G. Raghuram	July 20, 2010	July 19, 2013	Appointment/ Cessation
Shri. Ashok Chawla	June 23, 2009	February 28, 2011	Cessation
Shri Shashikant Sharma	February 28, 2011	August 03, 2011	Cessation
Shri. N. Balasubramanian	July 11, 2008	July 10, 2011	Cessation
Shri. D. K. Mittal	August 03, 2011	February 04, 2013	Appointment
Shri. Hari Santosh Kumar	December 15, 2011	N.A.	Appointment
Shri. Pradeep Kumar	December 24, 2008	January 14, 2012	Cessation
Shri. Rajesh Khullar	March 22, 2012	October 22, 2012	Appointment
Ms. Sindhushree Khullar	April 11, 2012	N.A.	Appointment
Shri. V. Venkata Ramana	February 10, 2012	N.A.	Appointment
Shri. K. R. Kamath	March 22, 2012	N.A.	Appointment
Ms. Sharmila Chavaly	October 22, 2012	N.A.	Appointment
Dr. Harsh Kumar Bhanwala	October 25, 2012	N.A.	Appointment

## V. DETAILS OF STATUTORY AUDITORS OF THE ISSUER

### 1. STATUTORY AUDITOR OF THE ISSUER (FY 2013-14)

Name of Statutory Auditors	Firm Registration No.	Address & Contact Details	Auditor since
<b>M/s. K. M. Agarwal</b> <i>Chartered Accountants</i>	000853N	Head Office 36, Netaji Subhash Marg, Darya Ganj, New Delhi-110002, India Tel No. : (011) 23277049, 23273738 E-mail: kmagarwal_1969@rediffmail.com	Date of CAG Letter July 29, 2013

### 2. CHANGE IN STATUTORY AUDITORS OF THE ISSUER SINCE LAST THREE YEARS

Name	Address	Date of Appointment	Date of Cessation	Auditor of the Issuer since	Remarks
<b>M/s. P.R. Mehra &amp; Co.</b> <i>Chartered Accountants</i>	Head Office, 56, Darya Ganj, New Delhi Tel No. : (011) 23274910, 23271236 E-mail: <a href="mailto:a.malhotra56@gmail.com">a.malhotra56@gmail.com</a>	Date of CAG Letter 31/8/2009	June 20, 2013 (A.G.M)	From FY 2009-10 till FY 2012-13	Last Term as Statutory auditor of IIFCL completed on conclusion of IIFCL's last annual general meeting on June 20, 2013

<b>M/s. K. M. Agarwal</b> Chartered Accountants	Head Office 36, Netaji Subhash Marg, Darya Ganj, New Delhi-110002, India Tel No. : (011) 23277049, 23273738 kmagarwal_1969@rediff mail.com	Date of CAG Letter July 29, 2013	Continuing	FY 2013-14	Current Statutory Auditors
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**VI. BRIEF SUMMARY OF BUSINESS/ ACTIVITIES OF ISSUER AND ITS LINE OF BUSINESS****1. HIGHLIGHTS OF IIFCL**

- a. A wholly-owned Government of India undertaking incorporated under the Companies Act, 1956 in January 2006, pursuant to the SIFTI.
- b. Notified as a "Public Financial Institution" under section 4A of the Companies Act, 1956.
- c. Provides financial assistance to long-term infrastructure projects, in the sectors of roads, railways, seaports, airports, inland waterways, other transportation projects, power, urban transport, water supply, sewage, solid waste management and other physical infrastructure in urban areas, gas pipelines, infrastructure projects in special economic zones, and international convention centres and other tourism related infrastructure projects Cold storage chains, Warehouses, and Fertilizer Manufacturing Industry.
- d. Also provides refinance for loans sanctioned by banks and other eligible institutions, in accordance with the eligibility criteria set out in the refinance scheme of IIFCL.
- e. Has three wholly owned subsidiary, India Infrastructure Finance Company (UK) Ltd. (IIFC (UK)), IIFCL Projects Ltd.(IPL), IIFCL Asset Management Company Ltd. (IAMCL). IIFC (UK) incorporated on February 07, 2008 under the laws of England & Wales, to supplement role and functions of IIFCL by utilizing part of India's foreign exchange reserves for the creation of infrastructure assets by way of lending to Indian companies implementing infrastructure projects, solely for meeting their capital expenditure outside India. IPL has been incorporated for providing advisory services in infrastructure sector from the point of identification and conception of project and gauging their feasibility to the point of monitoring and supervision aiming for promotion and development of world class infrastructure in India across all the infrastructure sectors. As a process of IDF formation IIFCL has already incorporated a new Asset Management Company (AMC) and is now registered under Companies Act, 1956.
- f. IIFC (UK) has been provided a line of credit of US\$ 5 billion by the RBI through subscription of US\$ denominated bonds in tranches with a tenure of 10 years.
- g. A contributor along with IDFC and Citigroup Inc., in the India Infrastructure Fund constituted in 2007, with the objective being to collectively facilitate large scale capital investments in infrastructure assets in India through a combination of long term debt and equity capital raised in several tranches. The India Infrastructure Fund is registered with SEBI as a domestic venture capital fund.
- h. Established a subsidiary, IIFCL Projects Limited in February 2012, to provide project advisory services including project appraisal and syndication services. The subsidiary will also provide project development services involving constructing feasibility studies, project structuring, financial structuring, and development of detailed business case.
- i. To meet the estimated out lay of \$1 Trillion as per the 12<sup>th</sup> Five Year Plan, infrastructure projects require cost effective and long-term financing for the growth of Infrastructure sector and capital formation. To address the issue, the Government of India has initiated the process for setting-up of Infrastructure Debt Funds (IDFs). Your company took this opportunity and initiated the process of setting up an Infrastructure Debt Fund (IDF) through mutual fund route in line with the SEBI guidelines with an initial corpus fund of around \$1 Billion along with other Co-Sponsors/Investors. Your company is proposing to allocate an initial investment of up to ` 500 crore to attract the co-sponsors and investors. As a process of IDF formation IIFCL has already incorporated a new Asset Management Company (AMC) and is now registered under Companies Act, 1956.

- j. Acquired stake in the Delhi Mumbai Industrial Corridor Development Corporation (DMICDC) which stood at 41% of the total shareholding as on March 31, 2013. The Board of Directors of DMICDC in its meeting held on 28 March 2013 has recommended the preferential allotment of 900 lac Equity Shares of Rs 10/- each at par, in one or more tranches, aggregating to Rs 9,000 lac on the terms & conditions of allotment to the Government of India (441 lac Equity Shares of Rs 10/- each at par aggregating to Rs 4,410 lac), Japan Bank for International Cooperation (JBIC) (260 lac Equity Shares of Rs 10/- each at par aggregating to Rs 2,600 lac) and Housing and Urban Development Corporation Limited (HUDCO) (199 lac Equity Shares of Rs 10/- each at par aggregating to Rs 1,990 lac) followed which the proposal is also authorized in Extra-ordinary General meeting of DMICDC held on 28<sup>th</sup> March 2013. Consequent upon allotment of these equity shares, holding of IIFCL in equity share capital of DMICDC stand reduced to 4.1% i.e. 41 lac Equity Shares of Rs 10/- each at par aggregating to Rs 441 lac.
- k. Performance highlights for the year ended March 31, 2013:
- Total income increased by 29% to Rs.3287 crore.
  - Total expenses increased by 18% to Rs.1939 crore.
  - Profit before Tax at Rs. 1514 crore, 75% higher compared to last year.
  - Total Assets increased by 26% to Rs. 35207 crore.
  - Networth increased to Rs. 4858 crore against Rs. 3668 crore as at March 31, 2012.
  - In line with the norms as applicable to Non Banking Financial Companies, IIFCL has made provision Rs. 39 crore on loan assets during the year.
  - The following Reserves were created;
    - Debenture Redemption Reserve – Rs. 9.73 crore
    - Securities Premium Reserve - Rs. 9.85 crore
    - Special Reserve u/s 36 (1) (viii) of IT Act 1961 – Rs. 200.73 crore
    - Corporate Social Responsibility Reserve (CSR) – Rs. 11.72 crore
  - The following Utilizations were made out of Reserves created;
    - Rs. 1.95 lac from Staff welfare reserves of Rs. 64.44 lac (closing balance of Rs. 62.49 lac)
    - Rs 1.05 crore were utilized from CSR Reserve of Rs 5.92 crore (Opening Balance of the CSR Reserve – Rs 5.92 crore and closing balance was Rs. 16.58 crore)

## VISION

“Provide innovative financing solutions to promote and develop world class infrastructure in India.”

## MISSION

“To adopt best practices in financing infrastructure and develop core competencies in facilitating infrastructure development. Develop a team of highly engaged employees to deliver services in a professional manner and to the satisfaction of all stakeholders.”

## BACKGROUND OF THE COMPANY

The importance of infrastructure for sustained economic development and improving the living standards of the population is well recognized. Yet millions of people, across the world lack access to roads, transport, electricity, safe drinking water, and proper sanitation and communication facilities. Inadequate and inefficient infrastructure not only adds to transaction costs but also prevents the economies from realizing their full growth potential. With Indian economy moving on to a high growth trajectory facilitated by a consistent and steady growth of 8 – 9% in the recent years, there is a critical need to accelerate investments in the infrastructure sector. In fact, infrastructure has emerged as a key driver for sustaining the robust growth of the economy and the government has been focusing on development of infrastructure.

There has been progress in attracting private investments into infrastructure during the 11<sup>th</sup> Five Year Plan (2007-12), recording a Gross Capital Formation (“GCF”) in infrastructure of around 7 percent of Gross Domestic Product (“GDP”). The 12<sup>th</sup> Five Year Plan (2012-2017) has envisaged raising the level of GCF in infrastructure to 10 percent of GDP by 2012, thereby matching the levels obtained in some of the Asian economies.

The Hon’ble Finance Minister of India, while presenting the Union Budget for 2005-2006 acknowledged the need and significance of building adequate infrastructure in the country when he made the following announcement:

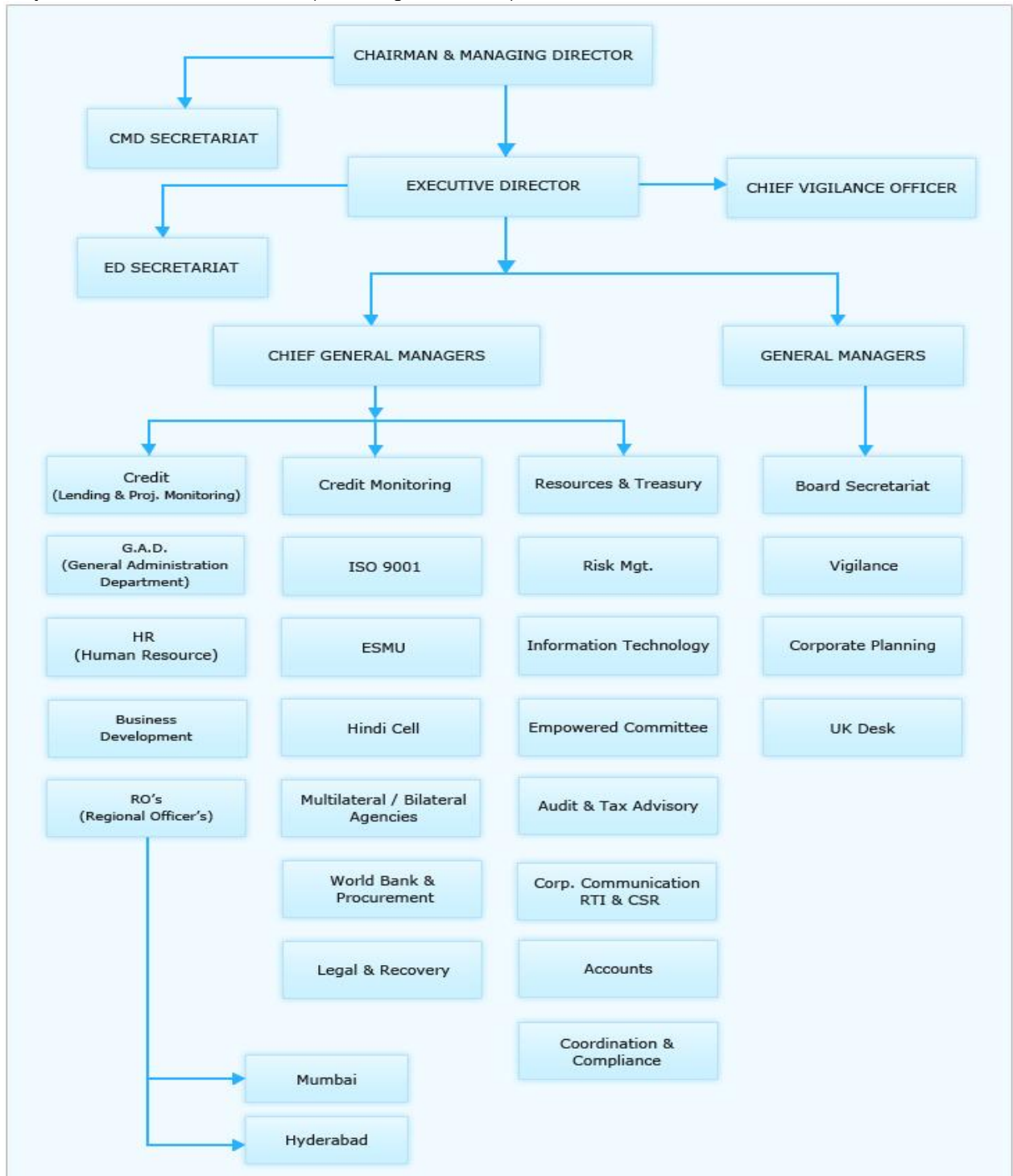


***“The importance of infrastructure for rapid development cannot be overstated. The most glaring deficit in India is the infrastructure deficit. Investment in infrastructure will continue to be funded through the Budget. However, there are many infrastructure projects that are financially viable but, in the current situation, face difficulties in raising resources. I propose that such projects may be funded through a financial Special Purpose Vehicle ..... The SPV will lend funds, especially debt of longer-term maturity, directly to the eligible projects to supplement other loans from banks and financial institutions. Government will communicate the borrowing limit to the SPV at the beginning of each fiscal year”.***

Following the announcement of the then Hon'ble Finance Minister in the Budget 2005-06, a Scheme for Financing Viable Infrastructure Projects through a Special Purpose Vehicle called India Infrastructure Finance Company Ltd, broadly referred to as SIFTI, was approved by the government. IIFCL was incorporated in January 2006.

2. CORPORATE STRUCTURE

Corporate Structure of the Issuer (as on August 20, 2013)



The Board of Directors in 64<sup>th</sup> meeting held on 29<sup>th</sup> July 2013 has directed IIFCL to initiate steps to close both the Regional Offices of IIFCL at Mumbai & Hyderabad.

## Infrastructure Sector in India

The fast growth of the economy in recent years has placed increasing stress on physical infrastructure such as electricity, railways, roads, ports, airports, irrigation, and urban and rural water supply and sanitation, all of which already suffer from a substantial deficit from the past in terms of capacities as well as efficiencies in the delivery of critical infrastructure services. The pattern of inclusive growth of the economy projected growth of around 9% per year can be achieved only if this infrastructure deficit can be overcome and adequate investment takes place to support higher growth and an improved quality of life for both urban and rural communities.

### Primarily, the infrastructure sector includes the following:

- i) Electricity (including generation, transmission and distribution) and R&M of power stations;
- ii) Non-conventional energy (including wind energy and solar energy);
- iii) Water supply and sanitation (including solid waste management, drainage and sewerage) and street lighting;
- iv) Telecommunications;
- v) Roads & bridges;
- vi) Ports;
- vii) Inland waterways;
- viii) Airports;
- ix) Railways (including rolling stock and mass transit system);
- x) Irrigation (including watershed development);
- xi) Storage;
- xii) Oil and gas pipeline networks.
- xiii) Cold storage chains;
- xiv) Warehouses; and
- xv) Fertilizer Manufacturing Industry

### Strengths of IIFCL

IIFCL believes that the following are its primary strengths:

#### ***Strong Gov support and relationships with government entities***

A wholly owned government company and controlled by Gov. IIFCL's ownership and position as a policy based institution for promotion of infrastructure development has helped in shaping the contours of infrastructure financing in the country. It has been able to supplement the available long term resources for infrastructure by authorized funds from the domestic debt market, domestic financial institutions and the multilateral and bilateral institutions into infrastructure projects. The introduction of takeout finance and refinance schemes are aimed at addressing the constraints faced by the banks while lending to infrastructure projects and to facilitate incremental credit flow to the infrastructure sector.

#### ***Well-developed relationships with banks and financial institutions***

IIFCL has well-developed relationships with multilateral and bilateral financing institutions, domestic financing institutions as well as scheduled commercial banks. It believes that these relationships enable us to encourage an increased flow of long-term capital, including foreign capital, into infrastructure projects in India and also enable it to play a key role in developing and introducing innovative financial products and structures to allow a broader cross-section of lenders and investors to participate in infrastructure financing in India.

#### ***Financial strength***

For Fiscal 2013, 2012 and 2011, IIFCL's operating profit after interest before tax aggregated to Rs. 1514.00 crore, Rs. 865.99 crore and Rs. 445.68 crore, respectively, and its profit after tax aggregated to Rs.1047 crore, Rs. 585.83 crore and Rs. 295.80 crores, respectively, on an unconsolidated basis. The CAGR over the last three fiscals of the unconsolidated operating profit after interest before tax and profit after tax is 75% and 79%, respectively. As at March 31, 2013, debt-equity ratio was 6.07, on an unconsolidated basis. For fiscal 2013, 2012 and 2011, the cumulative gross loans sanctioned by IIFCL's under direct lending, on an unconsolidated basis, were Rs. 51,887 crore, Rs. 24375 crore and Rs. 1778 crore, respectively. Bonds under the current issue enjoy a "CARE AAA" rating from CARE, "[ICRA] AAA" rating from ICRA and "BWR AAA (Stable)" rating from Brickwork.

### **Strong asset quality and robust credit and risk management policies**

As at March 31, 2013, IIFCL had sub-standard assets of Rs 236.19 crore. It believes that its strong asset quality has been achieved in part due to its disciplined credit and risk management policies. SIFTI, the scheme under which it is constituted and governed, contains certain broad controlling principles it is required to comply with. In addition, it has evolved internal credit and risk management policies and processes involving extensive screening to assess potential risks and devise appropriate risk mitigation mechanisms and a systematic review mechanism, in order to identify and take advantage of viable investment opportunities as and when they arise and to continuously monitor and evaluate the projects in its portfolio.

### **Experienced management team and professional staff**

The members of IIFCL's management team and professional staff have expertise in various areas such as project finance, financial markets and advisory services, as well as domain knowledge and experience in the various sectors to which IIFCL provide financing, which IIFCL believes contribute to its understanding and the effective management of its business. Dr. Harsh Kumar Bhanwala, Chairman and Managing Director (Whole-Time Director), has over 28 years of work experience in the finance sector and has held various capacities as an officer in NABARD (National Bank for Agriculture & Rural Development) and was the Managing Director of Delhi State Cooperative Bank Ltd (DSCB) during its turning around (2000 to 2005). During his stay with NABARD & DSCB, he gathered expertise in Financial Inclusion, Microfinance, Coop. Credit Institutions, Rural Infrastructure Project Development and Project Appraisal related to Agricultural Projects. Further, the Government Nominee Directors, Shri. Rajiv Takru and Smt. Sharmila Chavaly are presently acting as the Secretary (FS) to Department of Financial Services and Joint Secretary (Infrastructure & Energy) to Department of Economic Affairs, in the MoF, respectively. Shri. Ravi Mittal, also a Government Nominee Director, is presently an Advisor (Infrastructure) to the Planning Commission, Gol.

