



A Government Of India Enterprise
An ISO 9001: 2008 Certified Company

INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED

The Company was incorporated on January 5, 2006, in New Delhi under the Companies Act, 1956, as amended ("Companies Act"), as a public limited company.

Registered Office and Corporate Office: 8th floor, Hindustan Times House, 18 & 20 Kasturba Gandhi Marg, New Delhi 110 001

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PUBLIC ISSUE BY INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED ("COMPANY" OR "ISSUER" OR "IIFCL") OF TAX FREE, SECURED, REDEEMABLE, NON-CONVERTIBLE BONDS IN THE NATURE OF DEBENTURES OF FACE VALUE OF RS. 1,000 EACH, HAVING TAX BENEFITS UNDER SECTION 10(15)(iv)(h) OF THE INCOME TAX ACT, 1961, AS AMENDED ("BONDS") FOR AN AMOUNT OF RS. 75,000.00 LAKH ("BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UP TO THE RESIDUAL SHELF LIMIT (AS DEFINED HEREINAFTER) (I.E. UP TO RS. 2,82,379.49 LAKHS*) ("TRANCHE- III ISSUE") AND IS BEING OFFERED BY WAY OF THIS PROSPECTUS TRANCHE – III CONTAINING, *INTER ALIA*, THE TERMS AND CONDITIONS OF THIS TRANCHE – III ISSUE (THE "PROSPECTUS TRANCHE – III"), WHICH SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS DATED SEPTEMBER 28, 2013 FILED WITH THE REGISTRAR OF COMPANIES, NATIONAL CAPITAL TERRITORY OF DELHI AND HARYANA ("ROC"), DESIGNATED STOCK EXCHANGE AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"). THE SHELF PROSPECTUS TOGETHER WITH THE PROSPECTUS TRANCHE – III CONSTITUTES THE "PROSPECTUS".

The Issue is being made under the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "SEBI Debt Regulations") and pursuant to Notification No. 61/2013.F.No.178/37/2013-(ITA.1) dated August 8, 2013 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India ("Notification"), by virtue of powers conferred on it under section 10(15)(iv)(h) of the Income Tax Act, 1961, as amended (the "Income Tax Act").

*In terms of the Notification, the Company has raised Rs. 2,96,320.00 lakh on a private placement basis in three tranches, through information memorandum dated August 23, 2013, August 29, 2013 and September 5, 2013 and Rs. 1,21,300.51 lakh by way of a public issue under the Tranche- I Issue through the Prospectus Tranche- I and Rs. 3,00,000.00 lakh by way of a public issue under the Tranche- II Issue through the Prospectus Tranche- II. Accordingly, the residual shelf limit is Rs. 2,82,379.49 lakh (the "Residual Shelf Limit"). This limit shall be applicable for raising further funds through public issue route or private placement route. Further, the Company may also raise funds through private placement route in one or more tranches during the process of the present Issue. The aggregate amount raised through the private placement route shall not exceed Rs. 3,00,000.00 lakh i.e. up to 30% of the allocated limit for raising funds through tax free bonds during Fiscal 2014, in terms of the Notification. The Company shall ensure that the tax free bonds issued through public issue and private placement route shall together not exceed Rs. 10,00,000.00 lakh. In case of four Company raises funds through private placements during the process of the present Issue, the Residual Shelf Limit for the Issue shall be reduced by such amount raised.

GENERAL RISKS

Investors are advised to read the Risk Factors carefully before taking an investment decision in this Tranche – III Issue. For taking an investment decision, Investors must rely on their own examination of the Issuer and this Tranche- III Issue, including the risks involved. Specific attention is invited to "Risk Factors" on page 11 of the Shelf Prospectus and "Recent Developments" on page 23 of this Prospectus Tranche –III before making an investment in this Tranche- III Issue. This document has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), any registrar of companies or any stock exchange in India.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that the Prospectus contains all information with regard to the Issuer and this Tranche-III Issue which is material in the context of this Tranche- III Issue, that the information contained in the Prospectus is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other material facts, the omission of which makes the Prospectus as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect at the time of this Tranche- III Issue.