Further, Shri. K.R.Kamath is currently the Chairman & Managing Director of Punjab National Bank and was earlier the CMD of Allahabad Bank; Shri Hari Santosh Kumar belongs to 1975 batch of Indian Defence Accounts Service and prior to joining IIFCL he was posted as Additional Controller General of Defence Accounts in the Defence Accounts Department under Government of India; Prof. V. Venkata Ramana, is currently the Dean, School of Management Studies, University of Hyderabad. Chief General Managers are Shri. Sanjeev Ghai, Shri. S. Krishnan, Shri. B. L. Gupta, and Shri. Emandi Shakara Rao who have several years of experience in the finance sector and have held positions in reputed financial institutions and banks,

### **Catalyzing Development of Infrastructure**

IIFCL provides long term financial assistance to various viable infrastructure projects in the country in terms of the SIFTI. As on March 31, 2013, its authorized share capital stood at Rs. 50 billion and the paid-up capital at Rs. 29 billion. Apart from equity, IIFCL raises long term debt from the domestic market, debt from bilateral and multilateral institutions and in foreign currency through external commercial borrowings. Majority of IIFCL's borrowings are backed by sovereign guarantee.

### **Business Performance (as on March 31, 2013) on Consolidated Basis**

- Within the short span from its inception in April 2006, IIFCL has sanctioned loans to the tune of Rs. 826.83. billion to 349 infrastructure projects under direct lending.
- Disbursement has been made in 270 projects to the tune of Rs. 304.01 billion.

*The figures of IIFC (UK) has been reinstated with the RBI reference rate as on March 31, 2013*

### **Financial Performance (FY 2012-2013) on consolidated basis**

IIFCL has been in profit from the very first year of its operation. It has continued its good performance in the subsequent years as well. Brief operational highlights of IIFCL in the financial year 2012 -13 are given as under:

- Balance sheet size increased by 28% to Rs. 406.70 billion as on March 31, 2013 from Rs. 316.52 billion as on March 31, 2012.
- Sub-standard assets were only Rs 2.36 billion
- Net Worth increased from Rs. 39.02 billion as on March 31, 2012 to Rs. 50.87 billion as on March 31, 2013.
- Profit before Tax increased by 53% from Rs. 9.92 billion as on March 31, 2012 to Rs. 15.18 billion for the financial year ended March 31, 2013.

- Provision for standard loan assets stood at Rs. 699.93 million.
- Infrastructure reserves increased from Rs. 1.17 billion as on March 31, 2012 to Rs. 2.01 billion as on March 31, 2013.
- Profit after Tax grew by 49% from Rs. 6.78 billion for the year ended March 31, 2012 to Rs. 10.09 billion for the year ended March 31, 2013

### **New initiatives during 2012-13**

#### **IIFCL Projects Limited**

In February 2012, IIFCL established a subsidiary, IIFCL Projects Limited to provide project advisory services including project appraisal and syndication services. The subsidiary will also provide project development services involving constructing feasibility studies, project structuring, financial structuring, and development of detailed business case.

#### **IIFCL Infrastructure Debt Fund**

To meet the estimated out lay of \$1 Trillion as per the 12<sup>th</sup> Five Year Plan, infrastructure projects require cost effective and long-term financing for the growth of Infrastructure sector and capital formation. To address the issue, the Government of India has initiated the process for setting-up of Infrastructure Debt Funds (IDFs). Your company took this opportunity and initiated the process of setting up an Infrastructure Debt Fund (IDF) through mutual fund route in line with the SEBI guidelines with an initial corpus fund of around \$1 Billion along with other Co-Sponsors/Investors. Your company is proposing to allocate an initial investment of up to ` 500 crore to attract the co-sponsors and investors. As a process of IDF formation IIFCL has already incorporated a new Asset Management Company (AMC) and is now registered under Companies Act, 1956. IIFCL has initiated the process for launching an Infrastructure Debt Fund ("IDF") along with the other co-sponsors/ investors for a corpus fund of around US\$1 billion with an investment of around Rs. 15 billion through mutual fund route.

#### **Equity stake in DMICDC**

IIFCL acquired stake in the Delhi Mumbai Industrial Corridor Development Corporation (DMICDC) which is 4.1% of the total shareholding as on 31<sup>st</sup> March, 2013.

### **MAIN OBJECTS OF THE COMPANY**

IIFCL is an apex financial intermediary for the purpose of development and financing of infrastructure projects and facilities in the country. This is to be effected by developing and disseminating appropriate financial instruments and negotiating loans and advances as per the given mandate. IIFCL renders financial assistance through:

- a) Long Term Debt;
- b) Refinance to Banks and Public Financial Institutions for loans granted by them;
- c) Take out Financing;
- d) Subordinate Debt; and
- e) Any other mode approved by the Ministry of Finance from time to time

Government of India has approved Credit enhancement Scheme for undertaking pilot transactions.

#### ***Some other salient features of financing and development include:***

- Loans assistance for SPV ordinarily shall not exceed 20 percent of the project cost
- A project awarded to a private sector company for development, financing and construction through PPP shall have overriding priority.

#### **Operational Performance (on unconsolidated basis)**

IIFCL continues to serve the needs of infrastructure development guided by its mandate as given in the scheme for financing Viable Infrastructure Projects through a Special Purpose Vehicle called the India Infrastructure Finance Company Limited (IIFCL).

#### **Direct Lending**

During 2012-13, IIFCL witnessed significant increase in its lending operations. IIFCL has carved a niche for itself in a short span of 7 years since its initiation of operations in April 2006. Under Direct Lending, with further gross sanction of Rs. 11514 crore in 70 projects, the cumulative gross sanctions of IIFCL increased to Rs. 51887 crore in 299 infrastructure projects. The sector-wise distribution of cumulative gross sanctions of IIFCL are as under:

**Cumulative Gross Sanctions under Direct Lending** (as on March 31, 2013)

Sector	No. of Projects	Project Cost	Amount Sanctioned
Roads	182	188722	25178
Power	63	219103	20671
Airports	2	14716	2150
Ports	8	5702	925
Urban Infrastructure	6	29898	2454
Railways	1	1396	279
Pooled Municipal Debt Obligations	37	7729	230
<b>Total</b>	<b>299</b>	<b>467266</b>	<b>51887</b>

Further, as at March 31, 2013, sector-wise distribution of net sanction of IIFCL amounting to Rs. 38841 crore in 276 projects was as under:

**Cumulative Net Sanctions under Direct Lending** (as on March 31, 2013)#

Sector	No. of Projects	Project Cost	Net Sanction
Roads	171	174439	18841
Power	58	203231	17907
Airports	2	14716	848
Ports	8	5702	682
Urban Infrastructure	2	648	64
Railways	1	1396	279
Pooled Municipal Debt Obligations	34	7435	221
<b>Total</b>	<b>276</b>	<b>407567</b>	<b>38841</b>

# Net Sanction amount is allocated amount in case of projects which have achieved financial closure; and, gross sanction amount where financial closure is yet to be achieved

**India Infrastructure Finance Initiative**

IIFCL entered into a MoU with IDFC and Citigroup on 15<sup>th</sup> February, 2007, to set up an India dedicated infrastructure fund wherein IIFCL had agreed to contribute US\$ 25 million (subject to a maximum of Rs. 100 crore) while IDFC & Citigroup committed to contribute US\$ 100 million each as promoter sponsors. During 2012-13, under India Infrastructure Fund (IIF), IIFCL has made 8 capital contributions amounting to Rs. 10.54 crore and received 3 redemptions amounting to Rs. 5.22 crore. Till March 31, 2013, out of total capital commitment of Rs. 100 crore to IIF, IIFCL has contributed Rs. 70.99 crore, IIF has redeemed capital amounting to Rs. 10.39 crore till March 31, 2013.

**RESOURCE MOBILISATION****Domestic Resources**

IIFCL raises its long-term resources both from domestic markets and overseas. Till March 31, 2013, IIFCL has raised Rs. 22732.28 crore from domestic markets through a mix of instruments comprising of domestic Taxable bonds, tax-free bonds for providing refinance, and tax saving infrastructure bonds and long term loan from Life Insurance Company (LIC) & National Small Savings Fund (NSSF).

**External Resources**

IIFCL has also established strong relationships with bilateral and multilateral institutions like Asian Development Bank ADB, World Bank and KfW and has committed lines of long-term low-cost credit to the extent of US \$ 1.2 billion, US \$ 1.195 bn and EUR 50 mn respectively.

ADB has provided line of credit for an amount of US\$ 1200 million under India Infrastructure Project Financing Facility (IIPFF) I and II of US \$ 500 million and US \$ 700 million each. As on March 31, 2013, IIFCL has fully availed the IIPFF-I of US \$ 500 million for financing 28 highway projects and 2 airports (modernization of Delhi and Mumbai airports). Under IIPFF-II of US \$ 700 million, the first tranche of US \$ 210 million has been fully availed for financing 12 highway projects and 1 UMPP. Against 3<sup>rd</sup> tranche of US \$ 240 million, as on March 31, 2013, IIFCL has availed US \$ 93.23 million for financing 10 highway projects and 1 UMPP. Loan documents i.e. loan agreement between IIFCL and Asian Development Bank and guarantee agreement between the Government of India and Asian Development Bank, for US \$ 240 million has been executed on March 21, 2012 under the third and final tranche of second IIPFF.

Of the World Bank's line of credit of US \$ 1.195 billion, IIFCL has availed an amount of US \$ 22.93 million. Further, the multilateral provided a grant of US \$ 5 million for technical assistance program to complement the line of credit over a period of seven years for capacity building of IIFCL, out of which, under four grant funds i.e. Public Private Infrastructure Advisory Facility (PPIAF), Sub-National Technical Assistance (SNTA), Department for International Development (DFID) and Institutional Development Fund (IDF) an amount of US \$ 2.08 million was sanctioned. Presently, four projects have been undertaken/are being implemented under the grant viz. (a) business plan strategy for IIFCL till the end of the 12<sup>th</sup> Five year plan (2012- 2017), (b) design and implementation of a risk management system for IIFCL, (c) implementing MIS tracking system to manage environmental and social risk, and (d) HR strategy for IIFCL.

Against EUR 50 million line of credit from KfW, IIFCL has availed EUR 29.51 million against disbursements in two hydro power projects approved by KfW. The remaining amount of EUR 20.49 million would be utilized towards financing projects which would be sanctioned IIFCL in the future.

These relationships with multilateral and bilateral institutions have helped IIFCL in not only raising low-cost long-term resources, but have also helped in developing innovative financing models as well as in adoption of best practices especially the environmental and social safeguard framework and procurement procedures.

## **KEY INITIATIVES DURING 2012-13**

### **Credit Enhancement**

On January 05, 2012, the credit enhancement scheme of IIFCL for undertaking pilot transactions was launched and in principle approval to the first pilot transaction was handed over in the presence of Hon'ble Finance Minister. Earlier during the year, Government of India accorded in-principle approval to the broad outline of credit enhancement scheme vide its letter dated October 18, 2011. ADB is participating in this 22 authorize by committing to support IIFCL by providing backstop guarantee facility up to 50% of IIFCL's underlying project risk to cover 4-5 projects in the pilot phase. IIFCL has given in-principle approval to first pilot transaction under the credit enhancement scheme for undertaking pilot transactions and second pilot transaction during 2012-13, which would enable channelizing long-term funds from fairly untapped sources such as insurance companies, and pension funds etc towards infrastructure sector. Credit enhancement scheme will help the project developers to raise funds at a cheaper and stable rate from the bonds market and consequently help in development of corporate bond market in India.

During the year 2012-13, IIFCL organized two meetings where project developers, bond investors like Life Insurance Corporation of India, rating agencies and Asian Development Bank participated. The meeting focused on various aspects related to credit enhancement scheme and highlighted the benefits accruing to various stakeholders and the financial system as a whole.

### **Infrastructure Debt Fund**

To meet the estimated out lay of \$1 trillion as per the 12<sup>th</sup> Five Year Plan, infrastructure projects would require cost effective and long-term financing for the growth of Infrastructure sector and capital formation. To address the issue, the Government of India has initiated the process for setting-up of Infrastructure Debt Funds (IDFs). IIFCL took this opportunity and has registered IIFCL Mutual Fund as an Infrastructure Debt Fund (IDF) with SEBI on 24<sup>th</sup> January 2013.

IIFCL proposes to allocate an initial investment of up to Rs. 500 crore to attract the co-sponsors and investors. As a process of IDF formation IIFCL has already incorporated a new Asset Management Company (AMC) viz. IIFCL Asset Management Company and is now registered under Companies Act, 1956.

### **IIFCL Projects Limited**

In order to give thrust to conceptualization and setting up of innovative, optimum and commercially viable projects for bridging the gap in need of infrastructure, IIFCL has set-up a wholly-owned subsidiary, IIFCL Projects Limited ("IPL") for providing advisory and project development services in infrastructure sector from the point of identification and conception of project and gauging their feasibility to the point of monitoring and supervision aiming for promotion and development of world class infrastructure in India across all the infrastructure sectors.

The proposed advisory and project development services that the organization is expected to deliver are identification of project and feasibility studies, transaction advisory services for Government(s)/Authorities, designing of PPP projects, concession agreement & pre-bid preparation, bidding process and selection of bidder, project appraisal, structured finance and syndication, acquisition advisory for infrastructure companies, capacity building, impact assessment of macro-economic changes of specific project, monitoring and supervision, techno-economic studies etc.

Within a short span of time IPL has been able to get various mandates from the developers in sectors like tourism, water, urban infrastructure, warehouses, logistics, roads etc. Further, IPL and is also in discussions with multilateral agencies and Government agencies to develop the PPP based projects. IPL has already attracted a number of investors willing to invest equity in IPL.

### **Status of IIFCL and Revision in SIFTI**

Department of Financial Services (DFS), Ministry of Finance vide its letter dated October 24, 2011 conveyed that Union Cabinet in its meeting held on October 13, 2011 has approved the following proposals:

1. IIFCL may be brought under the regulatory oversight of RBI by registering it as an NBFC-IFC.
2. Authorized share capital may be increased from Rs. 2000 crore to Rs. 5000 crore with a proviso that it may be further increased to Rs. 8000 crore with the approval of the Union Finance Minister.
3. Board of Directors may be broad based.
4. Once IIFCL comes under the regulatory oversight of RBI, there is no need to constitute the oversight committee as approved earlier by the Cabinet.
5. SIFTI may be revised with a provision that modification in SIFTI may be made with the approval of Finance Minister.

As advised by Department of Financial Services, Ministry of Finance, the following actions have been taken by IIFCL:

1. IIFCL has submitted its application for registration as NBFC-IFC to RBI on 08<sup>th</sup> March 2013.
2. Changes in Memorandum and Articles of Association have been carried out for increasing the Authorized Share Capital from Rs. 2000 crore to Rs. 5000 crore and for broad basing of board of directors.
3. Revised SIFTI (the scheme governing IIFCL) which has come in effect from October 13, 2011 has been implemented including addition of three new sectors to the list of eligible sectors viz. cold storage chains, warehouses and fertilizer manufacturing industry.

### **Government of India's Contribution to Equity**

Strengthening of equity capital is critical aspect for any entity in the financial sector and accordingly the GoI has approved raising of the authorized share capital of IIFCL from Rs. 2000 crore to Rs. 5000 crore and contributed Rs. 500 crore towards the paid up capital during 2012-13. The total authorized and paid up share capital of IIFCL as at March 31, 2013 was Rs. 5000 crore and Rs. 2900 crore respectively.

### **Internal Control**

IIFCL has devised strong internal control mechanism involving systems, safeguards and procedures commensurate with its size and operations. The functions of IIFCL are performed as per process laid down in operations manual. The internal audit is regularly carried out to ensure compliance of process, procedures and provisions laid down by IIFCL for respective action. Prompt action is taken on the observations of the Internal Auditor's report and the same along with the action taken are placed before the Audit Committee of the Board at regular intervals.

### **ISO 9001:2008 certification**

IIFCL continues to be an ISO 9001:2008 certified company with established, documented, implemented and maintained Quality Management System (QMS) as a means of ensuring that the infrastructure financing services conform to specified requirements and continually improve its effectiveness in accordance with the requirements. As a part of requirements of ISO certification, periodic internal audits are conducted which are followed by management review meetings to ensure its continuing suitability, adequacy and effectiveness, and assess opportunities for improvement of QMS including quality policy and objectives on continual basis. During the year 2011-12, annual surveillance audit required for renewal of ISO certification of IIFCL was carried out in January 2012 by external auditor of certification firm which confirmed the continuation of certificate till next surveillance.

### **Recognition & Awards**

In recognition of the contributions made to infrastructure financing, IIFCL has been awarded for "outstanding contribution in financing of infrastructure projects" by EPC World Awards 2011.



**3. KEY OPERATIONAL & FINANCIAL PARAMETERS OF THE ISSUER FOR THE LAST 3 AUDITED YEARS****a. Consolidated**

(Rs. In crore)

Sr. No.	Parameters	FY 2012-13	FY 2011-12	FY 2010-11
1.	Networth	5086.76	3901.63	2670.44
2.	Total Debt			
	Of which:			
	- Non-current maturities of Long Term Borrowings	23005.58	24284.80	20988.29
	- Short Term Borrowings	1483.86	2743.69	1182.08
	- Current Maturities of Long Term Borrowings	10170.34	88.37	-
3.	Net Fixed Assets	1.40	1.27	0.82
4.	Non Current Assets	22988.54	20480.96	15285.81
5.	Cash and Cash Equivalentents	360.47	218.13	419.21
6.	Current Investments	-	14.83	1822.37
7.	Current Assets	17,319.79	10936.61	7796.39
8.	Current Liabilities & Short Term Provisions	597.56	450.87	405.35
9.	Interest Income	3,459.14	2633.15	1931.75
10.	Interest Expense	1797.71	1532.06	1416.81
11.	Provisioning and Write-offs	43.72	67.26	14.11
12.	PAT	1009.23	677.99	329.67
13.	Gross NPA (%)	0.84%	-	-
14.	Net NPA (%)	0.76%	-	-

**b. Standalone**

(Rs. In crore)

Sr. No.	Parameters	FY 2012-13	FY 2011-12	FY 2010-11
1.	Networth	4858.17	3668.08	2582.25
2.	Total Debt			
	Of which:			
	- Non-current maturities of Long Term Borrowings	17838.60	20841.96	19872.04
	- Short Term Borrowings	1483.86	2743.69	1182.08
	- Current Maturities of Long Term Borrowings	10170.34	88.37	-
3.	Net Fixed Assets	1.20	1.09	0.62
4.	Non Current Assets	19473.40	18564.84	14588.98
5.	Cash and Cash Equivalentents	349.59	64.89	414.09
6.	Current Investments	-	14.83	1822.37
7.	Current Assets	15382.52	9281.46	7281.18
8.	Current Liabilities	580.85	407.99	392.43
9.	Interest Income	3249.86	2526.32	1878.05
10.	Interest Expense	1768.83	1523.53	1411.79
11.	Provisioning and Write-offs	39.97	62.20	14.11
12.	PAT	1046.99	585.83	295.80
13.	Gross NPA (%)	0.98%	-	-
14.	Net NPA (%)	0.88%	-	-
15.	Tier I Capital Adequacy Ratio (%)	17.97%	18.39%	16.12%
16.	Tier II Capital Adequacy Ratio (%)	0.22%	0.30%	0.37%

**4. GROSS DEBT EQUITY RATIO OF THE ISSUER (standalone)** (Amount Rs. in crore)

Particulars	Pre-Issue (as on March 31, 2013)	Post Issue of Bonds of Rs. 632.30 crore
GROSS DEBT		
Gross Debt	29,492.79	30,125.09
SHAREHOLDERS' FUNDS		
Share Capital	2900.00	2900.00
Reserve & Surplus (excluding Revaluation Reserve)	1,958.17	1,958.17
Net Worth	4,858.17	4,858.17
GROSS DEBT/ EQUITY RATIO		
Gross Debt/ Equity Ratio	6.07	6.20

**5. PROJECT COST AND MEANS OF FINANCING, IN CASE OF FUNDING OF NEW PROJECTS**

The funds being raised by the Issuer through present issue of Bonds are not meant for financing any particular project. The Issuer shall utilise the proceeds of the Issue for its regular business activities and other associated business objectives such as discharging existing debt obligations which were generally undertaken for business operations.

**6. SUBSIDIARIES OF THE ISSUER****a. India Infrastructure Finance Company (UK) Limited**

India Infrastructure Finance Company (UK) Limited ("IIFC (UK)"), an off-shore wholly-owned subsidiary of the Company, was incorporated on February 7, 2008 as a private limited company under the laws of England & Wales. IIFC (UK) was established to provide foreign currency loans to infrastructure projects in India. For the purpose, the RBI has provided line of credit of US \$ 5 billion out of the foreign currency reserves to be availed in tranches by March 06, 2014. With a further sanction of US \$ 1587 million during 2012-13 including in-principle sanction, cumulative sanction of IIFC (UK) reached US\$ 4.08 billion in 40 proposals (net of cancellations) including projects from power, mass rapid transport (metro rail), gas pipeline and fertilizers manufacturing sectors. During the year 2012-13, IIFC (UK) disbursed US\$ 279 million taking cumulative figure to US\$ 975.15 million (including O/s Letter of Comfort)..

The authorised share capital of IIFC (UK) is US\$ 5,000 lakhs divided into 50,00,00,000 equity shares of US\$ 1 each. The Company, including through its nominees, holds 100% of the issued and paid up equity share capital of IIFC (UK). The securities of IIFC (UK) are not listed on any stock exchange in India or overseas.

The board of directors of IIFC (UK) presently comprises of Dr. Harsh Kumar Bhanwala (Chairman), Shri. S. Krishnan (Managing Director), Shri. Gerard George (Non-Executive Director), Shri. Rajiv Takru (FS) and Shri. G. C. Tiwari (Gol nominee)].

**b. IIFCL Asset Management Company Limited**

IIFCL Asset Management Company Limited ("IAMCL"), a wholly owned subsidiary of the Company, was incorporated on March 28, 2012, as public limited company incorporated in India under the Companies Act. IAMCL was established as an asset management and trustee company, to undertake the business of management of mutual funds and infrastructure debt funds. IAMCL received a commencement of business certificate on April 13, 2012. SEBI, through a letter dated March 27, 2012, directed the Company to complete the process of registration of IAMCL as a mutual fund under the SEBI (Mutual Funds) Regulations, 1996 within a year from the date of the letter and to submit the Memorandum of Association and Articles of Association of IAMCL with the RoC. The Company through a letter dated March 28, 2012, has completed the necessary submissions with the RoC and is awaiting the final registration certificate from SEBI.

The authorised share capital of IAMCL is Rs. 15,00,00,000 divided into 1,50,00,000 equity shares of Rs. 10 each. The Company, including through its nominees, holds 100% of the issued and paid up equity share capital of IAMCL. The securities of IAMCL are not listed on any stock exchange in India or overseas.

The board of directors of IAMCL presently comprises Dr. Harsh Kumar Bhanwala (chairman), Dr. Emandi Sankara Rao, Shri. Rajeev Mukhija, Shri. Pawan Singh, Shri. A. C. Chaturvedi and Shri. S. K. Chanana.

**c. IIFCL Projects Limited**

IPL, a wholly owned subsidiary of the Company, was incorporated on February 14, 2012, as public limited company incorporated in India under the Companies Act. IPL was established to provide advisory and project development services in the infrastructure sector. IPL received a commencement of business certificate on March 30, 2012.

The authorised share capital of IPL is Rs. 10,00,00,000 divided into 1,00,00,000 equity shares of Rs. 10 each. The Company, including through its nominees, holds 100% of the issued and paid up equity share capital of IPL. The securities of IPL are not listed on any stock exchange in India or overseas. The board of directors of IPL presently comprises Dr. Harsh Kumar Bhanwala (Chairman); Dr. Emandi Sankara Rao and Shri. Muniappa Nagaraj.

## VII. BRIEF HISTORY OF ISSUER SINCE INCORPORATION, DETAILS OF ACTIVITIES INCLUDING ANY REORGANIZATION, RECONSTRUCTION OR AMALGAMATION, CHANGES IN CAPITAL STRUCTURE, (AUTHORIZED, ISSUED AND SUBSCRIBED) AND BORROWINGS

### 1. BRIEF HISTORY OF THE ISSUER

IIFCL is a wholly-owned 'Government company', incorporated under the Companies Act in January 2006, pursuant to SIFTI. It commenced operations in April 2006 and was notified as a public financial institution in January 2009. IIFCL provides financial assistance to long-term infrastructure projects in the sectors of roads and bridges, railways, seaports, airports, inland waterways, other transportation projects, power, urban transport, water supply, sewage, solid waste management and other physical infrastructure in urban areas, gas pipelines, infrastructure projects in special economic zones, international convention centres and other tourism related infrastructure projects, cold storage chains, warehouses, and fertilizer manufacturing industry. We also provide refinance for loans sanctioned by banks and other eligible institutions, in accordance with the eligibility criteria set out in the refinance scheme. In accordance with GoI policy to boost infrastructure development through PPP projects, our lending initiatives are, under SIFTI, primarily focused on PPP projects, or projects awarded through competitive bidding. IIFCL holds an ISO 9001:2008 certification, valid up to the next audit surveillance in December 2012. IIFCL is a dedicated institution purported to assume an apex role for financing and development of infrastructure projects in the country. The authorized capital of IIFCL is Rs. 5,000 crore of which, paid up capital as on March 31, 2013 stood at Rs. 2,900 crore.

### 2. CHANGE IN REGISTERED OFFICE OF THE ISSUER

The registered office of the Company at the time of incorporation was situated at 1201-1207, Naurang House, 21 Kasturba Gandhi Marg, New Delhi 110 001. Subsequently, on June 15, 2010, the Registered Office of the Company was shifted to the present address i.e. 8<sup>th</sup> Floor, Hindustan Times Building, 18 & 20, Kasturba Gandhi Marg, New Delhi 110 001.

### 3. KEY MILESTONES

Financial Year	Major milestone/ achievement
January 2006	<ul style="list-style-type: none"> <li>Incorporated under the Indian Companies Act, 1956 as a wholly-owned 'Government Company'</li> </ul>
April 2006	<ul style="list-style-type: none"> <li>Commenced operations</li> </ul>
November 2007	<ul style="list-style-type: none"> <li>ADB sanctioned project financing facility of USD 500 million</li> </ul>
February 2008	<ul style="list-style-type: none"> <li>IIFC(UK) incorporated with under the UK Companies Act 1985</li> </ul>
April 2008	<ul style="list-style-type: none"> <li>IIFC(UK) commenced operations</li> </ul>
January 2009	<ul style="list-style-type: none"> <li>Notified as a Public Financial Institution under section 4A of the Companies Act, 1956</li> </ul>
February 2009	<ul style="list-style-type: none"> <li>GOI approved Refinance Scheme</li> </ul>
October 2009	<ul style="list-style-type: none"> <li>ADB sanctioned project financing facility of USD 700 million</li> <li>World Bank sanctioned line of credit of USD 1195 million and grant of USD 5 million</li> </ul>
November 2009	<ul style="list-style-type: none"> <li>Revised Refinance Scheme to expand list of eligible sectors and extent of refinance</li> </ul>
February 2010	<ul style="list-style-type: none"> <li>KfW sanctioned line of credit of Euro 50 million</li> </ul>
April 2010	<ul style="list-style-type: none"> <li>Takeout Finance Scheme introduced</li> </ul>
October 2010	<ul style="list-style-type: none"> <li>Modified Takeout Finance Scheme to allow takeout 1 year after COD and increased extent of takeout from banks</li> </ul>
December 2011	<ul style="list-style-type: none"> <li>Remodified Takeout Finance Scheme to allow takeout request from borrowers apart from lenders and introduced non-discretionary risk-based pricing mechanism</li> </ul>
October 2011	<ul style="list-style-type: none"> <li>Revised SIFTI came into effect</li> <li>Union Cabinet approved the proposal to bring IIFCL under regulatory oversight of RBI by registering as an NBFC-IFC.</li> <li>Government of India approved Credit Enhancement Scheme for undertaking pilot transactions</li> </ul>
January 2012	<ul style="list-style-type: none"> <li>In-principle approval given to 1<sup>st</sup> pilot transaction under Credit Enhancement Scheme</li> </ul>
February 2012	<ul style="list-style-type: none"> <li>IIFCL Projects Limited (IPL) incorporated under the Indian Companies Act, 1956</li> </ul>
March 2012	<ul style="list-style-type: none"> <li>IPL commenced operations</li> <li>IIFCL Asset Management Company incorporated under Indian Companies Act 1956</li> </ul>
January 2013	<ul style="list-style-type: none"> <li>IIFCL Mutual Fund Registered with SEBI as an Infrastructure Debt Fund.</li> <li>As per Union Cabinet decision to bring company under regulatory oversight of RBI, submitted Request for registration as NBFC-IFC with RBI.</li> </ul>

**4. CAPITAL STRUCTURE**(as on March 31, 2013)  
(Rs. in crore)

Particulars	Amount
1. SHARE CAPITAL	
a. Authorised Equity Share Capital	
500,00,00,000 Equity Shares of Rs. 10/- each	5000.00
b. Issued, Subscribed & Paid-up Equity Share Capital	
290,00,00,000 Equity Shares of Rs. 10/- each	2900.00
2. SHARE PREMIUM ACCOUNT	Nil

**5. EQUITY SHARE CAPITAL HISTORY OF THE ISSUER FOR LAST FIVE YEARS**

Sl. No.	Date of Allotment	No. of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Nature of consideration	Cumulative Paid-up Share Capital (Rs. in crore)
1.	January 05, 2006	50,000	10/-	10/-	Cash	0.05
2.	May 29, 2006	99,50,000	10/-	10/-	Cash	10.00
3.	July 25, 2006	9,00,00,000	10/-	10/-	Cash	100.00
4.	August 29, 2007	20,00,00,000	10/-	10/-	Cash	300.00
5.	May 02, 2008	50,00,00,000	10/-	10/-	Cash	800.00
6.	October 08, 2008	20,00,00,000	10/-	10/-	Cash	1000.00
7.	April 27, 2009	30,00,00,000	10/-	10/-	Cash	1300.00
8.	October 20, 2009	50,00,00,000	10/-	10/-	Cash	1800.00
9.	September 06, 2010	20,00,00,000	10/-	10/-	Cash	2000.00
10.	February 14, 2012	50,00,00,000	10/-	10/-	Cash	2500.00
11.	August 03, 2012*	40,00,00,000	10/-	10/-	Cash	2900.00

**6. CHANGES IN AUTHORISED CAPITAL OF THE ISSUER**

Date of Change	Particulars
November 30, 2007	Authorised share capital increased from Rs. 1,00,000 lakh divided into 1,00,00,00,000 Equity Shares of Rs. 10 each to Rs. 2,00,000 lakh divided into 2,00,00,00,000 Equity Shares of Rs. 10 each
August 05, 2009 and November 8, 2011*	Authorised share capital increased from Rs. 2,00,000 lakh divided into 2,00,00,00,000 Equity Shares of Rs. 10 each to Rs. 5,00,000 lakh divided into 5,00,00,00,000 Equity Shares of Rs. 10 each

\* The Board and shareholders of the Company passed resolutions dated April 27, 2009 and August 5, 2009, respectively, increasing the authorized share capital of the Company from Rs. 2,00,000 lakhs to Rs. 5,00,000 lakhs. These resolutions were ratified by the Board and the shareholders of the Company on March 07, 2011 and November 08, 2011, respectively, also authorized a further increase of authorized share capital to Rs. 8,00,000 lakh subject to MoF approval. MoF has, through a letter dated October 24, 2011, granted approval for the increase in authorized share capital to Rs. 5,00,000 lakhs with a proviso that the further increase to Rs. 8,00,000 lakh is subject to the approval of the Finance Minister.

**7. DETAILS OF ANY ACQUISITION OR AMALGAMATION IN THE LAST 1 YEAR**

None

**8. DETAILS OF ANY REORGANIZATION OR RECONSTRUCTION IN THE LAST 1 YEAR**

Type of Event	Date of Announcement	Date of Completion	Details
None	None	None	None

**9. SHAREHOLDING PATTERN OF THE ISSUER AS ON MARCH 31, 2013**

Sr. No.	Category	No. of Shareholders	Total No. of Shares	No. of Shares in demat form	Total Shareholding as a %age of Total No. of Shares
1.	Promoters (Government of India)	1	290,00,00,000	290,00,00,000	100.00
<b>Total</b>			<b>290,00,00,000</b>	<b>290,00,00,000</b>	<b>100.00</b>

Note: The promoters have not pledged or encumbered by their shareholding in the Issuer Company.

## 10. TOP 10 EQUITY SHARE HOLDERS OF THE ISSUER

(as on June 20, 2013)

Sr. No.	Name of Shareholder	Total No. of Equity Shares held	No. of Equity Shares held in demat form	Total Shareholding as a %age of Total No. of Equity Shares
1.	The Hon'ble President of India	289,99,50,000	**	100.00
2.	Shri Sanjeev Kumar Jindal* Director, DFS	49,994	**	N.A.
3.	Shri. Rajiv Takru* Secretary (FS)	1	**	N.A.
4.	Shri Arvind Mayaram* Secretary, DEA	1	**	N.A.
5.	Shri Anup Wadhawan* Joint Secretary (Capital Market)	1	**	N.A.
6.	Shri Alok Nigam* Joint Secretary	1	**	N.A.
7.	Shri. Arvind Kumar* Joint Secretary(P&I)	1	**	N.A.
8.	Shri. Anurag Jain* Joint Secretary(IF-I)	1	**	N.A.
<b>TOTAL</b>		<b>290,00,00,000</b>	<b>**</b>	<b>100.00</b>

\* as nominees of the Ministry of Finance.

\*\* shares are held in physical form and are in the custody of Department of Financial Services, Ministry of Finance.

## 11. PROMOTER HOLDING IN THE ISSUER

(as on March 31, 2013)

Sr. No.	Name of Shareholder	Total No. of Equity Shares held	No. of Equity Shares held in demat form	Total shareholding as a %age of Total No. of Equity Shares	No of Equity Shares Pledged	% of Equity Shares pledged with respect to shares owned
1.	Promoters (Government of India)	290,00,00,000	*	100.00	Nil	Nil

\* shares are held in physical form and are in the custody of Department of Financial Services, Ministry of Finance.

**12. BORROWINGS OF THE ISSUER**

(as on March 31, 2013)

**a. SECURED LOAN FACILITIES**

Lender's Name	Type of Facility	Amount Sanctioned (Rs. in crore)	Principal Amount Outstanding (Rs. in crore)	Repayment Date/ Schedule	Security
The Company has following secured borrowings outstanding:					
(a) Long Term Infrastructure Bonds with tax benefits u/s 80CCF of the Income Tax Act, 1961 (Series I to Series IV) aggregating Rs. 90.96 crore. These Bonds are secured by way of first charge on receivables of the Company with an asset cover of one time of the total outstanding amount of bonds, pursuant to the terms of Deed of Hypothecation.					
(b) Secured Redeemable Taxable Non-Convertible Bonds ("IIFCL Series X-A and X-B Taxable Bonds") in the nature of Debentures aggregating Rs. 1,100 crore. These Bonds are secured by way of first charge on receivables of the Company with an asset cover of one time of the total outstanding amount of bonds, pursuant to the terms of Deed of Hypothecation.					
(c) Tax Free Secured Redeemable Non-Convertible Bonds in the nature of Debentures having tax benefits under section 10 (15) (iv) (h) of the income tax act, 1961, as amended aggregating Rs. 500 crore and Rs. 285 crore through Private Placement route. These Bonds are secured by way of first charge on receivables of the Company with an asset cover of one time of the total outstanding amount of bonds, pursuant to the terms of Deed of Hypothecation.					
(d) Tax Free Secured Redeemable Non-Convertible Bonds in the nature of Debentures having tax benefits under section 10 (15) (iv) (h) of the income tax act, 1961, as amended aggregating Rs. 2883.88 crore and Rs. 272.44 crore through Public Issue route. These Bonds are secured by way of first charge on receivables of the Company with an asset cover of one time of the total outstanding amount of bonds, pursuant to the terms of Deed of Hypothecation.					
Details of these secured bonds are given in point c below.					

**b. UNSECURED LOAN FACILITIES**

Lender's Name	Type of Facility	Amount Sanctioned (Rs in crore)	Principal Amount Outstanding (Rs. in crore)	Repayment Date/ Schedule
<b>Domestic Loans *</b>				
Life Insurance Corporation of India	Loan	2,000.00	1,950.00	From February 01, 2013 to February 01, 2027
NSSF	Loan	1,500.00	1,500.00	March 31, 2023
<b>International Loans *</b>				
Asian Development Bank	Loan	US\$ 120.00 crore	US \$ 119.25 crore	From December 15, 2012 to June 15, 2036
International Bank for Reconstruction and Development (World Bank)	Loan	US\$ 119.50 crore	US\$ 119.50 crore	From April 15, 2017 to April 15, 2037
KfW	Loan	US\$ 5.00 crore	US\$ 5.00 crore	June 30, 2015 to June 30, 2050

\*Long term unsecured loans from LIC, ADB, World Bank, KfW and Japan Bank for International Co-operation are guaranteed by the GoI

\*\*The foreign exchange rate is as at June 30, 2012.