CREDIT RATING

ICRA Limited has, vide its letter no. D/RAT/2013-14/1-27/4 dated August 30, 2013, assigned a credit rating of "[ICRA] AAA (Outlook: Stable)" to the Bonds. 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. ICRA Limited has vide its letter No. D/RAT/2013-14/1-27/5 dated September 25, 2013, letter No. D/RAT/2013-14/1-27/6 dated November 22, 2013 and letter No. D/RAT/2013-14/1-27/7 dated February 4, 2014 revaluated its credit rating. Brickwork Rating India Private Limited has, vide its letter no. BWR/BNG/RL/2013-14/NS/0132 dated August 7, 2013 assigned a credit rating of "BWR AAA (Outlook: Stable)" to the Bonds. 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. Brickwork Rating India Private Limited has vide its letter no. BWR/BNG/RL/2013-14/NS/0168 dated September 16, 2013, letter No. BWR/BNG/RL/2013-14/NS/0227 dated November 20, 2013 and letter No. BWR/BNG/RL/2013-2014/NS/0307 dated January 31, 2014, revaluated its credit rating. Credit Analysis & Research Limited has, vide its letter dated August 16, 2013, assigned a credit rating of "CARE AAA" to the Bonds. 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. Credit Analysis & Research Limited has vide its letters dated September 16, 2013, November 20, 2013 and January 31, 2014, revaluated its credit rating. Further, India Rating & Research Private Limited has, vide its letter dated August 21, 2013, assigned a credit rating of "IND AAA (Stable)" to the Bonds. 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. India Rating & Research Private Limited has vide its letters dated September 24, 2013, November 21, 2013 and January 31, 2014 revaluated its credit rating. These ratings are not a recommendation to buy, sell or hold securities, and investors should take their own decision. These ratings are subject to revision or withdrawal at any time by the assigning rating agency(ies) and should be evaluated independently of any other ratings. For the revaluation letters dated February 4, 2014, January 31, 2014, January 31, 2014 and January 31, 2014, see "Annexure B: Credit Rating (Revalidation Letters)" of this Prospectus Tranche- III. For the rationale for the ratings given by Brickwork Rating India Private Limited, Credit Analysis & Research Limited and India Rating & Research Private Limited, see "Annexure B – Credit Rating" of the Shelf Prospectus and for ICRA Limited, see "Annexure B: Credit Ratings (Revalidation Letters)" of this Prospectus Tranche- III".

PUBLIC COMMENTS

The Draft Shelf Prospectus dated September 5, 2013 has been filed with BSE Limited ("BSE"), the Designated Stock Exchange pursuant to the regulation 6(2) of the SEBI Debt Regulations and was open for public comments for a period of seven Working Days i.e. until 5.00 p.m. on September 13, 2013.

LISTING

The Bonds are proposed to be listed on BSE, which has given its in-principle listing approval by letter no. DCS/SP/PL-BOND/04/13-14, dated September 13, 2013. The Designated Stock Exchange for the Issue is BSE.

LEAD MANAGERS TO THE ISSUE

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| SBI CAPITAL MARKETS LIMITED 202, Maker Tower E, Cuffe Parade Mumbai 400 005 Tel: +91 22 2217 8300 Fax: +91 22 2218 8332 Email: iifclbonds2013@sbicaps.com Investor Grievance Email: investor.relations@sbicaps.com Website: www.sbicaps.com Contact person: Ms. Neha Pruthi/ Mr. Gitesh Vargantwar Compliance Officer: Mr. Bhaskar Chakraborty SEBI Registration No.: INM000003531 | A.K. CAPITAL SERVICES LIMITED 30-39 Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai 400021 Tel: +91 22 6754 6500; Facsimile: +91 22 6610 0594 Email: iifclbonds3@akgroup.co.in Investor Grievance Email: investor.grievance@akgroup.co.in Website: www.akcapindia.com Contact Person: Ms. Akshata Tambe/ Mr. Lokesh Singhi Compliance Officer: Mr. Vikas Agarwal SEBI Registration No.: INM000010411 | AXIS CAPITAL LIMITED 1 st floor, Axis House, C-2 Wadia International Centre P.B. Marg, Worli, Mumbai-400025 Tel: +91 22 4325 2525 Facsimile: +91 22 4325 3000 Email: iifclbonds@axiscap.in Website: www.axiscapital.co.in Investor Grievance Email: complaints@axiscap.in Contact Person: Mr. Akash Aggarwal Compliance Officer: Mr. M. Natarajan SEBI Registration No.: INM000012029 | ICICI SECURITIES LIMITED ICICI Centre, H.T. Parekh Marg, Churchgate Mumbai 400020, India Tele: +91 22 2288 2460 Facsimile: +91 22 2282 6580 Email: project.iifcl@icicisecurities.com Investor Grievance Email: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Ms. Payal Kulkarni Compliance Officer: Mr. Subir Saha SEBI Registration No.: INM000011179 | KARVY INVESTOR SERVICES LIMITED 701, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Off. Bandra Kurla Complex, Bandra (East), Mumbai- 400 051, India Tele: +91 22 6149 1500 Facsimile: +91 22 6149 1515 Email: iifcl2013@karvy.com Investor Grievance Email: igmbd@karvy.com cmg@karvy.com Website: www.karvy.com Contact Person: Mr. Sumit Singh Compliance Officer: Mr. V Madhusudhan Rao SEBI Registration No.: INM000008365 | RR INVESTORS CAPITAL SERVICES PRIVATE LIMITED 47, M.M Road, Rani Jhansi Marg, Jhandewalan, New Delhi-110 055, India Tele: +91 11 2363 6362/63 Facsimile: +91 11 2363 6746 Email: iifcltaxfree2013@rrfcl.com Investor Grievance Email: investors@rrfcl.com Website: www.rrfcl.com Contact Person: Mr. Anurag Awasthi Compliance Officer: Mr. Ravi Kant Goyal SEBI Registration No.: INM000007508 |
| REGISTRAR TO THE ISSUE | | | BOND TRUSTEE | | |
| KARVY COMPUTERSHARE PRIVATE LIMITED Plot No. 17 to 24, Vithalrao Nagar, Madhapur, Hyderabad 500 081- A.P., India Tel: +91 (40) 4465 5000; Fax: +91 (40) 2343 1551; E-mail: einward.ris@karvy.com ; Investor Grievance Email: iifclbonds@karvy.com ; Website: www.karisma.karvy.com ; Contact Person: Mr. M. Murali Krishna- General Manager; SEBI Registration Number: INR0000000221 | | | IL&FS TRUST COMPANY LIMITED The IL&FS Financial Centre, Plot C-22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Tel: +91 (22) 22 2653 3908; Fax: +91 (22) 2653 3297; Email: itclcomplianceofficer@ilfsindia.com ; Investor Grievance Email: investorgrievance.itcl@ilfsindia.com ; Website: www.itclindia.com ; Contact Person: Sr. Vice President; SEBI Registration No.: IND000000452 | | |
| ISSUE OPENS ON February 17, 2014 | | | ISSUE PROGRAMME | | |
| | | | ISSUE CLOSES ON** March 14, 2014 | | |