## c. NON-CONVERTIBLE BONDS/ DEBENTURES

Bond Type	Deemed Date of Allotment	Tenure (Months)	Coupon Rate (% p.a.)	Amount Outstanding (Rs. in crore)	Repayment Date	Credit Rating (current)	Secured/ Unsecured
Long Term Infrastructure Bonds with tax benefits u/s 80CCF of the Income Tax Act, 1961 (Series I)	28-Mar-11	120	8.15	20.08	28-Mar-21 (Buyback date: 29-Mar-16) (Face value per bond: Rs. 1,000/-; redeemable at par)	AAA by CRISIL and CARE	Secured *
Long Term Infrastructure Bonds with tax benefits u/s 80CCF of the Income Tax Act, 1961 (Series II)	28-Mar-11	120	8.15	57.84	28-Mar-21 (Buyback date: 29-Mar-16) (Face value per bond: Rs. 1,000/-; redeemable at Rs. 2,189/-)	AAA by CRISIL and CARE	Secured *
Long Term Infrastructure Bonds with tax benefits u/s 80CCF of the Income Tax Act, 1961 (Series III)	28-Mar-11	180	8.30	2.26	29-Mar-26 (Buyback date: 29-Mar-18) (Face value per bond: Rs. 1,000/-; redeemable at par)	AAA by CRISIL and CARE	Secured *
Long Term Infrastructure Bonds with tax benefits u/s 80CCF of the Income Tax Act, 1961 (Series IV)	28-Mar-11	180	8.30	10.78	28-Mar-26 (Buyback date: 29-Mar-18) (Face value per bond: Rs. 1,000/-; redeemable at Rs. 3,307/-)	AAA by CRISIL and CARE	Secured *
Series X – A Taxable Bonds	27-Jul-12	300	9.41	1,050.00	27-Jul-37	AAA by CRISIL and CARE	Secured *
Series X – B Taxable Bonds	27-Jul-12	360	9.36	50.00	27-Jul-42	AAA by CRISIL and CARE	Secured *
Series IX Taxable Bonds	26-Oct-09	180	8.55	1,000.00	26-Oct-24	AAA by BRICKWORK and CARE	Unsecured **
Series VIII Taxable Bonds	24-Aug-09	180	8.12	400.00	24-Aug-24	AAA by BRICKWORK and CARE	Unsecured **
Series VII Taxable Bonds	12-Aug-09	180	8.12	600.00	12-Aug-24	AAA by BRICKWORK and CARE	Unsecured **
Series VI Taxable Bonds	28-Apr-09	180	7.90	500.00	28-Apr-24	AAA by CRISIL and CARE	Unsecured **



Series V Taxable Bonds	08-Apr-09	180	8.10	500.00	08-Apr-24	AAA by CRISIL and CARE	Unsecured **
Series IV Taxable Bonds	18-Dec-08	180	8.68	200.00	18-Dec-23	AAA(EXP)(ind)(SO) by FITCH and LAAA(SO) by ICRA	Unsecured **
Series III Taxable Bonds	17-Nov-08	180	9.35	200.00	17-Nov-23	AAA(EXP)(ind)(SO) by FITCH and LAAA(SO) by ICRA	Unsecured **
Series II Taxable Bonds	18-Dec-07	180	8.82	200.00	19-Dec-22	AAA(EXP)(ind)(SO) by FITCH and LAAA(SO) by ICRA	Unsecured **
Series I Taxable Bonds	04-Sep-06	120	8.70	500.00	02-Sep-16	LAAA(SO) by ICRA and 'AAA(SO)/Stable by CRISIL	Unsecured **
Tranche 1 Tax-Free Bonds – A	22-Jan-13	120	7.19	966.50	22-Jan-23	AAA by ICRA, BRICKWORK and CARE	Secured **
Tranche 1 Tax-Free Bonds – B	22-Jan-13	180	7.36	760.95	22-Jan-28	AAA by ICRA, BRICKWORK and CARE	Secured **
Tranche 1 Tax-Free Bonds – C	22-Jan-13	240	7.40	1,156.42	22-Jan-33	AAA by ICRA, BRICKWORK and CARE	Secured **
Tranche 2 Tax-Free Bonds – A	26-Mar-13	120	6.86	202.56	26-Mar-23	AAA by ICRA, BRICKWORK and CARE	Secured **
Tranche 2 Tax-Free Bonds – B	26-Mar-13	180	7.02	46.56	26-Mar-28	AAA by ICRA, BRICKWORK and CARE	Secured **
Tranche 2 Tax-Free Bonds – C	26-Mar-13	240	7.08	23.32	26-Mar-33	AAA by ICRA, BRICKWORK and CARE	Secured **
Series IV Tax-Free Bonds – A	21-Nov-12	120	7.21	214.00	21-Nov-22	AAA by ICRA and BRICKWORK	Secured **
Series IV Tax-Free Bonds – B	21-Nov-12	180	7.38	50.00	21-Nov-27	AAA by ICRA and BRICKWORK	Secured **
Series IV Tax-Free Bonds – C	21-Nov-12	240	7.41	21.00	21-Nov-32	AAA by ICRA and BRICKWORK	Secured **
Series III Tax-Free Bonds – A	15-Nov-12	120	7.20	60.00	15-Nov-22	AAA by ICRA and BRICKWORK	Secured **
Series III Tax-Free Bonds – B	15-Nov-12	180	7.38	100.00	15-Nov-27	AAA by ICRA and BRICKWORK	Secured **
Series III Tax-Free Bonds – C	15-Nov-12	240	7.41	240.00	15-Nov-32	AAA by ICRA and BRICKWORK	Secured **

Series II Tax-Free Bonds	20-Mar-09	60	6.85	2,630.70	20-Mar-14	AAA by ICRA, FITCH and CRISIL	Unsecured **
Series I Tax-Free Bonds	22-Jan-09	60	6.85	7,369.30	22-Jan-14	AAA by ICRA, FITCH and CRISIL	Unsecured **

\* The bonds are secured by way of first charge on receivables of the Company with an asset cover of one time of the total outstanding amount of Bonds, pursuant to the terms of Deed of Hypothecation.

\*\* The bonds are backed by unconditional and irrevocable guarantee from the GOI for timely payment of interest and repayment of principal amounts.

### 13. TOP 10 BONDHOLDERS\*

(as on August 05, 2013)

Sr. No.	Name of bondholder	Total No. of bonds held
1.	CBT EPF-05-B-DM	2000
2.	CBT EPF-11-B-DM	300
3.	Army Group Insurance Fund	200
4.	Provident Fund For The Employees of The Shipping Corporation of India Ltd.	200
5.	The Shipping Corporation Of India Ltd. Employee Gratuity Fund	200
6.	Tata Consultancy Services Employees Provident Fund	170
7.	NALCO Employees Provident Fund Trust	168
8.	Board of Trustees Hindustan Steel Ltd. Bhilai Steel Project Provident Fund	100
9.	Canara Bank (Employees) Pension Fund	100
10.	Infosys Technologies Ltd. Employees Provident Fund Trust	100

\* top 10 holders' of bonds have been shown on a cumulative basis for all outstanding bonds.

### 14. AMOUNT OF CORPORATE GUARANTEES ISSUED BY THE ISSUER IN FAVOUR OF VARIOUS COUNTER PARTIES INCLUDING ITS SUBSIDIARIES, JOINT VENTURE ENTITIES, GROUP COMPANIES ETC.

A Guarantee Agreement in respect of first pilot transaction under IIFCL's Credit Enhancement Scheme has been executed in favour of GMR Jadcherla Expressways Limited on 16<sup>th</sup> January 2013 wherein partial guarantee for a bond issue of up to Rs 320 crore has been given by IIFCL.

### 15. COMMERCIAL PAPER ISSUED BY THE ISSUER

(as on March 31, 2013)

Sr. No.	Maturity date	Total face value amount of commercial papers outstanding (Rs. in crore)
The Issuer Company has not issued any Commercial Paper till the date of this Disclosure Document.		

### 16. OTHER BORROWINGS (INCLUDING HYBRID DEBT LIKE FOREIGN CURRENCY CONVERTIBLE BONDS ("FCCBs"), OPTIONALLY CONVERTIBLE BONDS/ DEBENTURES/ PREFERENCE SHARES)

(as on September 30, 2012)

Party's Name (in case of facility)/ Instrument Name	Type of Facility/ Instrument	Amount Sanctioned/ Issued (Rs. in crore)	Principal Amount outstanding (Rs. in crore)	Repayment date/ schedule	Credit rating	Secured / unsecured	Security
The Issuer has not issued any hybrid debt like Foreign Currency Convertible Bonds ("FCCBs"), Optionally Convertible Bonds/ Debentures/ Preference Shares etc.							

**17. SERVICING BEHAVIOR ON EXISTING DEBT SECURITIES, DEFAULT(S) AND/OR DELAY(S) IN PAYMENTS OF INTEREST AND PRINCIPAL OF ANY KIND OF TERM LOANS, DEBT SECURITIES AND OTHER FINANCIAL INDEBTEDNESS INCLUDING CORPORATE GUARANTEE ISSUED BY THE ISSUER, IN THE PAST 5 YEARS**

- a. The main constituents of the Issuer's borrowings are generally in the form of loans from banks and financial institutions, assistance from multilateral and bilateral financing agencies, bonds, debentures etc.
- b. The Issuer has been servicing all its principal and interest liabilities on time and there has been no instance of delay or default since inception.
- c. The Issuer has neither defaulted in repayment/ redemption of any of its borrowings nor affected any kind of roll over against any of its borrowings in the past.
- d. The Issuer has not defaulted in any of its payment obligations arising out of any corporate guarantee issued by it to any counterparty including its subsidiaries, joint venture entities, group companies etc in the past.

**18. OUTSTANDING BORROWINGS/ DEBT SECURITIES ISSUED FOR CONSIDERATION OTHER THAN CASH, WHETHER IN WHOLE OR PART, AT A PREMIUM OR DISCOUNT, OR IN PURSUANCE OF AN OPTION**

The Issuer confirms that other than and to the extent mentioned elsewhere in this Disclosure Document, it has not issued any debt securities or agreed to issue any debt securities or availed any borrowings for a consideration other than cash, whether in whole or in part, at a premium or discount or in pursuance of an option since inception.

**19. AUDITED CONSOLIDATED AND STANDALONE FINANCIAL INFORMATION OF THE ISSUER**

Annexed as Annexure-F1

**20. LATEST AUDITED QUARTERLY CONSOLIDATED AND STANDALONE FINANCIAL INFORMATION OF THE ISSUER**

Annexed as Annexure-F-1

**21. MATERIAL EVENT, DEVELOPMENT OR CHANGE AT THE TIME OF ISSUE**

The Issuer hereby confirms that there has been no material event, development or change having implications on the financials/ credit quality of the Issuer (e.g. any material regulatory proceedings against the Issuer/ promoters of the Issuer, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of Issue which may affect the Issue or the investor's decision to invest/ continue to invest in the debt securities of the Issuer.

## VIII. SUMMARY TERM SHEET

Issuer	India Infrastructure Finance Company Limited (“IIFCL”/ the “Company”/ the “Issuer”)	
Aggregate Issue Size	Rs. 632.30 crore	
Option to retain oversubscription	Nil	
Issuer’s preference for Bond Series	There are two independent Bond Series under the current issue i.e. Series V-B with 15 year maturity and Series V-C with 20 year maturity	
Objects of the Issue	Augmenting long-term resources of IIFCL for carrying out its infrastructure financing activities. IIFCL shall deploy proceeds of the Issue on its own balance sheet and shall not facilitate resource requirements of its group entities/ parent company/ associates	
Instrument	Tax Free Secured Redeemable Non-Convertible Bonds in the nature of Debentures having tax benefits under section 10 (15) (iv) (h) of The Income Tax Act, 1961, as amended (“Bonds”)	
Issuance Mode	In demat mode only	
Trading Mode	In demat mode only	
Credit Rating	“[ICRA] AAA/Outlook Stable” by ICRA, “CARE AAA” by CARE and “BWR AAA (Outlook: Stable)” by BRICKWORK	
Seniority	Senior and Unsubordinated	
Mode of Issue	Private Placement	
Security	<p>The Bonds are secured by way of first pari passu charge on the book debts of the Issuer, pursuant to the terms of the Deed of Hypothecation (“Deed of Hypothecation”) with a minimum security cover of one time of the aggregate face value amount of Bonds outstanding at all times.</p> <p>The Issuer undertakes that it shall obtain permission/ consent from the earlier creditor(s) to create pari passu charge and execute the necessary documents for creation of the charge, including the Deed of Hypothecation, within time frame prescribed in the relevant regulations/ act/ rules etc and submit with BSE within five working days of execution of the same for uploading on its website. The creation of such security shall be sufficient compliance of the Issuer’s obligation to create security.</p>	
Bond Series	Series V-B	Series V-C
Security Name	8.26%-IIFCL-TF-2028	8.19%-IIFCL-TF-2033
Issue Size	Rs. 630.30 crore	Rs. 2.00 crore
Face Value	Rs. 10 lakhs per Bond	Rs. 10 lakhs per Bond
Premium on issue	01 paisa to 05 paisa per Rs. 100/-	02 paisa per Rs. 100/-
Discount on issue	Nil	Nil
Issue Price	In the range of Rs. 100.01 to Rs. 100.05 per Rs. 100/-	Rs. 100.02 per Rs. 100/-
Premium/ Discount on redemption	Nil	Nil
Redemption Amount	At par (Rs. 10 lakhs) per Bond	At par (Rs. 10 lakhs) per Bond
Minimum Application	10 Bonds and in multiples of 1 Bond thereafter	10 Bonds and in multiples of 1 Bond thereafter
Tenor	15 Years from the Deemed Date of Allotment	20 Years from the Deemed Date of Allotment
Put & Call Option	None	None
Put Option Price	Not applicable	Not applicable
Put Option Date	Not applicable	Not applicable
Put Notification Time	Not applicable	Not applicable
Call Option Price	Not applicable	Not applicable
Call Option Date	Not applicable	Not applicable
Call Notification Time	Not applicable	Not applicable

Redemption/ Maturity	At par at the end of 15 Years from the Deemed Date of Allotment	At par at the end of 20 Years from the Deemed Date of Allotment
Redemption Date	August 23, 2028	August 23, 2033
Coupon Rate	8.26% p.a.	8.19% p.a.
Step Up/ Step Down Coupon Rate	None	None
Coupon Payment Frequency	Annual	Annual
Coupon Payment Dates	Annually on August 23, of each year till maturity of Bonds	Annually on August 23, of each year till maturity of Bonds
Coupon Type	Fixed	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc)	None	None
Day Count Basis	Actual/ Actual Interest shall be computed on an "actual/actual basis". Where the interest period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis	
Interest on Application Money	Interest at the respective Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Bonds for the period starting from and including the date of realization of application money in Issuer's Bank Account upto one day prior to the Deemed Date of Allotment	
Listing	Proposed on the Wholesale Debt Market (WDM) Segment of BSE Limited ("BSE")	
Trustees	IL&FS Trust Company Limited	
Depository	National Securities Depository Limited and Central Depository Services (India) Limited	
Registrars	Karvy Computershare Private Limited	
Settlement	Payment of interest and repayment of principal shall be made by way of cheque(s)/ interest/ redemption warrant(s)/ demand draft(s)/ credit through direct credit/ NECS/ RTGS/ NEFT mechanism	
Business Day Convention	'Business Day' shall be a day on which commercial banks are open for business in the city of New Delhi. If any Coupon Payment Date falls on a day which is not a Business Day, then payment of interest will be made on next business day without liability for making payment of interest for the delayed period. In case the 'Put/ Call Option Due Date' and/or the 'Redemption Date' falls on a day which is not a Business Day, the payment due shall be made on the next 'Business Day' together with additional interest for the intervening period.	
Record Date	15 days prior to each Coupon Payment Date and Put/ Call Option Due Date and Redemption Date	
Mode of Subscription	Applicants may make remittance of application money through either of following two modes:	
	(i) Cheque(s)/ demand draft(s)/ bank funds transfer may be drawn in favour of "IIFCL TAX-FREE BONDS PP 2013-14" and marked "A/c Payee Only" payable at par at any of the CBS branches of the Collecting Bankers to the Issue as per details given hereunder:	
	Name of Collecting Banker	ICICI Bank Limited
	Credit into Current A/c No.	000405103553

	(ii)	Electronic transfer of funds through RTGS mechanism for credit as per details given hereunder:
		Name of the Collecting Banker   ICICI Bank Limited
		Account Name   IIFCL TAX-FREE BONDS PP 2013-14
		Credit into Current A/c No.   000405103553
		IFSC Code   ICIC0000004
		Address of the Branch   ICICI Bank Ltd, 215, Free Press House, Free Press Marg, Nariman Point, Mumbai - 400021
		Narration   Application Money for Bond Issue
Eligible Investors	i.	Qualified Institutional Buyers ("QIBs")
		Mutual Funds registered with SEBI; Public Financial Institutions as defined in section 4A of the Companies Act, 1956; Scheduled Commercial Banks; State Industrial Development Corporations; Insurance Companies registered with the Insurance Regulatory and Development Authority; Provident Funds with minimum corpus of Rs. 25 crore; Pension Funds with minimum corpus of Rs. 25 crore; National Investment Funds set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and Insurance Funds set up and managed by army, navy or air force of the Union of India.
	ii	Corporates
		Companies; Bodies Corporate including Statutory Corporations, Trusts, partnership firms, Limited liability partnerships, Cooperative Banks, Regional Rural Banks and other legal entities, subject to compliance with their respective applicable legislations.
Non-Eligible classes of Investors		Venture Capital Funds; Foreign Venture Capital investors registered with SEBI; Foreign Institutional Investors and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI; Multilateral and Bilateral Development Financial Institutions; Qualified Foreign Investors; Foreign Nationals; Non-Resident Indians; Minors without a guardian name; Persons resident outside India; Overseas Corporate Bodies, Person ineligible to contract under applicable statutory/regulatory requirements, Resident Individual Investors/ Hindu Undivided Families (through Karta)
Transaction Documents		<p>The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue:</p> <ol style="list-style-type: none"> <li>1. Letter appointing Trustees to the Bondholders;</li> <li>2. Debenture Trusteeship Agreement;</li> <li>3. Deed of Hypothecation;</li> <li>4. Rating Agreement with ICRA;</li> <li>5. Rating Agreement with CARE;</li> <li>6. Rating Agreement with BRICKWORK;</li> <li>7. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Bonds in dematerialized form;</li> <li>8. Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form;</li> <li>9. Letter appointing Registrar and MoU entered into between the Issuer and the Registrar;</li> <li>10. Application made to BSE for seeking its in-principle approval for listing of Bonds;</li> <li>11. Listing Agreement with BSE;</li> <li>12. Letters appointing Arrangers to the Issue.</li> </ol>
Conditions precedent to subscription of Bonds		<p>The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following:</p> <ol style="list-style-type: none"> <li>1. Rating letter(s) from the aforesaid rating agency(ies) not being more than one month old from the issue opening date;</li> <li>2. Letter from the Trustees conveying their consent to act as Trustees for the Bondholder(s);</li> <li>3. Application to BSE for seeking its in-principle approval for listing of Bonds.</li> </ol>

Conditions subsequent to subscription of Bonds	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Disclosure Document:</p> <ol style="list-style-type: none"> <li>1. Credit of demat account(s) of the allottee(s) by number of Bonds allotted within 2 working days from the Deemed Date of Allotment;</li> <li>2. Making listing application to BSE within 15 days from the Deemed Date of Allotment of Bonds and seeking listing permission within 20 days from the Deemed Date of Allotment of Bonds in pursuance of SEBI Debt Regulations;</li> <li>3. Execution of Deed of Hypothecation for creation of security within time frame prescribed in the relevant regulations/ act/ rules etc and submit with BSE within 5 working days of execution of the same for uploading on its website in pursuance of SEBI Debt Regulations.</li> </ol> <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Disclosure Document.</p>
Events of Default	If the Issuer commits a default in making payment of any installment of interest or repayment of principal amount of the Bonds on the respective due date(s), the same shall constitute an "Event of Default" by the Issuer.
Remedies	Upon the occurrence of any of the Events of Default, the Trustees shall on instructions from majority Bondholder(s), declare the amounts outstanding to be due and payable forthwith and the security created under the security documents shall become enforceable, and the Trustees shall have the right to enforce any security created pursuant to the security documents towards repayment of the amounts outstanding and/or exercise such other rights as the Trustees may deem fit under the applicable laws.
Cross Default	Not Applicable
Role and Responsibilities of Trustees	<p>The Trustees shall protect the interest of the Bondholders in the event of default by the Issuer in regard to timely payment of interest and repayment of principal and shall take necessary action at the cost of the Issuer. No Bondholder shall be entitled to proceed directly against the Issuer unless the Trustees, having become so bound to proceed, fail to do so.</p> <p>The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Bond/ Debenture Trusteeship Agreement, the Bond/ Debenture Trust Deed, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.</p> <p>The Trustees shall ensure disclosure of all material events on an ongoing basis and shall supervise the implementation of the conditions regarding creation of security for the Bonds and Debenture/ Bond Redemption Reserve.</p> <p>The Issuer shall, till the redemption of Bonds, submit its latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information such as Statement of Profit &amp; Loss, Balance Sheet and Cash Flow Statement and auditor qualifications, if any, to the Trustees within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended. Besides, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustees and the Trustees shall be obliged to share the details so submitted with all 'Qualified Institutional Buyers' (QIBs) and other existing Bondholder(s) within two working days of their specific request.</p>
Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of district courts of New Delhi
Additional Covenants	<ol style="list-style-type: none"> <li>1. <b>Security Creation:</b> The Issuer undertakes that it shall obtain permission/ consent from the earlier creditor(s) to create pari passu charge and execute the necessary documents for creation of the charge, including the Deed of Hypothecation, within time frame prescribed in the relevant regulations/ act/ rules etc and submit with BSE within five working days of execution of the same for uploading on its website.</li> <li>2. <b>Listing:</b> The Issuer shall complete all the formalities and seek listing permission within 20 days from the Deemed Date of Allotment.</li> </ol>

Issue Opening Date*	August 23, 2013
Book Closing Date*	August 23, 2013
Pay-in Date *	August 23, 2013
Deemed Date of Allotment *	August 23, 2013

\* The Issuer reserves its sole and absolute right to modify (pre-pone/ postpone) the above issue schedule without giving any reasons or prior notice. In such a case, investors shall be intimated about the revised time schedule by the Issuer. The Issuer also reserves the right to keep multiple Deemed Date(s) of Allotment at its sole and absolute discretion without any notice. In case if the Issue Closing Date/ Pay in Dates is/are changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre-poned/ postponed) by the Issuer at its sole and absolute discretion. Consequent to change in Deemed Date of Allotment, the Coupon Payment Dates and/or Redemption Date may also be changed at the sole and absolute discretion of the Issuer.