**This Tranche- III Issue shall open for subscription from 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the period indicated above with an option for early closure or extension, as may be decided by the Board of Directors or Bond Committee. In the event of such early closure or extension of the subscription list of this Tranche-III Issue, the Company shall ensure that public notice of such early closure/extension is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in a leading national daily newspaper.

IL&FS Trust Company Limited has vide its letter dated September 4, 2013 given its consent for its appointment as Bond Trustee to the Issue and for its name to be included in the Prospectus and in all the subsequent periodical communications sent to the holders of the Bonds issued pursuant to this Tranche – III Issue.

A copy of this Prospectus Tranche- III shall be filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana, in terms of Section 56 and 60 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 2013, along with the requisite endorsed/ certified copies of all documents. For more information, see "Material Contracts and Documents for Inspection" on page 88 of this Prospectus Tranche- III.

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**SECTION I - GENERAL
DEFINITIONS AND ABBREVIATIONS**

This Prospectus Tranche- III uses certain definitions and abbreviations which, unless the context indicates or implies otherwise, have the meaning provided below. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

Company Related Terms

| Term | Description |
|---|--|
| “Issuer”, “IIFCL”, “our Company” or “the Company” | India Infrastructure Finance Company Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 8 th floor, Hindustan Times House, 18 & 20 Kasturba Gandhi Marg, New Delhi 110 001 |
| “We” or “us”, “our” | India Infrastructure Finance Company Limited and its Subsidiaries, IIFC (UK) Limited, IIFCL Projects Limited and IIFCL Asset Management Company Limited |
| Group | India Infrastructure Finance Company Limited and its Subsidiaries |
| Articles/ Articles of Association/AoA | Articles of Association of the Company |
| Associate Company(ies) | IWRFC |
| Board/ Board of Directors | Board of Directors of the Company |
| Bond Committee | Committee constituted by the Board of Directors in their meeting held on August 8, 2013 |
| Equity Shares | Equity Shares of the Company of face value Rs. 10 each |
| IDF | Infrastructure Debt Fund |
| IDF-MF | Infrastructure Debt Fund under the Mutual Fund route |
| IIF | India Infrastructure Fund |
| IIFC (UK) | India Infrastructure Finance Company (UK) Limited |
| IAMCL | IIFCL Asset Management Company Limited |
| IPL | IIFCL Projects Limited |
| IWRFC | Irrigation & Water Resources Finance Corporation Limited |
| Memorandum/Memorandum of Association/MoA | Memorandum of Association of the Company |
| Registered Office and Corporate Office | Registered office of the Company, at 8 th floor, Hindustan Times House, 18 & 20 Kasturba Gandhi Marg, New Delhi 110 001 |
| RoC | Registrar of Companies, National Capital Territory of Delhi and Haryana |
| SIFTI | Scheme for Financing Viable Infrastructure Projects through a Special Purpose Vehicle called the India Infrastructure Finance Company Limited, notified by MoF |
| Statutory Auditors/Auditors | M/s K.M. Agarwal & Co., statutory auditors of the Company |
| Subsidiaries | IIFC (UK), IPL and IAMCL |

Issue Related Terms

| Term | Description |
|--|---|
| A.K. Capital | A.K. Capital Services Limited |
| Allotment/ Allot/ Allotted | Issue and allotment of Bonds to successful Applicants pursuant to this Tranche- III Issue |
| Allotment Advice | The communication sent to the Allottees conveying the details of Bonds allotted to the Allottees in accordance with the Basis of Allotment |
| Allottee | Successful Applicant to whom Bonds are allotted pursuant to this Tranche- III Issue |
| Applicant/ Investor | A person who makes an offer to subscribe the Bonds pursuant to the terms of this Prospectus Tranche- III and Application Form |
| Application | An application to subscribe to the Bonds offered pursuant to this Tranche- III Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under this Prospectus Tranche- III |
| Application Amount | Aggregate value of Bonds applied for, as indicated in the Application Form |
| Application Form | Form in terms of which an Applicant shall make an offer to subscribe to Bonds and which will be considered as the application for Allotment of Bonds in terms of this Prospectus Tranche –III |
| Application Supported by Blocked Amount/ASBA/ ASBA Application | The application (whether physical or electronic) used by an ASBA Applicant to make an Application authorising the SCSB to block the Application Amount in a specified bank account maintained with such SCSB |
| ASBA Account | An account maintained with a SCSB which will be blocked by such SCSB to the extent of the Application Amount of an ASBA Applicant |
| ASBA Applicant | Any applicant who applies for the Bonds through the ASBA process |
| Application Interest | Interest paid on application money, in a manner detailed in “ <i>Terms of the Issue</i> ” on page 49 of this Prospectus Tranche- III |
| Axis | Axis Capital Limited |

| Term | Description |
|--|---|
| Base Issue Size | Rs. 75,000.00 lakh |
| Basis of Allotment | The basis on which the Bonds will be allotted to successful Applicants under this Tranche- III Issue and which is described in “ <i>Terms of the Issue – Basis of Allotment</i> ” on page 51 of this Prospectus Tranche- III |
| Bond Certificate(s) | Certificate issued to Bondholder(s) pursuant to Allotment, in case the Applicant has opted for physical bonds based on the request from the Bondholders |
| Bondholder(s) | Any person holding Bonds and whose name appears on the beneficial owners list provided by the Depositories (in case of Bonds held in dematerialised form) or whose name appears in the Register of Bondholders maintained by the Company/ Registrar (in case of Bonds held in physical form) |
| Bonds | Tax free, secured redeemable non-convertible bonds in the nature of debenture of face value of Rs. 1,000 each, having benefits under section 10(15)(iv)(h) of the Income Tax Act, proposed to be issued by the Company pursuant to the Shelf Prospectus and this Prospectus Tranche- III |
| Bond Trust Agreement | Bond Trust Agreement dated September 4, 2013 entered into between the Bond Trustee and the Company |
| Bond Trustee / Trustee | Trustee for the Bondholders in this case being IL&FS Trust Company Limited |
| Category I (QIBs) | Public financial institutions as defined in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of Rs. 2500.00 lakh, pension funds with a minimum corpus of Rs. 2500.00 lakh, the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India, insurance funds set up and managed by the army, navy, or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India, Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, which is authorized to invest in the Bonds |
| Category II (Domestic Corporates) | Companies within the meaning of section 2(20) of the Companies Act, 2013, Limited Liability Partnerships registered under the provisions of the LLP Act, statutory corporations, trust, partnership firms in the name of partners, cooperative banks, regional rural banks and legal entities registered under applicable laws in India and authorised to invest in Bonds |
| Category III (Domestic High Networth Individuals/HNIs) | High net worth individuals (including HUFs applying through their Karta) who have applied for Bonds for an amount more than Rs.10.00 lakh in this Tranche- III Issue across all Series of Bonds |
| Category IV (Retail Individual Investors) | Individual investors (including HUFs applying through their Karta) who have applied for Bonds for an amount less than or equal to Rs. 10.00 lakh in this Tranche- III Issue across all Series of Bonds |
| Consolidated Bond Certificate | In case of Bonds applied for in physical form or rematerialized Bonds held in physical form, the certificate issued by the Company to the Bondholder for the aggregate amount of Bonds that are rematerialized and held by such Bondholder |
| Credit Rating Agencies | ICRA, Brickwork, CARE and IRRPL |
| Collection Centres | Collection Centres shall mean those branches of the Bankers to the Issue that are authorised to collect the Application Forms (other than ASBA) as per the Escrow Agreement entered into by the Company, Bankers to the Issue, Registrar and Lead Managers |
| Deemed Date of Allotment | The date on which, the Board of Directors or Bond Committee approves the Allotment of Bonds for this Tranche – III Issue or such date as may be determined by the Board of Directors or Bond Committee and notified to the Designated Stock Exchange. All benefits relating to the Bonds including interest on Bonds (as specified in this Prospectus Tranche-III) shall be available from the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment |
| Demographic Details | The demographic details of an Applicant, such as his/ her address, bank account details for printing on refund orders and occupation. |
| Designated Branches | All branches of the SCSBs which shall collect the Application Form used by ASBA Applicants, a list of which is available at www.sebi.gov.in or such other website as may be prescribed by the SEBI from time to time |
| Designated Date | Date on which Application Amounts are transferred from the Escrow Account(s) and ASBA Accounts to the Public Issue Account or the Refund Account, as appropriate, subject to the necessary systems and infrastructure being in place and any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the NSE, BSE and/or SEBI, as the case may be |
| Designated Stock Exchange | BSE |