**IX. TERMS OF OFFER (DETAILS OF DEBT SECURITIES PROPOSED TO BE ISSUED, MODE OF ISSUANCE, ISSUE SIZE, UTILIZATION OF ISSUE PROCEEDS, STOCK EXCHANGES WHERE SECURITIES ARE PROPOSED TO BE LISTED, REDEMPTION AMOUNT, PERIOD OF MATURITY, YIELD ON REDEMPTION, DISCOUNT AT WHICH OFFER IS MADE AND EFFECTIVE YIELD FOR INVESTOR)**

**PRIVATE PLACEMENT OF TAX FREE SECURED REDEEMABLE NON CONVERTIBLE BONDS OF FACE VALUE OF RS.10,00,000/- EACH IN THE NATURE OF DEBENTURES HAVING TAX BENEFITS UNDER SECTION 10 (15) (iv) (h) OF THE INCOME TAX ACT, 1961, AS AMENDED (“BONDS”) FOR AN AMOUNT AGGREGATING RS. 632.30 CRORE BY INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED (“IIFCL” OR THE “ISSUER” OR THE “COMPANY”)**

**1. ISSUE SIZE**

India Infrastructure Finance Company Limited (“IIFCL” or the “Issuer” or the “Company”) proposes to raise Rs. 632.30 crore through issue of Tax Free Secured Redeemable Non-Convertible Bonds in the nature of Debentures of face value of Rs. 10 lakhs each (“Bonds”) (the “Issue”).

**2. ELIGIBILITY TO COME OUT WITH THE ISSUE**

The Issuer or the person in control of the Issuer, or its promoter, has not been restrained or prohibited or debarred by SEBI/ any other Government authority from accessing the securities market or dealing in securities and such direction or order is in force.

**3. REGISTRATION AND GOVERNMENT APPROVALS**

This present issue of Bonds is being made in accordance with Notification No. 61/2013/F. No.178/37/2013-(ITA.I) dated August 08, 2013 issued by the Central Board of Direct Taxes (“CBDT”), Department of Revenue, Ministry of Finance, Government of India. IIFCL can undertake the activities proposed by it in view of the present approvals and no further approval from any government authority(ies) is required by IIFCL to undertake the proposed activities save and except those approvals which may be required to be taken in the normal course of business from time to time.

**4. AUTHORITY FOR THE ISSUE**

The present Issue is being made pursuant to Articles of Associations of IIFCL. The Board of Directors of IIFCL has in its 63rd meeting held on June 26, 2013, passed the resolution approving the Issue and provided delegation thereunder. Central Board of Direct Taxes (“CBDT”), Department of Revenue, Ministry of Finance, Government of India has vide Notification No. 61/2013/F. No.178/37/2013-(ITA.I) dated August 08, 2013, notified the current issue of Bonds with tax benefits under section 10 (15) (iv) (h) of the Income Tax Act, 1961 (43 of 1961). The proposed Bond Issue is within the overall borrowing limit approved in the Annual General Meeting of the shareholders of IIFCL held on August 05, 2009

**5. OBJECTS OF THE ISSUE**

The funds raised through this Issue will be utilized for augmenting long-term resources of IIFCL for carrying out its infrastructure financing activities. IIFCL shall deploy proceeds of the Issue on its own balance sheet and shall not facilitate resource requirements of its group entities/ parent company/ associates. The Company has achieved sustained growth in its asset base over the past few years and expects the trend to continue.

The main object clause of IIFCL as contained in its Memorandum of Association and Articles of Association enables IIFCL to undertake the activities for which the funds are being raised in the present Issue. Also, the main objects of IIFCL as contained therein, adequately cover its existing and proposed activities. The funds raised by way of the Issue will be utilized for various operations of IIFCL.

IIFCL undertakes that proceeds of the present Issue shall not be used for any purpose which may be in contravention of the regulations/ guidelines/ norms issued by the RBI/ SEBI/ RoC/ Stock Exchange(s).

## 6. UTILISATION OF ISSUE PROCEEDS

The funds being raised by the Issuer through present issue of Bonds are not meant for financing any particular project. The Issuer shall utilise the proceeds of the Issue for its regular business activities and other associated business objectives such as discharging existing debt obligations which were generally undertaken for business operations. The Issuer is subject to a number of regulatory checks and balances as stipulated in its regulatory environment. The Issuer is a Government of India undertaking under the administrative control of Ministry of Finance, Government of India and is managed by professionals under the supervision of the Board of Directors. The management of the Issuer shall ensure that the funds raised via the present Issue shall be utilized only towards satisfactory fulfilment of the Objects of the Issue.

The Issuer undertakes that proceeds of the present Issue shall not be used for any purpose which may be in contravention of the regulations/ guidelines/ norms issued by the RBI/ SEBI/ RoC/ Stock Exchange(s).

In accordance with the SEBI Debt Regulations, the Issuer undertakes that it shall not utilise the proceeds of the Issue for providing loan to or acquisition of shares of any person who is part of the same group or who is under the same management. However, the Issuer is a public sector enterprise and, as such, it does not have any identifiable 'Group Companies' or 'Companies under the same Management'. The Issue proceeds shall not be utilised towards full or part consideration for the purchase or any acquisition, including by way of a lease, of any property.

Further, the Issuer undertakes that Issue proceeds from the present issue of Bonds allotted to banks shall not be used for any purpose which may be in contravention of the RBI guidelines on bank financing to NBFCs including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI regulations.

The main objects clause of the Memorandum of Association of the Issuer permits it to undertake its existing activities as well as the activities for which the funds are being raised through the present Bond Issue.

## 7. MINIMUM SUBSCRIPTION

In terms of the SEBI Debt Regulations, the issuer may decide the amount of minimum subscription which it seeks to raise by issue of Bonds and disclose the same in the offer document. The Issuer has decided not to stipulate any minimum subscription for the present Issue and therefore the Issuer shall not be liable to refund the issue subscription(s)/ proceed(s) in the event of the total issue collection falling short of issue size or certain percentage of issue size.

## 8. UNDERWRITING

The present Issue of Bonds is not underwritten.

## 9. NATURE OF BONDS

The Bonds are to be issued in the form of Tax Free Secured Redeemable Non Convertible Bonds in the nature of Debentures having tax benefits under section 10 (15) (iv) (h) of The Income Tax Act, 1961, as amended.

## 10. FACE VALUE, ISSUE PRICE, EFFECTIVE YIELD FOR INVESTOR

Each Bond has a face value of Rs. 10 lakhs. The Bonds are redeemable at par i.e. for Rs. 10 lakhs. However, issue price of Bonds under two different Bond Series shall be determined through book building route. The effective yield for the investors shall be determined on the basis of issue prices fixed for two different Bond Series through book building route.

## 11. SECURITY

The Bonds are secured by way of first pari passu charge on the book debts of the Issuer, pursuant to the terms of the Deed of Hypothecation ("Deed of Hypothecation") with a minimum security cover of one time of the aggregate face value amount of Bonds outstanding at all times.

The Issuer undertakes that it shall obtain permission/ consent from the earlier creditor(s) to create pari passu charge and execute the necessary documents for creation of the charge, including the Deed of Hypothecation, within time frame prescribed in the relevant regulations/ act/ rules etc and submit with BSE within five working days of execution of the same for uploading on its website. The creation of such security shall be sufficient compliance of the Issuer's obligation to create security.

**12. TERMS OF PAYMENT**

The full face value of the Bonds applied for is to be paid along with the Application Form. Investor(s) need to send in the Application Form and the cheque(s)/ demand draft(s)/ RTGS for the full issue price of Bonds allocated to them.

Face Value per Bond	Minimum Application for	Amount Payable on Application per Bond
Rs. 10 lakhs	10 Bonds and in multiples of 1 Bond thereafter	Face Value + Premium on issue decided through book building route

**13. DEEMED DATE OF ALLOTMENT**

All benefits under the Bonds including payment of interest will accrue to the Bondholders from and including August 23, 2013 which shall be the Deemed Date of Allotment. All benefits relating to the Bonds will be available to the investors from the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment. The Issuer reserves the right to keep multiple allotment date(s)/ deemed date(s) of allotment at its sole and absolute discretion without any notice. In case if the issue closing date/ pay in dates is/are changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre-poned/ postponed) by the Issuer at its sole and absolute discretion.

**14. LETTER(S) OF ALLOTMENT/ BOND CERTIFICATE(S)/ REFUND ORDER(S)/ ISSUE OF LETTER(S) OF ALLOTMENT**

The beneficiary account of the investor(s) with National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL)/ Depository Participant will be given initial credit within 2 working days from the Deemed Date of Allotment. The initial credit in the account will be akin to the Letter of Allotment. On completion of the all statutory formalities, such credit in the account will be akin to a Bond Certificate.

**15. ISSUE OF BOND CERTIFICATE(S)**

Subject to the completion of all statutory formalities within time frame prescribed in the relevant regulations/ act/ rules etc, the initial credit akin to a Letter of Allotment in the Beneficiary Account of the investor would be replaced with the number of Bonds allotted. The Bonds since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other applicable laws and rules notified in respect thereof. The Bonds shall be allotted in dematerialized form only.

**16. DEPOSITORY ARRANGEMENTS**

The Issuer has appointed Karvy Computershare Pvt. Ltd. (Address: Plot no. 17 to 24, Vithalrao, Nagar, Madhapur, Hyderabad - 500081; Tel No. (040) 23420815–820; Fax No. 91-40-23431551; E-mail: mailmanager@karvy.com) as the Registrar ("Registrar") for the present Bond Issue. The Issuer has entered into necessary depository arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization of the Bonds offered under the present Issue, in accordance with the Depositories Act, 1996 and regulations made thereunder. In this context, the Issuer has signed two tripartite agreements as under:

- Tripartite Agreement between the Issuer, National Securities Depository Limited ("NSDL") and the Registrar for dematerialization of the Bonds offered under the present Issue.
- Tripartite Agreement between the Issuer, Central Depository Services (India) Limited ("CDSL") and the Registrar for dematerialization of the Bonds offered under the present Issue.

Investors can hold the bonds only in dematerialised form and deal with the same as per the provisions of Depositories Act, 1996 as amended from time to time.

**17. PROCEDURE FOR APPLYING FOR DEMAT FACILITY**

- Applicant(s) should have/ open a Beneficiary Account with any Depository Participant of NSDL or CDSL.
- The applicant(s) must specify their beneficiary account number and depository participants ID in the relevant columns of the Application Form.

- c. If incomplete/ incorrect beneficiary account details are given in the Application Form which does not match with the details in the depository system, the allotment of Bonds shall be held in abeyance till such time satisfactory demat account details are provided by the applicant.
- d. The Bonds shall be directly credited to the Beneficiary Account as given in the Application Form and after due 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 applicant's Depository Account will be provided to the applicant by the Depository Participant of the applicant.
- e. Interest or other benefits with respect to the Bonds would be paid to those bondholders whose names appear on the list of beneficial owners given by the depositories to the Issuer 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 Issuer 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 the Issuer. On receiving such intimation, the Issuer shall pay the interest or other benefits to the beneficiaries identified, within a period of 15 days from the date of receiving such intimation.
- f. Applicants may please note that the Bonds shall be allotted and traded on the stock exchange(s) only in dematerialized form.

#### **18. FICTITIOUS APPLICATIONS**

In terms of Section 68 of the Companies Act, 1956, any person who makes, in fictitious name, any application to a body corporate for acquiring, or subscribing to, the bonds, or otherwise induced a body corporate to allot, register any transfer of bonds therein to them or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to 5 years.

#### **19. MARKET LOT**

The market lot will be one Bond ("Market Lot"). Since the Bonds are being issued only in dematerialised form, the odd lots will not arise either at the time of issuance or at the time of transfer of Bonds.

#### **20. TRADING OF BONDS**

The marketable lot for the purpose of trading of Bonds shall be 1 (one) Bond of face value of Rs. 10 lakhs each. Trading of Bonds would be permitted in demat mode only in standard denomination of Rs. 10 lakhs and such trades shall be cleared and settled in recognised stock exchange(s) subject to conditions specified by SEBI. In case of trading in Bonds which has been made over the counter, the trades shall be reported on a recognized stock exchange having a nation wide trading terminal or such other platform as may be specified by SEBI.

#### **21. MODE OF TRANSFER OF BONDS**

The Bonds shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/ CDSL/ Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Bonds held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Issuer.

Transfer of Bonds to and from NRIs/ OCBs, in case they seek to hold the Bonds and are eligible to do so, will be governed by the then prevailing guidelines of RBI.

#### **22. BASIS OF ALLOCATION / ALLOTMENT**

The issuer reserves the right to reject any/all applications at its sole discretion, without assigning any reason whatsoever.

#### **23. COMMON FORM OF TRANSFER**

The Issuer undertakes that it shall use a common form/ procedure for transfer of Bonds issued under terms of this Disclosure Document.

**24. INTEREST ON APPLICATION MONEY**

Interest at the respective yield (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Bonds.

Such interest shall be paid for the period starting from and including the date of realization of application money in Issuer's Bank Account upto one day prior to the Deemed Date of Allotment. The interest on application money will be computed as per Actual/ Actual day count convention. Such interest would be paid on all valid applications, including the refunds. Where the entire subscription amount has been refunded, the interest on application money will be paid alongwith the Refund Orders. Where an applicant is allotted lesser number of Bonds than applied for, the excess amount paid on application will be refunded to the applicant alongwith the interest on refunded money.

The interest cheque(s)/ demand draft(s) for interest on application money (alongwith Refund Orders, in case of refund of application money, if any) shall be dispatched by the Issuer within 15 days from the Deemed Date of Allotment and the relative interest warrant(s) alongwith the Refund Order(s), as the case may be, will be dispatched by registered post to the sole/ first applicant, at the sole risk of the applicant.

**25. INTEREST ON THE BONDS**

The Bonds shall carry interest at the respective Coupon Rate from, and including, the Deemed Date of Allotment up to, but excluding the respective Redemption Date, payable on the "Coupon Payment Dates", on the outstanding principal amount of Bonds till respective Redemption Date, to the holders of Bonds (the "Holders" and each, a "Holder") as of the relevant Record Date. Interest on Bonds will cease from the respective Redemption Date in all events.

If any Coupon Payment Date falls on a day which is not a business day ('Business Day' being a day on which commercial banks are open for business in the city of New Delhi), payment of interest will be made on next business day without liability for making payment of interest for the delayed period.

**26. COMPUTATION OF INTEREST**

Interest for each of the interest periods shall be computed as per Actual/ Actual day count convention on the face value amount of Bonds outstanding at the Coupon Rate rounded off to the nearest Rupee. Where the interest period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis, on the face value amount of Bonds outstanding.

**27. RECORD DATE**

The 'Record Date' for the Bonds shall be 15 days prior to each Coupon Payment Date and Redemption Date. In case of redemption of Bonds, the trading in the Bonds shall remain suspended between the Record Date and the Redemption Date. Interest payment and principal repayment shall be made to the person whose name appears as beneficiary with the Depositories as on Record Date. In the event of the Issuer not receiving any notice of transfer at least 15 days before the respective Coupon Payment Date and Redemption Date, the transferees for the Bonds shall not have any claim against the Issuer in respect of amount so paid to the registered Bondholders.

**28. TAX BENEFITS**

These bonds carry a tax free status as per Notification No. 61/2013/F. No.178/37/2013-(ITA.I) issued by Government of India, Ministry of Finance, Department of Revenue (Central Board of Direct Taxes) on August 08, 2013 (copy of said notification is enclosed elsewhere in this Disclosure Document). The interest payable on application money shall be taxable as per the prevailing income tax rates. However the bond holders are advised to also consult their own tax advisor on the tax implications of the ownership and sale of bonds, and income arising thereof. Further, the benefit under Section 10(15)(iv)(h) of the Income Tax Act, 1961 (43 of 1961), shall be available only to Bondholder(s) who have registered their name(s) and holdings with the Issuer. For further details, the potential investors may refer to the aforesaid CBDT Notification.

**29. DEDUCTION OF TAX AT SOURCE**

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source out of interest payable on application money for the Bonds. Tax exemption certificate/ declaration of non-deduction of tax at source, if applicable, on interest on application money should be submitted along with the application form. Regarding deduction of tax at source and the requisite declaration forms to be submitted, prospective investors are advised to consult their own tax consultant(s).

### 30. PUT & CALL OPTION

Neither the bondholder(s) shall have any right to exercise Put Option nor the Issuer shall have right to exercise Call Option to redeem the Bonds, in whole or in part, prior to the respective Redemption Date.

### 31. REDEMPTION

The face value of the Bonds shall be redeemed at par, on the respective Redemption Date. The Bonds will not carry any obligation, for interest or otherwise, after the Redemption Date. The Bonds shall be taken as discharged on payment of the redemption amount by the Issuer on the Redemption Date to the registered Bondholders whose name appear in the Register of Bondholders on the Record Date. Such payment will be a legal discharge of the liability of the Issuer towards the Bondholders.

In case if the Redemption Date falls on a day which is not a business day ('Business Day' being a day on which commercial banks are open for business in the city of New Delhi), then the payment due shall be made on the next business day without liability for making payment of interest for the intervening period.

### 32. ADDITIONAL COVENANTS

- a. **Security Creation:** The Issuer undertakes that it shall obtain permission/ consent from the earlier creditor(s) to create pari passu charge and execute the necessary documents for creation of the charge, including the Deed of Hypothecation, within time frame prescribed in the relevant regulations/ act/ rules etc and submit with BSE within five working days of execution of the same for uploading on its website.
- b. **Listing:** The Issuer shall complete all the formalities and seek listing permission within 20 days from the Deemed Date of Allotment

### 33. SETTLEMENT/ PAYMENT ON REDEMPTION

Payment of interest and repayment of principal shall be made by way of cheque(s)/ interest/ redemption warrant(s)/ demand draft(s)/ credit through direct credit/ NECS/ RTGS/ NEFT mechanism in the name of the Bondholders whose name appear on the List of Beneficial Owners given by Depository to the Issuer as on the Record Date.

The Bonds shall be taken as discharged on payment of the redemption amount by the Issuer on the Redemption Date to the list of Beneficial Owners as provided by NSDL/ CDSL/ Depository Participant as on Record Date. Such payment will be a legal discharge of the liability of the Issuer towards the Bondholders. On such payment being made, the Issuer shall inform NSDL/ CDSL/ Depository Participant and accordingly the account of the Bondholders with NSDL/ CDSL/ Depository Participant shall be adjusted.

The Issuer's liability to the Bondholders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due date of redemption in all events. Further the Issuer will not be liable to pay any interest or compensation from the Redemption Date. On the Issuer's dispatching/ crediting the amount to the Beneficiary(ies) as specified above in respect of the Bonds, the liability of the Issuer shall stand extinguished.

### 34. EFFECT OF HOLIDAYS

Should any of date(s) defined in the Disclosure Document, excepting the Deemed Date of Allotment, fall on a Saturday, Sunday or a Public Holiday, the next working day shall be considered as the effective date(s).

### 35. LIST OF BENEFICIAL OWNERS

The Issuer shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

### 36. SUCCESSION

In the event of the demise of the sole/first holder of the Bond(s) or the last survivor, in case of joint holders for the time being, the Issuer shall recognize the executor or administrator of the deceased Bondholder, or the holder of succession certificate or other legal representative as having title to the Bond(s). The Issuer shall not be bound to recognize such executor or administrator, unless such executor or administrator obtains probate, wherever it is necessary, or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter. The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Bond(s) standing in the name of the deceased Bondholder on production of sufficient documentary proof or indemnity.

Where a non-resident Indian becomes entitled to the Bond by way of succession, the following steps have to be complied:

- a. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the Bond was acquired by the NRI as part of the legacy left by the deceased holder.
- b. Proof that the NRI is an Indian National or is of Indian origin.

Such holding by the NRI will be on a non-repatriation basis.

### 37. WHO CAN APPLY

The following categories of investors are eligible to apply for this Issue of Bonds. However, the prospective subscribers must make their own independent evaluation and judgement regarding their eligibility to invest in the Issue.

#### i. Qualified Institutional Buyers ("QIBs")

- a. Mutual funds registered with SEBI;
- b. Public Financial Institutions as defined in section 4A of the Companies Act, 1956;
- c. Scheduled Commercial Banks;
- d. State Industrial Development Corporations;
- e. Insurance Companies registered with the Insurance Regulatory and Development Authority;
- f. Provident funds with minimum corpus of Rs. 25 crore;
- g. Pension funds with minimum corpus of Rs. 25 crore;
- h. National Investment Funds set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and
- i. Insurance Funds set up and managed by army, navy or air force of the Union of India.

#### ii. Corporates and Non-Institutional Investors

- a. Companies;
- b. Bodies Corporate;
- c. Statutory Corporations;
- d. Trusts;
- e. Partnership Firms;
- f. Limited Liability Partnerships;
- g. Cooperative Banks;
- h. Regional Rural Banks and other legal entities, subject to compliance with their respective applicable legislations.

All investors are required to comply with the relevant regulations/ guidelines applicable to them for investing in the issue of Bonds as per the norms approved by Government of India, Reserve Bank of India or any other statutory body from time to time.

However, out of the aforesaid class of investors eligible to invest, this Disclosure Document is intended solely for the use of the person to whom it has been sent by the Issuer for the purpose of evaluating a possible investment opportunity by the recipient(s) in respect of the securities offered herein, and it is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective investor receiving this Disclosure Document from the Issuer).

### 38. WHO ARE NOT ELIGIBLE TO APPLY FOR BONDS

This Issue is not being offered to the following categories of investors and any application from such investors will be deemed an invalid application and rejected:

- a. Venture Capital Funds;
- b. Foreign Venture Capital investors registered with SEBI;
- c. Foreign Institutional Investors and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI;
- d. Multilateral and Bilateral Development Financial Institutions;
- e. Qualified Foreign Investors;
- f. Foreign Nationals;
- g. Non-Resident Indians;
- h. Minors without a guardian name;
- i. Persons resident outside India
- j. Overseas Corporate Bodies
- k. Sovereign Wealth Funds (SWFs)
- l. Person ineligible to contract under applicable statutory/ regulatory requirements and;
- m. Resident Individual Investors/ Hindu Undivided Families (through Karta)

### 39. DOCUMENTS TO BE PROVIDED BY INVESTORS

Investors need to submit the certified true copies of the following documents, along-with the Application Form, as applicable:

- Memorandum and Articles of Association/ Constitution/ Bye-laws/ Trust Deed;
- Board Resolution authorizing the investment and containing operating instructions;
- Power of Attorney/ relevant resolution/ authority to make application;
- Specimen signatures of the authorized signatories (ink signed), duly certified by an appropriate authority;
- Government Notification (in case of Primary Co-operative Bank and RRBs);
- Copy of Permanent Account Number Card ("PAN Card") issued by the Income Tax Department;
- Copy of a cancelled cheque for ECS payments;
- Necessary forms for claiming exemption from deduction of tax at source on interest on application money, wherever applicable.

### 40. HOW TO APPLY

This Disclosure Document 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 issued by the Company. The document is for the exclusive use of the institution(s) to whom it is delivered and it should not be circulated/ distributed to third parties. This being a private placement Issue, the eligible investors who have been addressed through this communication directly, only are eligible to apply. Applications for the Bonds must be in the prescribed form and completed in BLOCK LETTERS in English and as per the instructions contained therein.

Applications complete in all respects must be submitted before the last date indicated in the issue time table or such extended time as decided by the Issuer, at any of the designated collection centres, accompanied by the application money by way of cheque(s)/ demand draft(s) drawn on any bank including a co-operative bank which is situated at and is a member of the Bankers' clearing house located at a place where the application form is submitted. The original Applications Forms (along with all necessary documents as detailed in this Disclosure Document), pay-in slip and other necessary documents should be sent to the Registered Office of the Issuer through respective Arrangers on the same day.

Outstation cheque(s)/ demand draft(s) drawn on bank(s) not participating in the clearing process at the designated clearing centres will not be accepted. Money orders/ postal orders will also not be accepted. Investors in centres, which do not have any bank, including a co-operative bank, which is a member or sub member of the banker's clearing house located at the specified centres would be required to make payment only through demand draft payable at any one of the specified centres. The Issuer assumes no responsibility for any applications/ cheques/ demand drafts lost in mail. All cheques/ demand drafts should be in favour of "IIFCL Taxfree Bonds PP 2013" and crossed "Account Payee only". The entire amount of issue price per Bond is (Face Value + Premium) is payable on application.



Applicants may make remittance of application money by way of electronic transfer of funds through Cheque(s)/ demand draft(s)/RTGS/ fund transfer for credit of account as per details given hereunder:

(i)	Cheque(s)/ demand draft(s)/ bank funds transfer may be drawn in favour of <b>“IIFCL TAX-FREE BONDS PP 2013-14”</b> and marked <b>“A/c Payee Only”</b> payable at par at any of the CBS branches of the Collecting Bankers to the Issue as per details given hereunder:	
	Name of Collecting Banker	ICICI Bank Limited
	Credit into Current A/c No.	000405103553
(ii)	Electronic transfer of funds through RTGS mechanism for credit as per details given hereunder:	
	Name of the Collecting Banker	ICICI Bank Limited
	Account Name	IIFCL TAX-FREE BONDS PP 2013-14
	Credit into Current A/c No.	000405103553
	IFSC Code	ICIC0000004
	Address of the Branch	ICICI Bank Ltd, 215, Free Press House, Free Press Marg, Nariman Point, Mumbai - 400021
	Narration	Application Money for Bond Issue

Applications should be for the number of Bonds applied by the Applicant. Applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be filled in the Application Form. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/ redemption warrants.

The applicant or in the case of an application in joint names, each of the applicant, should mention his/her Permanent Account Number (PAN) allotted under the Income-Tax Act, 1961 or where the same has not been allotted, the GIR No. and the Income tax Circle/Ward/District. As per the provision of Section 139A (5A) of the Income Tax Act, PAN/GIR No. needs to be mentioned on the TDS certificates. Hence, the investor should mention his PAN/GIR No. In case neither the PAN nor the GIR Number has been allotted, the applicant shall mention “Applied for” and in case the applicant is not assessed to income tax, the applicant shall mention ‘Not Applicable’ (stating reasons for non applicability) in the appropriate box provided for the purpose. Application Forms without this information will be considered incomplete and are liable to be rejected.

All applicants are requested to tick the relevant column “Category of Investor” in the Application Form. Public/ Private/ Religious/ Charitable Trusts, Provident Funds and Other Superannuation Trusts and other investors requiring “approved security” status for making investments.

***For further instructions about how to make an application for applying for the Bonds and procedure for remittance of application money, please refer to the Summary Term Sheet and the Application Form.***

#### **41. FORCE MAJEURE**

The Issuer reserves the right to withdraw the issue prior to the Issue Closing Date in the event of any unforeseen development adversely affecting the economic and regulatory environment.

#### **42. APPLICATIONS UNDER POWER OF ATTORNEY**

A certified true copy of the power of attorney or the relevant authority as the case may be alongwith the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/ document, if any, must be lodged alongwith the submission of the completed Application Form. Further modifications/ additions in the power of attorney or authority should be notified to the Issuer or to the Registrars or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

#### **43. APPLICATION BY MUTUAL FUNDS**

In case of applications by Mutual Funds, a separate application must be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such applications will not be treated as multiple applications, provided that the application made by the Asset Management Company/ Trustees/ Custodian clearly indicate their intention as to the scheme for which the application has been made.

**44. ACKNOWLEDGEMENTS**

No separate receipts will be issued for the application money. However, the Arrangers to the Issue 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.

**45. RIGHT TO ACCEPT OR REJECT APPLICATIONS**

The Issuer reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. Interest on application money will be paid from the date of realization of the cheque(s)/ demand drafts(s) till one day prior to the date of refund. The application forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- a. Number of bonds applied for is less than the minimum application size;
- b. Applications exceeding the issue size;
- c. Bank account details not given;
- d. Details for issue of Bonds in electronic/ dematerialized form not given;
- e. PAN/GIR and IT Circle/Ward/District not given;
- f. In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;

In the event, if any Bond(s) applied for is/ are not allotted in full, the excess application monies of such Bonds will be refunded, as may be permitted.

**46. PAN/GIR NUMBER**

All applicants should mention their Permanent Account Number or the GIR Number allotted under Income Tax Act, 1961 and the Income Tax Circle/ Ward/ District. In case where neither the PAN nor the GIR Number has been allotted, the fact of such a non-allotment should be mentioned in the Application Form in the space provided.

**47. SIGNATURES**

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of a Bank or by a Magistrate/ Notary Public under his/her official seal.

**48. NOMINATION FACILITY**

As per Section 109 A of the Companies Act, 1956, only individuals applying as sole applicant/Joint Applicant can nominate, in the prescribed manner, a person to whom his Bonds shall vest in the event of his death. Non-individuals including holders of Power of Attorney cannot nominate.

**49. RIGHT OF BONDHOLDER(S)**

Bondholder is not a shareholder. The Bondholders will not be entitled to any other rights and privilege of shareholders other than those available to them under statutory requirements. The Bond(s) shall not confer upon the holders the right to receive notice, or to attend and vote at the General Meeting of the Issuer. The principal amount and interest on the Bonds will be paid to the registered Bondholders only, and in case of Joint holders, to the one whose name stands first.

Besides the above, the Bonds shall be subject to the provisions of the Companies Act, 1956, the Articles of Association of the Issuer, the terms of this bond issue and the other terms and conditions as may be incorporated in the Debenture Trust Deed and other documents that may be executed in respect of these Bonds.

**50. MODIFICATION OF RIGHTS**

The rights, privileges, terms and conditions attached to the Bonds may be varied, modified or abrogated with the consent, in writing, of those holders of the Bonds who hold at least three fourth of the outstanding amount of the Bonds or with the sanction accorded pursuant to a resolution passed at a meeting of the Bondholders, provided that nothing in such consent or resolution shall be operative against the Issuer where such consent or resolution modifies or varies the terms and conditions of the Bonds, if the same are not acceptable to the Issuer.

**51. FUTURE BORROWINGS**

The Issuer shall be entitled to borrow/ raise loans or avail of financial assistance in whatever form as also issue Bonds/ Debentures/ Notes/ other securities in any manner with ranking as pari-passu basis or otherwise and to change its capital structure, including issue of shares of any class or redemption or reduction of any class of paid up capital, on such terms and conditions as the Issuer may think appropriate, without the consent of, or intimation to, the Bondholder(s) or the Trustees in this connection.

**52. BOND/ DEBENTURE REDEMPTION RESERVE (“DRR”)**

As per clarification issued by the Department of Company Affairs, Govt. of India vide no.6/3/2001-CL.V dated 18.4.2002, DRR is not required to be created in the case of privately placed debentures issued by NBFCs registered with the RBI under section 45-IA of the RBI (Amendment) Act, 1997. IIFCL being a financial institution has been raising resources from domestic market, which are being utilized for carrying out its infrastructure financing activities. The Bonds shall be Tax Free Secured Redeemable Non-Convertible in nature of Debentures. IIFCL has appointed a trustee to protect the interest of the investors.

**53. NOTICES**

All notices required to be given by the Issuer or by the Trustees to the Bondholders shall be deemed to have been given if sent by ordinary post/ courier to the original sole/ first allottees of the Bonds and/ or if published in one All India English daily newspaper and one regional language newspaper.

All notices required to be given by the Bondholder(s), including notices referred to under “Payment of Interest” and “Payment on Redemption” shall be sent by registered post or by hand delivery to the Issuer or to such persons at such address as may be notified by the Issuer from time to time.

**54. JOINT-HOLDERS**

Where two or more persons are holders of any Bond(s), they shall be deemed to hold the same as joint tenants with benefits of survivorship subject to provisions contained in the Companies Act, 1956.

**55. DISPUTES & GOVERNING LAW**

The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of district courts of New Delhi.

**56. INVESTOR RELATIONS AND GRIEVANCE REDRESSAL**

Arrangements have been made to redress investor grievances expeditiously as far as possible, the Issuer endeavours to resolve the investor's grievances within 30 days of its receipt. All grievances related to the issue quoting the Application Number (including prefix), number of Bonds applied for, amount paid on application and details of collection centre where the Application was submitted, may be addressed to the Compliance Officer at registered office of the Issuer. All investors are hereby informed that the Issuer has appointed a Compliance Officer who may be contacted in case of any pre-issue/ post-issue related problems such as non-credit of letter(s) of allotment/ bond certificate(s) in the demat account, non-receipt of refund order(s), interest warrant(s)/ cheque(s) etc. Contact details of the Compliance Officer are given elsewhere in this Disclosure Document.

## X. CREDIT RATING FOR THE BONDS

ICRA Limited (“**ICRA**”) vide its letter no. D/RAT/2013-14/I-27/2 dated August 16, 2013 has assigned a credit rating of “[**ICRA**] **AAA/Outlook Stable**” to the long term Taxable Bonds programme of IIFCL aggregating to Rs. 11,000 crore. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. A copy of rating letter from ICRA is enclosed elsewhere in this Disclosure Document.

Credit Analysis & Research Limited (“**CARE**”) vide its letter dated August 16, 2013 has assigned a credit rating of “**CARE AAA**” to the long term Taxable Bonds programme of IIFCL aggregating to Rs. 14,058.67 crore. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. A copy of rating letter from CARE is enclosed elsewhere in this Disclosure Document.

BRICKWORK Ratings India Private Limited (“**BRICKWORK**”) vide its letter no. BWR/BNG/RL/2013-14/0132 dated August 07, 2013 has assigned a credit rating of “**BWR AAA (Outlook: Stable)**” to the long term tax free bonds amounting to Rs. 18,000 crores. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. A copy of rating letter from BRICKWORK is enclosed elsewhere in this Disclosure Document.

Other than the credit ratings mentioned hereinabove, IIFCL has not sought any other credit rating from any other credit rating agency(ies) for the Bonds offered for subscription under the terms of this Disclosure Document.

The above 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 at any time by the assigning rating agencies and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future. The rating agencies have the right to suspend, withdraw the rating at any time on the basis of new information etc.

**XI. TRUSTEES FOR THE BONDHOLDERS**

In accordance with the provisions of (i) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended, (ii) Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, as amended, (iii) Section 117B of the Companies Act, 1956 (1 of 1956) and (iv) Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Issuer has appointed IL&FS Trust Company Limited., to act as Trustees ("Trustees") for and on behalf of the holder(s) of the Bonds. The address and contact details of the Trustees are as under:

**IL&FS Trust Company Limited**

The IL&FS Financial Centre  
Plot C-22, G Block  
Bandra Kurla Complex  
Bandra (East)  
Mumbai - 400051  
Tel: +91 (22) 26533333;  
Fax: +91 (22) 26533297  
Email: itcl@ifcindia.com

A copy of letter from IL&FS Trust Company Limited conveying their consent to act as Trustees for the current issue of Bonds is enclosed elsewhere in this Disclosure Document.

The Issuer hereby undertakes that a Debenture/ Bond Deed of Hypothecation ("Deed of Hypothecation") shall be executed by it in favour of the Trustees within three months of the closure of the Issue for securing the Bonds. The Deed of Hypothecation shall contain such clauses as may be prescribed under section 117A of the Companies Act, 1956 and those mentioned in Schedule IV of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993. Further, the Deed of Hypothecation shall not contain a clause which has the effect of (i) limiting or extinguishing the obligations and liabilities of the Trustees or the Issuer in relation to any rights or interests of the holder(s) of the Bonds, (ii) limiting or restricting or waiving the provisions of the Securities and Exchange Board of India Act, 1992 (15 of 1992); Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 and circulars, regulations or guidelines issued by SEBI and (iii) indemnifying the Trustees or the Issuer for loss or damage caused by their act of negligence or commission or omission.

The Bondholder(s) 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 require to be done in the interest of the holder(s) of the Bonds. Any payment made by the Issuer to the Trustees on behalf of the Bondholder(s) shall discharge the Issuer pro tanto to the Bondholder(s). The Trustees shall protect the interest of the Bondholders in the event of default by the Issuer in regard to timely payment of interest and repayment of principal and shall take necessary action at the cost of the Issuer. No Bondholder shall be entitled to proceed directly against the Issuer unless the Trustees, having become so bound to proceed, fail to do so.

The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustees. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trusteeship Agreement, the Deed of Hypothecation, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.

The Trustees shall be vested with the requisite powers for protecting the interest of holder(s) of the Bonds including but not limited to the right to appoint a nominee director on the Board of the Issuer in consultation with institutional holders of such Bonds. The Trustees shall ensure disclosure of all material events on an ongoing basis and shall supervise the implementation of the conditions regarding creation of security for the Bonds and Bond/ Debenture Redemption Reserve.

**XII. STOCK EXCHANGES WHERE BONDS ARE PROPOSED TO BE LISTED**

The Bonds are proposed to be listed on the Wholesale Debt Market (WDM) segment of BSE Limited ("BSE"). BSE shall be the designated stock exchange for the purpose of present Issue of Bonds. The Issuer has made an application to BSE for seeking its in-principle approval for listing of Bonds offered under the terms of this Disclosure Document.

The Issuer shall make listing application to BSE and seek listing permission within 15 days of investment (i.e. Pay-in Date/ Deemed Date of Allotment). In case the Bonds issued to the SEBI registered FII's/ sub-accounts of FII's are not listed within 15 days of issuance, for any reason whatsoever, then the Issuer shall immediately redeem the Bonds to such SEBI registered FII's/ sub-accounts of FII's.