| Term | Description |
|--|--|
| Draft Shelf Prospectus | The draft shelf prospectus dated September 5, 2013 filed by the Company with the Designated Stock Exchange for the purpose of seeking public comments, in accordance with the SEBI Debt Regulations |
| Escrow Account(s) | Account(s) opened with the Escrow Collection Bank(s), in whose favour Applicants (other than ASBA Applicants) will issue cheques or drafts in respect of the Application Amount when submitting an Application for this Tranche –III Issue |
| Escrow Agreement | Agreement dated September 20, 2013 entered into by the Company, Registrar to the Issue, the Lead Managers and the Escrow Collection Bank(s) for collection of the Application Amounts and where applicable, refunds of amounts collected from Applicants (other than ASBA Applicants) on the terms and conditions thereof, as amended vide the First Addendum to the Escrow Agreement dated November 25, 2013 and Second Addendum to the Escrow Agreement dated February 7, 2014. |
| Escrow Collection Bank(s) | Banks which are clearing members and registered with SEBI with whom the Escrow Account will be opened, in this case being State Bank of India, Kotak Mahindra Bank Limited, Axis Bank Limited, HDFC Bank Limited, ICICI Bank Limited, IndusInd Bank Limited, Yes Bank Limited, IDBI Bank Limited and Punjab National Bank |
| Isec | ICICI Securities Limited |
| Interest Payment Date/ Coupon Payment Date | The date, which is the day falling one year from the Deemed Date of Allotment, in case of the first coupon/ interest payment and the same day every year, until the Redemption Date for subsequent coupon/ interest payment. |
| Issue | <p>Public issue of the tax free secured redeemable non-convertible bonds in the nature of debenture of face value of Rs. 1,000 each, having benefits under section 10(15)(iv)(h) of the Income Tax Act, by the Company pursuant to the Shelf Prospectus and the relevant Tranche Prospectus(es), for an amount up to an aggregate amount of the Shelf Limit of Rs. 7,03,680.00 lakh*. The Bonds will be issued in one or more tranches subject to the Shelf Limit.</p> <p>This Tranche –III Issue by the Issuer is of the Bonds for an amount of Rs. 75,000.00 lakh with an option to retain oversubscription up to the Residual Shelf Limit (i.e. Rs. 2,82,379.49 lakh) and is being offered by way of this Prospectus Tranche –III containing, inter alia, the terms and conditions of Tranche – III Issue, which should be read together with the Shelf Prospectus filed with the RoC, the Designated Stock Exchange and SEBI. The Shelf Prospectus together with this Prospectus Tranche- III constitutes the Prospectus.</p> <p><i>*In terms of the Notification, the Company has raised Rs. 2,96,320.00 lakh on a private placement basis in three tranches, through information memorandum dated August 23, 2013, August 29, 2013 and September 5, 2013 and Rs. 1,21,300.51 lakh by way of a public issue under the Tranche- I Issue through the Prospectus Tranche- I and Rs. 3,00,000.00 lakh by way of a public issue under the Tranche- II Issue through the Prospectus Tranche- II. Accordingly, the residual shelf limit is Rs. 2,82,379.49 lakh (the "Residual Shelf Limit"). This limit shall be applicable for raising further funds through public issue route or private placement route. Further, the Company may also raise funds through private placement route in one or more tranches during the process of the present Issue. The aggregate amount raised through the private placement route shall not exceed Rs. 3,00,000.00 lakh i.e. up to 30% of the allocated limit for raising funds through tax free bonds during Fiscal 2014, in terms of the Notification. The Company shall ensure that the tax free bonds issued through public issue and private placement route shall together not exceed Rs. 10,00,000.00 lakh. In case if our Company raises funds through private placements during the process of the present Issue, the Residual Shelf Limit for the Issue shall be reduced by such amount raised.</i></p> |
| Issue Agreement | The agreement entered into on September 3, 2013, between the Company and the Lead Managers |
| Issue Closing Date | <p>March 14, 2014</p> <p>This Tranche- III Issue shall open for subscription from 10.00 a.m. to 5.00 p.m.(Indian Standard Time) during the period indicated above with an option for early closure or extension, as may be decided by the Board of Directors or Bond Committee. In the event of such early closure or extension of the subscription list of this Tranche- III Issue, the Company shall ensure that public notice of such early closure/extension is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in a leading national daily newspaper</p> |
| Issue Opening Date | February 17, 2014 |
| Issue Period | The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which a prospective investor may submit their Application Forms |
| Karvy | Karvy Investor Services Limited |

| Term | Description |
|--------------------------------------|---|
| Lead Broker(s) | Isec, Axis, A.K.Stockmart Private Limited, SBICAP Securities Limited, Kotak Securities Limited, IDBI Capital Market Services Limited, JM Financial Services Private Limited, RR Equity Brokers Private Limited, HDFC Securities Limited, Karvy Stock Broking Limited, Standard Chartered Securities India Limited, SMC Global Securities Limited, India Infoline Limited, LKP Securities Limited and Edelweiss Broking Limited |
| Lead Broker MoU | Memorandum of Understanding dated September 20, 2013 between the Company and the Lead Brokers |
| Lead Managers/ LMs | SBICAP, AK Capital, Axis, Isec, Karvy and RR Investors |
| Market Lot | One Bond |
| Notification | Notification No. 61/2013.F.No.178/37/2013-(ITA.1) dated August 8, 2013 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India |
| OCB or Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in this Tranche- III Issue |
| Prospectus | The Shelf Prospectus together with this Prospectus Tranche- III |
| Prospectus Tranche- I | The Prospectus Tranche- I dated September 28, 2013, filed with the RoC, the Designated Stock Exchange and SEBI, pursuant to the provisions of the SEBI Debt Regulations |
| Prospectus Tranche-II | The Prospectus Tranche- II dated November 28, 2013, filed with the RoC, the Designated Stock Exchange and SEBI, pursuant to the provisions of the SEBI Debt Regulations |
| Public Issue Account | Account opened with the Escrow Collection Bank(s) to receive monies from the Escrow Account(s) and the ASBA Accounts, on the Designated Date |
| Record Date | Date falling 15 days prior to the relevant Interest Payment Date on which interest or the Maturity Date on which the Maturity Amount is due and payable under this Prospectus Tranche- III. In the event the Record Date falls on a Saturday, Sunday or a Public Holiday in New Delhi or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, the succeeding Working Day shall be considered as the Record Date. |
| Refund Account | Account opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount (excluding application amounts from ASBA Applicants) shall be made |
| Redemption Amount or Maturity Amount | Repayment of the face value amount of Bonds plus any interest at the applicable Coupon/ Interest Rate that may have accrued on the Redemption Date. |
| Redemption Date or Maturity Date | The date(s) on which the Bonds issued under different Series fall due for redemption as specified in this Prospectus Tranche- III. |
| Refund Bank | State Bank of India and IDBI Bank Limited |
| Register of Bondholders | Register of Bondholders maintained by the Issuer/ Registrar in accordance with the Companies Act, 1956 (to the extent applicable)/ Companies Act, 2013, as the case may be, and as detailed in “ <i>Terms of the Issue – Rights of Bondholders</i> ” on page 59 of this Prospectus Tranche- III |
| Registrar Agreement | Agreement dated September 3, 2013 entered into between the Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue |
| Registrar to the Issue or Registrar | Karvy Computershare Private Limited |
| Resident Individual | Individual who is a person resident in India as defined under the Foreign Exchange Management Act, 1999 |
| Residual Shelf Limit | Shelf Limit less the aggregate amount of Bonds allotted under all previous Tranche Issue(s) and private placement route, if any. The Residual Shelf Limit for the Issue being Rs. 2,82,379.49 lakh* to be issued through one or more Tranche(s) <i>*In terms of the Notification, the Company has raised Rs. 2,96,320.00 lakh on a private placement basis in three tranches, through information memorandum dated August 23, 2013, August 29, 2013 and September 5, 2013 and Rs. 1,21,300.51 lakh by way of a public issue under the Tranche- I Issue through the Prospectus Tranche- I and Rs. 3,00,000.00 lakh by way of a public issue under the Tranche-II Issue through the Prospectus Tranche- II. Accordingly, the residual shelf limit is Rs. 2,82,379.49 lakh. This limit shall be applicable for raising further funds through public issue route or private placement route. Further, the Company may also raise funds through private placement route in one or more tranches during the process of the present Issue. The aggregate amount raised through the private placement route shall not exceed Rs. 3,00,000.00 lakh i.e. up to 30% of the allocated limit for raising funds through tax free bonds during Fiscal 2014, in terms of the Notification. The Company shall ensure that the tax free bonds issued through public issue and private placement route shall together not exceed Rs. 10,00,000.00 lakh. In case if our Company raises funds through private placements during the process of the present Issue, the Residual Shelf Limit for the Issue shall be reduced by such amount raised</i> |