In connection with listing of Bonds with BSE, the Issuer hereby undertakes that:

- (a) it shall comply with the conditions of listing as specified in the Listing Agreement for the Bonds;
- (b) the credit rating(s) obtained for the Bonds shall be periodically reviewed by the credit rating agencies and any revision in the rating(s) shall be promptly disclosed by the Issuer to BSE;
- (c) any change in credit rating(s) shall be promptly disseminated to the Bondholder(s) in such manner as BSE may determine from time to time;
- (d) The Issuer, the Trustees and BSE shall disseminate all information and reports on the Bonds including compliance reports filed by the Issuers and the Trustees regarding the Bonds to the Bondholder(s) and the general public by placing them on their websites;
- (e) Trustees shall disclose the information to the Bondholder(s) and the general public by issuing a press release and placing on the websites of the Trustees, the Issuer and BSE, in any of the following events:
  - (i) default by Issuer to pay interest on the Bonds or redemption amount;
  - (ii) failure to create charge on the assets;
  - (iii) revision of the credit rating(s) assigned to the Bonds.
- (f) The Issuer shall, till the redemption of Bonds, submit its latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information such as Statement of Profit & Loss, Balance Sheet and Cash Flow Statement and auditor qualifications, if any, to the Trustees within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended. Besides, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustees and the Trustees shall be obliged to share the details so submitted with all Qualified Institutional Buyers ("QIBs") and other existing Bondholder(s) within two working days of their specific request.

**XIII. MATERIAL CONTRACTS & AGREEMENTS INVOLVING FINANCIAL OBLIGATIONS OF THE ISSUER**

By very nature of its business, the Issuer is involved in a large number of transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of the Issuer. However, the contracts referred to in Para A below (not being contracts entered into in the ordinary course of the business carried on by the Issuer) which are or may be deemed to be material have been entered into by the Issuer. Copies of these contracts together with the copies of documents referred to in Para B may be inspected at the Registered Office of the Issuer between 10.00 a.m. and 2.00 p.m. on any working day until the issue closing date.

**A. MATERIAL CONTRACTS**

- a. Copy of letters appointing Arrangers to the Issue.
- b. Copy of letter appointing Registrars and copy of MoU entered into between the Issuer and the Registrars.
- c. Copy of letter appointing Trustees to the Bondholders.

**B. DOCUMENTS**

- a. Notification No. 61/2013/F. No.178/37/2013-(ITA.I) dated August 08, 2013 issued by CBDT.
- b. Memorandum and Articles of Association of the Issuer as amended from time to time.
- b. Board Resolution dated June 26, 2013 authorizing issue of Bonds offered under terms of this Disclosure Document.
- c. Letter of consent from the Trustees for acting as trustees for and on behalf of the holder(s) of the Bonds.
- d. Letter of consent from the Registrars for acting as Registrars to the Issue.
- e. Application made to the BSE for grant of in-principle approval for listing of Bonds.
- f. Letter from BSE conveying their in-principle approval for listing of Bonds.
- g. Letter from ICRA conveying the credit rating for the Bonds.
- h. Letter from CARE conveying the credit rating for the Bonds.
- i. Letter from BRICKWORK conveying the credit rating for the Bonds.
- j. Tripartite Agreement between the Issuer, NSDL and Registrars for issue of Bonds in dematerialised form.
- k. Tripartite Agreement between the Issuer, CDSL and Registrars for issue of Bonds in dematerialised form.

**XIV. DECLARATION**

The Issuer undertakes that this Disclosure Document contains full disclosures in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, as amended and Central Board of Direct Taxes, notification no. 61/2013/F.No.178/37/2013-(ITA.1) dated August 08, 2013.

The Issuer also confirms that this Disclosure Document does not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading. The Disclosure Document also does not contain any false or misleading statement.

The Issuer accepts no responsibility for the statement made otherwise than in the Disclosure Document or in any other material issued by or at the instance of the Issuer and that any one placing reliance on any other source of information would be doing so at his own risk.

Signed pursuant to internal authority granted.

for **India Infrastructure Finance Company Ltd.**

  
**(Abhirup Singh)**  
**Compliance Officer**



Place: New Delhi  
Date: August 23, 2013



**GOVERNMENT OF INDIA**  
**MINISTRY OF FINANCE**  
**Department of Revenue**  
(CENTRAL BOARD OF DIRECT TAXES)

**Notification**

New Delhi the ...<sup>2<sup>nd</sup></sup> August, 2013

SO (E).- In exercise of the powers conferred by item (h) of sub-clause (iv) of clause (15) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby authorises the entities mentioned in column (2) of the following Table, to issue, during the financial year 2013-14, tax-free, secured, redeemable, non-convertible bonds, aggregating to amounts mentioned in column (3) of the said table, subject to the conditions, namely:-

1. Eligibility.- The following shall be eligible to subscribe to the bonds:-
  - (a) Retail Individual Investors (RIIs);
  - (b) Qualified Institutional Buyers (QIBs);
  - (c) Corporates.- (including statutory corporations), trusts, partnership firms, limited liability partnerships, cooperative banks, regional rural banks and other legal entities, subject to compliance with their respective applicable legislations; and
  - (d) High Networth Individuals (HNIs).
2. Tenure of bonds.- The tenure of the bonds shall be ten, fifteen or twenty years.
3. Permanent Account Number.- It shall be mandatory for the subscribers to furnish their Permanent Account Number to the issuer.
4. Rate of interest.-
  - (1) There shall be a ceiling on the coupon rates based on the reference Government security (G-sec) rate.

- (2) The reference G-sec rate shall be the average of the base yield of G-sec for equivalent maturity reported by Fixed Income Money Market and Derivative Association of India (FIMMDA) on a daily basis (working day) prevailing for two weeks ending on Friday immediately preceding the filing of the final prospectus with the Exchange or Registrar of Companies (ROC) in case of public issue and the issue opening date in case of private placement.
  - (3) The ceiling coupon rate for AAA rated issuers shall be the reference G-sec rate less 55 basis points in case of RIIs and reference G-sec rate less 80 basis points in case of other investor segments referred to at (b),(c) and (d) of paragraph 1 above.
  - (4) In case the rating of the issuer entity is AA+, the ceiling rate shall be 10 basis points above the ceiling rate for AAA rated entities as given in clause(3).
  - (5) In case the rating of the issuer entity is AA or AA-, the ceiling rate shall be 20 basis points above the ceiling rate for AAA rated entities as given in clause(3).
  - (6) These ceiling rates shall apply for annual payment of interest and in case the schedule of interest payment is altered to semi-annual, the interest rates shall be reduced by 15 basis points.
  - (7) The higher rate of interest, applicable to RIIs, shall not be available in case the bonds are transferred by RIIs to non retail investors.
5. Issue expense and brokerage.-
- (1) In the case of private placement, the total issue expense shall not exceed 0.25 per cent of the issue size and in case of public issue it shall not exceed 0.65 per cent of the issue size.
  - (2) The issue expense would include all expenses relating to the issue like brokerage, advertisement, printing, registration etc.
6. Public issue.-
- (1) At least 70 per cent of the aggregate amount of bonds issued by each entity shall be raised through public issue and the same shall not be applicable in case of entities where the aggregate amount of bonds as per column (3) of the table is less than rupees five hundred crore.
  - (2) 40 per cent of such public issue shall be earmarked for RIIs.

7. Private placement.- (1) While adopting the private placement route to issue the bonds, each entity shall adopt the book building approach except for those mentioned in subparagraph (2) except as per regulation II of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008, wherein bids shall be sought on the coupon rate subject to a ceiling specified by the entity and the allotment shall be made at the price bid.

(2) The issuers shall earmark suitable amounts within their private placement allocation for placing with Sovereign Wealth Funds, Pension and Gratuity Funds without the requirement of book building procedure:

Provided that in the event of any non response, the issuers shall be free to offer the un-subscribed amount through book building route under private placement in domestic market.

(3) The bonds shall be paid for and issued at a premium but with a fixed coupon so that the instrument can be traded under a single International Securities Identification Number (ISIN) and the yield shall be worked out based on the price quoted and then allotment shall be done for the best price (lowest yield).

(4) The ceiling rate of the interest shall either be equal to or lower than the rate mentioned in paragraph 4 above.

(5) While calling for bids, there shall be no limit on the number of arrangers who can bid for the issue.

8. Repayment of bonds.-

(1) The issuer entity shall submit a financing plan to the Ministry of Finance to demonstrate its ability to repay the borrowed funds once the repayment becomes due.

(2) The financing plan referred in sub paragraph (1) shall be submitted to the Infra-Finance Section, Infrastructure Division, Department of Economic

Affairs, Ministry of Finance, within three months of closure of the issue, duly supported by a resolution of the respective entity's Board of Directors.

9. Selection of merchant bankers.- (1) The merchant bankers shall be selected through competitive bidding process with transparent pre-qualification criteria and the final selection shall be based on evaluation of financial bids.
- (2) The benefit under section 10 of the Income-tax Act, 1961 (43 of 1961) shall be admissible only if the holder of such bonds register his name and the holding with the entity.
- (3) The issue shall be made in compliance with the public issue requirements specified in the Companies Act, 1956 (1 of 1956) and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 including *inter alia*, the filing of a prospectus with the Registrar of Companies, as applicable.

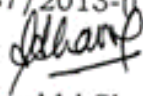
**Table**

<b>Sl. No. (1)</b>	<b>Entities (2)</b>	<b>Allocated amount of bonds (Rs. in Crore) (3)</b>
1	Cochin Ship Yard Limited(CSL)	250
2	Ennore Port Limited (EPL)	500
3	Airport Authority of India Limited(AAI)	500
4	Indian Infrastructure Finance Company Limited (IIFCL)	10000
5	Indian Renewable Energy Development Agency Limited (IREDA)	1000
6	Housing and Urban Development Corporation Limited (HUDCO)	5000
7	Rural Electrification Corporation Limited(REC)	5000
8	National Housing Bank (NHB)	3000
9	Power Finance Corporation Limited (PFC)	5000
10	Indian Railway Finance Corporation Limited (IRFC)	10000
11	National Highways Authority of India (NHAI)	5000
12	NHPC Limited (formerly known as National Hydroelectric Power Corporation Ltd.)	1000
13	NTPC Limited (formerly known as National Thermal Power Corporation)	1750

Explanation. - For the purposes of this notification, -

- (1) Qualified Institutional Buyers shall have the same meaning as assigned to them in the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000.
- (2) Retail individual Investors means those individual investors, Hindu Undivided Family (through Karta ), and Non Resident Indians (NRIs), on repatriation as well as non repatriation basis, applying for upto rupees ten lakh in each issue and individual investors investing more than rupees ten lakh shall be classified as High Networth Individuals.
- (3) The bonds issued to NRIs shall be subject to the provisions of Notification No. FEMA 4/2000-RB dated 3<sup>rd</sup> May, 2000 and Notification No. FENA 20/2000-RB dated 3<sup>rd</sup> May, 2000, issued under clause (b) of sub-section (3) of section 6 and section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), as amended from time to time.
- (4) The credit rating referred to in paragraph 4 of this notification shall mean the credit rating, as assigned by a credit rating agency which is approved by the Securities and Exchange Board of India as well as the Reserve Bank of India and where an entity has been rated differently, by more than one rating agency, the lower of the two ratings shall be considered.

[Notification No. 61/2013/F.No.178/37/2013-(TA.I)]

  
(Surabhi Sharma)

Under Secretary to the Govt. of India

To

The Manager,  
Government of India Press,  
Mayapuri,  
New Delhi-110064.



D/RAT/2013-14/I-27/2

August 16, 2013

Mr E S Rao  
Chief General Manager  
India Infrastructure Finance Company Limited  
8th Floor, Hindustan Times Building  
18 & 20 Kasturba Gandhi Marg  
New Delhi- 110011

Dear Sir,

**Re: ICRA Rating for Rs. 11,000 crore Long-term Tax free/ Taxable Bonds Programme of India Infrastructure Finance Company Limited**

This is with reference to your Email dated August 8, 2013, for re-validating your rating for the Long-term Tax free/ Taxable Bonds Programme of Rs.11,000 crore.

We confirm that the "[ICRA]AAA" rating (pronounced ICRA triple A) with a **Stable outlook**, assigned to the captioned Borrowing programme of your company and last communicated to you vide our letter dated June 26, 2013 stands. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref: D/RAT/2012-13/I-27/3 dated November 9, 2012.

With kind regards,  
For ICRA Limited

**Vibha Batra**  
Senior Vice President

**Supreeta Nijjar**  
Assistant Vice President

**Mr. Harsh Kumar Bhanwala,**  
Chairman & Managing Director  
**India Infrastructure Finance Company Ltd.**  
8th Floor, HT House,  
K.G Marg,  
New Delhi – 110 001

August 16, 2013

**Confidential**

Dear Sir,

**Credit rating for proposed long-term taxable/ tax-free bonds aggregating Rs. 14,058.67 crore**

Please refer our letters dated July 26, 2013 and August 8, 2013 and your request for revalidation of the rating assigned to the proposed long-term taxable/ tax-free bonds of India Infrastructure Finance Company Ltd. aggregating Rs. 14,058.67 crore.

2. Our rating committee has reaffirmed the rating of 'CARE AAA' [Triple A] to the proposed long-term taxable/ tax-free bonds of the company, aggregating to Rs. 14,058.67 crore. Our rating symbols for various ratings for long-term instruments and explanatory notes thereon are annexed.
3. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
4. Please arrange to get the rating revalidated, in case the proposed issue is not made within **six months** from the date of this letter.
5. Please inform us the details of issue [date of issue, name of investor, amount issued, interest rate, date of maturity, etc.] as soon as it has been placed.



3196

6. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
7. CARE reserves the right to suspend / withdraw / revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material and clarifications as may be required by CARE. CARE shall also be entitled to publicize / disseminate such suspension / withdrawal / revision in the assigned rating in any manner considered appropriate by it, without any reference to you.
8. Users of this rating may kindly refer our website [www.careratings.com](http://www.careratings.com) for latest update on the outstanding rating.
9. CARE ratings are not recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,



**Jasmeen Kaur**  
Assistant General Manager



**Jaspal Kaur**  
Deputy Manager

Encl : As above

**Disclaimer**

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.



**BWR/BNG/RL/2013-14/NS/0132**

August 07, 2013

The Chairman and Managing Director  
**India Infrastructure Finance Company Ltd.**  
8<sup>th</sup> Floor, Hindustan Times House  
18 & 20, Kasturba Gandhi Marg  
New Delhi- 110001

Dear Sir,

**Sub:** Rating of proposed long term taxable and tax free bonds of India Infrastructure Finance Company Ltd. (IIFCL) for an enhanced amount of ₹ 18,000 Crores (enhancement from ₹ 11,000 Crores rated by Brickwork Ratings vide our letter BWR/BLR/RA/2012-13/0287 dated November 08, 2012 and renewed thereafter vide our letter no. BWR/ BNG/ RL/ 2013-14/ NS/0083 dated July 02, 2013)

**Ref:** Your mandate dated August 02, 2013 to provide rating for an enhanced amount amount of ₹ 18,000 Crores from the earlier rated amount of ₹ 11,000 Crores

Thank you for the said mandate. Based on the information and clarifications provided by the Company, as well as information available in public sources, Brickwork Ratings is pleased to inform you that India Infrastructure Finance Company Ltd.'s proposed long term taxable and tax free bond issue for an enhanced amount of ₹ 18,000 Crores (being enhancement from ₹ 11,000 Crores) has been assigned **BWR AAA (Pronounced BWR Triple A) (Outlook: Stable)** rating. Instruments with this rating are considered to have the **highest degree of safety** regarding timely servicing of financial obligations. Such instruments carry **lowest credit risk**.

The rating is valid for one year from date of this letter subject to terms and conditions that were agreed in your mandate dated August 02, 2013, and other correspondence if any, our Rating advice BWR/BLR/RA/2012-13/0287 dated November 08, 2012 and BWR/ BNG/ RL/ 2013-14/ NS/0083 dated July 02, 2013 and Brickwork Ratings standard disclaimer appended below. Brickwork would conduct surveillance every year till maturity/redemption of the instruments. Please make available to us relevant information that may affect the company's finances/performances without any delay.



Brickwork Ratings India Pvt. Ltd.

Page 1 of 2

Corporate Office: 3rd Floor, Raj Alka Park, Kaleha Agrahara, Bannerghatta Road, Bengaluru - 560 076.

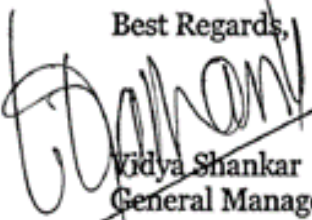
Phone: +91 80 4040 9940 • Fax: +91 80 4040 9941 • 1-860-425-2742 • [www.BrickworkRatings.com](http://www.BrickworkRatings.com) • [www.FinancialLiteracy.in](http://www.FinancialLiteracy.in)

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Please let us have your acceptance for the above rating before August 14, 2013. Please note that unless your acceptance is conveyed to us by the said date, the rating will not be valid and should not be used for any purpose whatsoever.

Best Regards,

  
Vidya Shankar  
General Manager- Ratings



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Ref: 1382

August 22, 2013



**ITCL**

IL&FS Trust Company Limited

**India Infrastructure Finance Company Limited (Company)**

HT House, 8<sup>th</sup> Floor, KG Marg,  
New Delhi - 110001

Kind Attention: Mr. S. K. Sharma, AGM

**Sub: Consent to act as Debenture Trustee for the proposed private placement issue of Tax Free Secured, Redeemable, Non-Convertible Bonds in nature of debentures (NCDs) aggregating to Rs. 100 Crores with an option to retain over subscription of upto Rs. 2400 Crores**

Dear Sir,

This is with reference to our discussion regarding appointment of IL&FS Trust Company Limited (ITCL) for the proposed private placement issue of Tax Free Secured, Redeemable, NCDs aggregating to Rs. 100 Crores with an option to retain over subscription of upto Rs. 2400 Crores which is proposed to be issued by the Company. In this regards, we do hereby give our consent to act as the Debenture Trustee subject to the Company agreeing to the following conditions.