| Term | Description |
|---|---|
| RR Investors | RR Investors Capital Services Private Limited |
| SBICAP | SBI Capital Markets Limited |
| Self Certified Syndicate Banks or SCSBs | The banks registered with the SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 offering services in relation to ASBA, a list of which is available at www.sebi.gov.in . A list of the branches of the SCSBs where Application Forms will be forwarded by such members of the Syndicate is available at www.sebi.gov.in |
| Series of Bonds or Series | A series of Bonds, which are identical in all respects including but not limited to terms and conditions, listing and ISIN number (in the event that Bonds in a single Series of Bonds carry the same coupon/ interest rate) and as further stated to be an individual "Series" in this Prospectus Tranche- III |
| Shelf Limit | The aggregate limit of the Issue being Rs. 7,03,680.00 lakh to be issued as per the terms of the Shelf Prospectus, through one or more tranches. |
| Shelf Prospectus | Shelf Prospectus dated September 28, 2013 filed by the Company with the RoC, Designated Stock Exchange and SEBI, after incorporation of comments received from the public on the Draft Shelf Prospectus, pursuant to the provisions of the SEBI Debt Regulations |
| Specified Cities/ Syndicate ASBA Locations | Application centres at Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat where the members of the Syndicate shall accept Application Forms under the ASBA process in terms of the SEBI Circular No. CIR/CFD/DIL/1/2011, dated April 29, 2011 |
| Syndicate SCSB Branches | In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the Members of the Syndicate, and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website(s) as may be prescribed by SEBI from time to time |
| Stock Exchanges | BSE and NSE |
| Syndicate or Members of the Syndicate | Collectively, the Lead Managers and the Lead Broker and sub-brokers |
| Trading Lot | One Bond |
| Trading Member | Intermediaries registered with a Broker or a Sub-Broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with the BSE under the applicable byelaws, rules, regulations, guidelines, circulars issued by the relevant Stock Exchanges from time to time |
| TRS/ Transaction Registration Slip | The acknowledgement or document issued by any of the Members of the Syndicate, SCSBs or Trading Members of the Stock Exchange(s), as the case may be, to an Applicant upon demand as proof of registration of Application for Bonds. |
| Tranche- I Issue | Issue of the Bonds of Rs. 1,21,300.51 lakh |
| Tranche- II Issue | Issue of the Bonds of Rs. 3,00,000.00 lakh |
| Tranche – III Issue | Issue of Bonds for an amount of Rs. 75,000.00 lakh with an option to retain oversubscription upto the Residual Shelf Limit (i.e. Rs. 2,82,379.49 lakh) |
| Tranche Prospectus/ Prospectus Tranche- III | This Prospectus Tranche- III dated February 11, 2014 filed with RoC, Designated Stock Exchange and SEBI, pursuant to the provisions of SEBI Debt Regulations |
| Tripartite Agreements | Tripartite agreement dated January 20, 2009 between the Company, CDSL and the Registrar to the Issue and the tripartite agreement dated January 20, 2009 between the Company, NSDL and the Registrar to the Issue |
| Working Days | All days excluding Sundays or a public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period, Interest Payment Date and Record Date, where working days shall mean all days, excluding Saturdays, Sundays and public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881 |

Conventional and General Terms or Abbreviations

| Term/Abbreviation | Description/ Full Form |
|---|--|
| Act/ Companies Act/ Companies Act, 1956 | Companies Act, 1956, as amended and supplemented from time to time. For the limited purposes of the Declaration page of this Prospectus Tranche- III the term "Companies Act" shall mean and include reference to Companies Act, 1956 (to the extent applicable) and Companies Act, 2013 |
| AD | Authorised Dealer |
| ADB | Asian Development Bank |
| AGM | Annual General Meeting |
| AMC | Asset management company |