1. The Company agrees and undertakes to create the securities wherever applicable over such of its immovable and moveable properties and on such terms and conditions as disclosed in the Information Memorandum or Disclosure Document and execute, the Debenture Trust Deed and other necessary security documents as approved by the Debenture Trustee, in any case not exceeding 3 months from date of allotment
2. The Company agrees & undertakes to pay Debenture Trustees so long as they hold the office of the Debenture Trustee, remuneration as stated in our offer letter dated August 12, 2013 for the services as Debenture Trustee in addition to all legal, travelling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other documents affecting the Security till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with
3. The Company agrees & undertakes to comply with the provisions of SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI Circular No. SEBI/IMD/DOF-1/Bond/2009/11/05 dated 11/05/2009 on Simplified Listing Agreement for Debt Securities read with the SEBI Circular No. SEBI/IMD/DOF-1/BOND/Cir-5/2009 dated the 26<sup>th</sup> November, 2009, the Companies Act, 1956 and other applicable provisions as amended from time to time and agrees to furnish to Trustees such information in terms of the same on regular basis

Sincerely,  
For IL&FS Trust Company limited

Authorized Signatory

Regd. Office : IL&FS Financial Centre, Plot No. C - 22, G Block, 5th Floor, Bandra Kurla Complex, Bandra (East), Mumbai - 400051, INDIA

Bangalore Office : IL&FS Trust Company Ltd., AL-Latheef, 1st Floor, No. 2 Union Street, Off Infantry Road, Bangalore - 560001, INDIA

New Delhi Office : IL&FS Trust Company Ltd., A-268, 1st Floor, Bhishm Pitamah Marg, Defence Colony, New Delhi - 110024, INDIA

Kolkata Office : IL&FS Trust Company Ltd., IL&FS Constantia, 3rd Floor, 11 Dr. U. N. Bramachari Street, Kolkata - 700017, INDIA

www.itclindia.com

a. STATEMENT OF ASSETS AND LIABILITIES (CONSOLIDATED)

(Rs. in lacs)

PARTICULARS	Note No.	As at 31st March 2013	As at 31st March 2012	As at 31st March 2011
<b>I EQUITY AND LIABILITIES</b>				
<b>(1) Shareholders' Funds</b>				
(a) Share capital	1	290,000.00	250,000.00	200,000.00
(b) Reserves and Surplus	2	218,675.71	140,163.37	67,044.27
<b>SUB-TOTAL (1)</b>		<b>508,675.71</b>	<b>390,163.37</b>	<b>267,044.27</b>
<b>(2) Share application money pending allotment- SUB-TOTAL (2)</b>		-	-	-
<b>(3) Non-current liabilities</b>				
(a) Long-term borrowings	3	2,300,557.87	2,428,479.61	2,098,828.78
(b) Deferred tax liabilities (Net)	4	13,025.18	6,199.19	2,570.95
(c) Other long term liabilities	5	4,284.87	132.21	52.60
(d) Long-term provisions	6	15,301.55	11,912.41	5,221.63
<b>SUB-TOTAL (3)</b>		<b>2,333,169.47</b>	<b>2,446,723.42</b>	<b>2,106,673.96</b>
<b>(4) Current liabilities</b>				
(a) Short-term borrowings	7	148,385.89	274,368.97	118,207.74
(b) Trade payables	8	1,289.09	2,602.00	1,208.55
(c) Other current liabilities	9	1,074,358.35	49,747.31	38,272.00
(d) Short-term provisions	10	1,141.82	1,574.32	1,054.14
<b>SUB-TOTAL (4)</b>		<b>1,225,175.15</b>	<b>328,292.60</b>	<b>158,742.43</b>
<b>TOTAL (1)+(2)+(3)+(4)</b>		<b>4,067,020.33</b>	<b>3,165,179.39</b>	<b>2,532,460.66</b>
<b>II ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Fixed Assets	11			
(i) Tangible assets		133.49	119.69	76.54
(ii) Intangible assets		6.36	7.28	5.34
(iii) Capital Work -in-Progress		-	-	-
(b) Non-current investments	12	29,901.45	29,376.42	21,405.45
(c) Long term loans and advances	13	2,268,952.68	2,018,720.98	1,507,176.01
(d) Other non-current assets (Deferred revenue expenditure)		-	-	-
<b>SUB-TOTAL (1)</b>		<b>2,298,993.98</b>	<b>2,048,224.37</b>	<b>1,528,663.34</b>
<b>(2) Current assets</b>				
(a) Current Investments	14	-	1,482.98	182,237.05
(b) Trade Receivables	15	367.79	570.29	-
(c) Cash and Bank Balances	16	1,166,887.14	996,344.34	755,791.17
(d) Short term loans and advances	17	528,584.52	55,380.08	29,173.10
(e) Other current assets	18	72,191.39	63,177.33	36,596.00
<b>SUB-TOTAL (2)</b>		<b>1,768,030.84</b>	<b>1,116,955.02</b>	<b>1,003,797.32</b>
<b>TOTAL (1)+(2)</b>		<b>4,067,024.82</b>	<b>3,165,179.39</b>	<b>2,532,460.66</b>
See accompanying significant accounting policies and other notes to the financial statements	24 to 29	24	25	26

b. STATEMENT OF PROFITS (CONSOLIDATED)

(Rs. in lacs)

S.NO.	PARTICULARS	Note No.	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011
I.	Revenue from operations	19	350,377.20	268,747.59	200,205.30
II.	Other Income	20	844.98	416.96	613.00
III.	Total Revenue (I+II)		351,222.18	269,164.55	200,818.30
IV.	<b>Expenses</b>				
	Finance Costs	21	192,112.32	159,645.10	147,640.93
	Employee Benefits Expense	22	1,024.07	1,040.77	552.37
	Provision for Loan Assets	24(B)(16b)	4,296.13		
	Marked to Market Losses on Derivatives	24(B)(11a)	-974.01	1455.70	1269.60
	Depreciation and amortisation expense	11	51.53	42.01	32.62
	Other Expenses	23	2,875.86	2,573.95	2,140.72
	<b>Total Expenses</b>		<b>199,385.90</b>	<b>164,757.53</b>	<b>151,636.24</b>
V.	<b>PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)</b>		<b>151,836.28</b>	<b>104,407.02</b>	<b>49,182.06</b>
VI.	<b>Exceptional Items</b>				
	Provision for Standard Loan Assets	25(B)(18b)	-	5,173.58	-
VII.	<b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI)</b>		<b>151,836.28</b>	<b>99,233.44</b>	<b>49,182.06</b>
VIII.	<b>Extraordinary Items</b>		-	-	-
IX.	<b>PROFIT BEFORE TAX (VII-VIII)</b>		<b>151,836.28</b>	<b>99,233.44</b>	<b>49,182.06</b>
X.	<b>Tax Expense:</b>				
(1)	Current Tax				
	- Current Year		(43,879.03)	(28,117.01)	(14,478.66)
	- Earlier Year		(207.97)	310.88	3.84
(2)	Deferred Tax	4			
	- Current Year		(6,825.99)	(3,472.19)	(1,657.63)
	- Earlier Year		-	(156.05)	(82.90)
XI.	<b>Profit for the year from continuing operations (IX-X)</b>		<b>100,923.29</b>	<b>67,799.07</b>	<b>32,966.71</b>
XII.	<b>Earnings per equity share (face value of ₹ 10/- each) (Not annualized)</b>				
(1)	Basic		1.85	3.28	1.70
(2)	Diluted		1.85	3.28	1.70
	See accompanying significant accounting policies and other notes to the financial statements	24 to 29	24	25	26

c. STATEMENT OF CASH FLOWS (CONSOLIDATED)

(Rs. in lacs)

PARTICULARS	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>			
(i) Net Profit before Tax	151,836.28	99,233.44	49,182.06
Adjustments for:			
(ii) Depreciation and amortisation expense	51.53	42.01	32.62
(iii) Provision/write offs	4,398.59	6,751.45	1,467.14
(iv) Provisions/ Amounts written back	(1,088.11)	(100.18)	(77.34)
(v) Profit on sale of fixed assets	-	-	(0.51)
(vi) Loss on sale of fixed assets	-	-	2.63
(vii) Unexpired gain on Interest Swaps	-	-	(417.48)
(viii) Foreign Exchange Fluctuation Loss / (Profit) on borrowings	4,207.16	1,264.49	616.19
(ix) Interest / expenses on borrowings	179,771.33	153,206.12	141,680.54
(x) Other Borrowing Costs	8,688.15	5,643.16	5,818.37
(xi) Interest on Income Tax	95.39	141.16	83.00
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>347,960.32</b>	<b>266,181.65</b>	<b>198,387.22</b>
(i) Cash Flow From Lending of Funds	(722,449.34)	(537,633.86)	(526,853.43)
(ii) Sale of/ (Addition) to Investments	1,500.00	174,654.23	324,176.07
(iii) (Increase)/decrease in Current Assets, Loans and Advances	(9,858.82)	(26,567.76)	(22,216.40)
(iv) (Increase)/decrease in Trade Receivables	202.50	(570.29)	-
(v) (Increase)/decrease in other bank balances	(156,308.43)	(260,661.93)	(134,248.52)
(vi) Increase/(decrease) in other non- current and current liabilities	3,461.73	1,372.01	1,566.80
<b>CASH FLOW FROM OPERATIONS BEFORE TAX</b>	<b>(535,492.04)</b>	<b>(383,225.95)</b>	<b>(159,188.26)</b>
Taxes paid (Net)	(44,710.00)	(27,466.78)	(15,911.28)
<b>NET CASH FROM OPERATIONS</b>	<b>(580,202.04)</b>	<b>(410,692.73)</b>	<b>(175,099.54)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>			
(i) (Purchase of )/ Sale for Fixed Assets	(261.36)	(67.87)	(30.09)
(ii) Investments in Subsidiary Company and Venture Capital Units	(1,054.48)	(2,164.62)	(645.00)
(iii) Redemption of Investments in Venture Capital Units	522.10	172.00	273.23
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(793.74)</b>	<b>(2,060.49)</b>	<b>(401.86)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>			
(i) Proceeds from Issue of Share Capital	40,000.00	50,000.00	20,000.00
(ii) Proceeds from Long term Borrowings	879,720.67	338,018.90	138,067.06
(iii) Proceeds/ (Repayment) from Short term Borrowings	(125,983.08)	156,161.23	118,207.74
(iv) Securities Premium on Bonds	9.85		
(v) Interim Dividend paid (including dividend distribution tax)	(25,700.14)		
(vi) Interest / expenses on Borrowings	(167,562.51)	(151,249.63)	(139,259.51)
(v) Other Borrowing Costs	(8,554.58)	(5,637.89)	(6,172.74)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>591,930.21</b>	<b>387,292.61</b>	<b>130,842.55</b>
<b>D EFFECT OF FOREIGN EXCHANGE TRANSLATION DIFFERENCE (NE)</b>	<b>3,295.45</b>	<b>5,351.85</b>	<b>(385.45)</b>
<b>NET CHANGE IN CASH &amp; CASH EQUIVALENT (A+B+C+D)</b>	<b>14,229.88</b>	<b>(20,108.76)</b>	<b>(45,044.30)</b>
Add: Opening Cash and Cash Equivalent	21,812.62	41,921.38	86,965.68
Closing Cash and Cash Equivalent	<b>36,042.50</b>	<b>21,812.62</b>	<b>41,921.38</b>
<b>Closing Cash and Cash Equivalent Comprises of :-</b>			
(i) Cash in hand	0.43	0.32	0.38
(ii) Balances with banks	31,730.86	3,973.39	37,937.02
(iii) Fixed Deposits with banks	15.00	14,451.71	165.20
(iv) Flexi Deposit Accounts	4,300.70	3,387.20	3,818.78
<b>TOTAL</b>	<b>36,046.99</b>	<b>21,812.62</b>	<b>41,921.38</b>

Note: Figures of previous year (s) have been re-grouped /re-arranged wherever practicable to make them comparable. Figures in bracket represents outflows.

d. STATEMENT OF ASSETS AND LIABILITIES (UNCONSOLIDATED)

(Rs. in lacs)

PARTICULARS	Note No.	As at 31st March 2013	As at 31st March 2012	As at 31st March 2011
<b>I EQUITY AND LIABILITIES</b>				
<b>(1) Shareholders' Funds</b>				
(a) Share capital	1	290,000.00	250,000.00	200,000.00
(b) Reserves and Surplus	2	196,255.71	116,807.86	58,225.10
<b>SUB-TOTAL (1)</b>		<b>486,255.71</b>	<b>366,807.86</b>	<b>258,225.10</b>
<b>(2) Share application money pending allotment- SUB-TOTAL (2)</b>		-	-	-
<b>(3) Non-current liabilities</b>				
(a) Long-term borrowings	3	1,783,859.52	2,084,196.36	1,987,203.78
(b) Deferred tax liabilities (Net)	4	13,027.59	6,199.19	2,570.39
(c) Other long term liabilities	5	112.60	132.21	52.60
(d) Long-term provisions	6	14,350.72	11,371.01	5,221.63
<b>SUB-TOTAL (3)</b>		<b>1,811,350.43</b>	<b>2,101,898.77</b>	<b>1,995,048.40</b>
<b>(4) Current liabilities</b>				
(a) Short-term borrowings	7	148,385.89	274,368.97	118,207.74
(b) Trade payables	8	181.04	113.62	298.92
(c) Other current liabilities	9	1,073,818.25	49,322.06	38,195.97
(d) Short-term provisions	10	1,118.78	200.29	747.71
<b>SUB-TOTAL (4)</b>		<b>1,223,503.96</b>	<b>324,004.94</b>	<b>157,450.34</b>
<b>TOTAL (1)+(2)+(3)+(4)</b>		<b>3,521,110.10</b>	<b>2,792,711.57</b>	<b>2,410,723.84</b>
<b>II ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Fixed Assets	11			
(i) Tangible assets		113.97	101.84	56.94
(ii) Intangible assets		6.36	7.28	5.34
(iii) Capital Work -in-Progress		-	-	-
(b) Non-current investments	12	54,579.40	52,771.22	44,800.25
(c) Long term loans and advances	13	1,892,760.68	1,803,714.65	1,414,098.04
(d) Other non-current assets (Deferred revenue expenditure)		-	-	-
<b>SUB-TOTAL (1)</b>		<b>1,947,460.41</b>	<b>1,856,594.99</b>	<b>1,458,960.57</b>
<b>(2) Current assets</b>				
(a) Current Investments	14	-	1,482.98	182,237.05
(b) Trade Receivables	15	366.67	-	-
(b) Cash and Bank Balances	16	977,894.61	817,908.50	703,808.29
(c) Short term loans and advances	17	526,463.37	53,843.84	29,168.61
(d) Other current assets	18	70,966.80	62,881.26	36,549.32
<b>SUB-TOTAL (2)</b>		<b>1,575,691.45</b>	<b>936,116.58</b>	<b>951,763.27</b>
<b>TOTAL (1)+(2)</b>		<b>3,523,151.86</b>	<b>2,792,711.57</b>	<b>2,410,723.84</b>
See accompanying significant accounting policies and other notes to the financial statements	23 to 28	23	24	25

e. STATEMENT OF PROFITS (UNCONSOLIDATED)

(Rs. in lacs)

S.NO.	PARTICULARS	Note No.	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011
I.	Revenue from operations	18	327,901.99	254,042.68	194,574.64
II.	Other Income	19	841.54	416.96	613.00
III.	<b>Total Revenue (I+II)</b>		<b>328,743.53</b>	<b>254,459.64</b>	<b>195,187.64</b>
IV.	<b>Expenses</b>				
	Finance Costs	20	187,603.08	158,305.48	146,854.50
	Employee Benefits Expense	21	380.30	902.20	442.32
	Provision for Loan Assets	24(B)(16b)	3,920.77		
	Marked to Market Losses on Derivatives	23(B)(11a)	-974.01	1455.70	1269.60
	Depreciation and amortisation expense	11	35.92	35.98	25.22
	Other Expenses	22	2,535.98	2,494.70	2,027.70
	<b>Total Expenses</b>		<b>193,502.04</b>	<b>163,194.06</b>	<b>150,619.34</b>
V.	<b>PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)</b>		<b>135,241.49</b>	<b>91,265.58</b>	<b>44,568.30</b>
VI.	<b>Exceptional Items</b>				
	Add: Dividend from subsidiary company i.e. India Infrastructure Finance Company UK Ltd.		16,627.50	-	-
	Less: Provision for Standard Loan Assets	24(B)(18b)	-	4,666.60	-
VII.	<b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX</b>		<b>151,868.99</b>	<b>86,598.98</b>	<b>44,568.30</b>
VIII.	<b>Extraordinary Items</b>		-	-	-
IX.	<b>PROFIT BEFORE TAX (VII-VIII)</b>		<b>151,868.99</b>	<b>86,598.98</b>	<b>44,568.30</b>
X.	<b>Tax Expense:</b>				
(1)	Current Tax				
	- Current Year		(39,694.48)	(24,698.30)	(13,250.00)
	- Earlier Year		(207.97)	310.88	3.84
(2)	Deferred Tax	4			
	- Current Year		(6,828.40)	(3,472.75)	(1,659.29)
	- Earlier Year		-	(156.05)	(82.90)
XI.	<b>Profit for the year from continuing operations (IX-X)</b>		<b>105,138.14</b>	<b>58,582.76</b>	<b>29,579.95</b>
XII.	<b>Earnings per equity share (face value of ₹ 10/- each) (Not annualised)</b>				
(1)	Basic		3.79	2.84	1.53
(2)	Diluted		3.79	2.84	1.53
	See accompanying significant accounting policies and other notes to the financial statements	23 to 28	23	24	25



f. STATEMENT OF CASH FLOWS (UNCONSOLIDATED)

(Rs. in lacs)

PARTICULARS	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2011
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>			
(i) Net Profit before Tax	151,868.99	86,598.98	44,568.30
Adjustments for:			
(ii) Depreciation and amortisation expense	35.92	35.98	25.22
(iii) Provision/write offs	4,020.78	6,244.47	1,467.14
(iv) Provisions/ Amounts written back	(114.10)	(100.18)	(77.34)
(v) Profit on sale of fixed assets	-	-	(0.51)
(vi) Loss on sale of fixed assets	-	-	2.63
(vii) Unexpired gain on Interest Swaps	-	-	(417.48)
(viii) Foreign Exchange Fluctuation Loss / (Profit) on borrowings	4,206.57	1,262.39	610.24
(ix) Interest / expenses on borrowings	176,882.47	152,353.47	141,178.98
(x) Other Borrowing Costs	7,068.36	5,156.19	5,533.50
(xi) Dividend from subsidiary company	(16,627.50)	-	-
(xii) Interest on Income Tax	95.39	141.16	83.00
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>327,436.88</b>	<b>251,692.46</b>	<b>192,973.68</b>
(i) Cash Flow From Lending of Funds	(558,826.99)	(414,176.64)	(460,294.68)
(ii) Sale of/ (Addition) to Investments	1,500.00	174,654.23	324,176.07
(iii) (Increase)/decrease in Current Assets, Loans and Advances	11,302.21	(26,315.50)	(22,349.25)
(iv) (Increase)/decrease in other bank balances	(131,516.20)	(149,019.45)	(200,648.21)
(v) Increase/(decrease) in other non- current and current liabilities	1,429.53	12.28	649.78
<b>CASH FLOW FROM OPERATIONS BEFORE TAX</b>	<b>(348,674.57)</b>	<b>(163,152.62)</b>	<b>(165,492.61)</b>
Taxes paid (Net)	(39,152.22)	(25,115.67)	(12,520.88)
<b>NET CASH FROM OPERATIONS</b>	<b>(387,826.79)</b>	<b>(188,268.29)</b>	<b>(178,013.49)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>			
(i) (Purchase of )/ Sale for Fixed Assets	(248.79)	(66.16)	(29.68)
(ii) Investments in Subsidiary Company and Venture Capital Units	(1,600.67)	(2,164.62)	(645.00)
(iii) Redemption of Investments in Venture Capital Units	440.60	172.00	273.23
(iv) Dividend received from subsidiary company	16,627.50	-	-
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>15,218.64</b>	<b>(2,058.78)</b>	<b>(401.45)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>			
(i) Proceeds from Issue of Share Capital	40,000.00	50,000.00	20,000.00
(ii) Proceeds from Long term Borrowings	289,309.24	105,362.75	139,298.01
(iii) Proceeds/ (Repayment) from Short term Borrowings	(125,983.08)	156,161.23	118,207.74
(iv) Interest / expenses on Borrowings	(164,735.38)	(150,497.74)	(138,760.09)
(v) Other Borrowing Costs	(5,612.74)	(5,618.41)	(5,887.87)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>32,978.04</b>	<b>155,407.83</b>	<b>132,857.79</b>
<b>NET CHANGE IN CASH &amp; CASH EQUIVALENT (A+B+C)</b>	<b>(339,630.11)</b>	<b>(34,919.24)</b>	<b>(45,557.15)</b>
Add: Opening Cash and Cash Equivalent	6,489.28	41,408.52	86,965.67
Closing Cash and Cash Equivalent	<b>(333,140.83)</b>	<b>6,489.28</b>	<b>41,408.52</b>
<b>Closing Cash and Cash Equivalent Comprises of :-</b>			
(i) Cash in hand	0.34	0.32	0.34
(ii) Current Accounts in India	30,658.15	3,101.76	37,589.40
(iii) Fixed Deposits with banks	-	-	-
(iv) Flexi Deposit Accounts	4,300.70	3,387.20	3,818.78
<b>TOTAL</b>	<b>34,959.19</b>	<b>6,489.28</b>	<b>41,408.52</b>