| Term/Abbreviation | Description/ Full Form |
|---------------------------------|---|
| AS | Accounting Standards issued by the ICAI |
| Blackstone | Blackstone Group Holdings L.P |
| Borrowing in Rupees Regulations | FEMA (Borrowing or Lending in Rupees) Regulations, 2000, as amended and supplemented from time to time |
| Brickwork or BWR | Brickwork Rating India Private Limited |
| BSE | BSE Limited |
| CAGR | Compounded Annual Growth Rate |
| CARE | Credit Analysis & Research Limited |
| CDSL | Central Depository Services (India) Limited |
| Civil Procedure Code | Code of Civil Procedure, 1908, as amended and supplemented from time to time |
| Competition Act | Competition Act, 2002, as amended and supplemented from time to time |
| Companies Act, 2013 | Companies Act, 2013, to the extent notified by the Ministry of Corporate Affairs, Government of India |
| CRISIL | CRISIL Limited |
| CSR | Corporate Social Responsibility |
| Debt Listing Agreement | The debt listing agreement entered into by the Company with the Stock Exchanges |
| Depository(ies) | CDSL and NSDL |
| Depositories Act | Depositories Act, 1996, as amended and supplemented from time to time |
| DMICDC | Delhi Mumbai Industrial Corridor Development Corporation Limited |
| DP/ Depository Participant | Depository Participant, as defined under the Depositories Act, 1996 |
| DRR | Debenture Redemption Reserve |
| DSCB | Delhi State Cooperative Bank Limited |
| DTC | Direct Tax Code |
| FDI | Foreign Direct Investment |
| FEMA | Foreign Exchange Management Act, 1999, as amended and supplemented from time to time |
| FEMA 20 | Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended and supplemented from time to time |
| FII | Foreign Institutional Investor |
| FIMMDA | Fixed Income Money Market and Derivative Association of India |
| FIPB | Foreign Investment Promotion Board |
| Financial Year/ Fiscal/ FY | Period of 12 months ended March 31 of that particular year |
| GDP | Gross Domestic Product |
| GoI or Government | Government of India |
| HUFs | Hindu Undivided Families |
| ICAI | Institute of Chartered Accountants of India |
| ICRA | ICRA Limited |
| IDFC | Infrastructure Development Finance Company Limited |
| IFRS | International Financial Reporting Standards |
| IFSC | Indian Financial System Code |
| IRDA | Statutory body constituted under the Insurance Regulatory and Development Authority Act, 1999 |
| IRRPL | India Ratings and Research Private Limited |
| Income Tax Act or I.T. Act | Income Tax Act, 1961, as amended and supplemented from time to time |
| India | Republic of India |
| Indian GAAP | Generally accepted accounting principles followed in India |
| KYC | Know your customer |
| LIBOR | London Inter-Bank Offer Rate |
| LIC | Life Insurance Corporation of India |
| LLP Act | Limited Liability Partnership Act, 2008, as amended and supplemented from time to time |
| MF | Mutual Fund |
| MoF | Ministry of Finance, GoI |
| MCA | Ministry of Corporate Affairs, GoI |
| MICR | Magnetic Ink Character Recognition |
| NABARD | National Bank for Agriculture and Rural Development |
| NBFC | Non Banking Finance Company, as defined under applicable RBI guidelines |
| NBFC-IFC | Non Banking Finance Company – Infrastructure Finance Company, as defined under applicable RBI Guidelines |
| NBFC-IFC Notification | Notification (No. DNBS.213/CGM(ASR)-2010), dated February 12, 2010 issued by RBI, as amended and supplemented from time to time |
| NBFC Prudential Norms | Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction, 2007, as amended and supplemented from time to time |
| NECS | National Electronic Clearing System |

| Term/Abbreviation | Description/ Full Form |
|--------------------------------|--|
| NEFT | National Electronic Fund Transfer |
| NRI | Non Resident Indian |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| NSSF | National Small Savings Fund |
| p.a. | <i>Per annum</i> |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| Person Resident Outside India | A Person who is not a Person Resident in India (as defined under FEMA) |
| PFI | Public Financial Institution, as defined under Section 4A of the Companies Act |
| PIO | Person of Indian Origin |
| PMDO | Pooled Municipal Debt Obligation |
| PPP | Public Private Partnership |
| RBI | Reserve Bank of India |
| Rs. Or Rupees or Indian Rupees | Lawful currency of India |
| RTGS | Real Time Gross Settlement |
| SEBI | Securities and Exchange Board of India |
| SEBI Debt Regulations | SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended and supplemented from time to time |
| SEBI Mutual Fund Regulations | Securities and Exchange Board of India (Mutual Fund) Regulations, 1996, as amended and supplemented from time to time |
| Securities Act | United States Securities Act, 1933, as amended and supplemented from time to time |
| SIFTI Empowerment Committee | The committee under the chairmanship of the Secretary (Economic Affairs) and including the Secretary of the Planning Commission, the Secretary (Expenditure), the Secretary (Financial Sector) or, in his absence, the Special Secretary / Additional Secretary (Financial Sector) and the Secretary of the line Ministry dealing with the subject |
| Trusts Act | Indian Trusts Act, 1882, as amended and supplemented from time to time |
| UAN | Unique Application Number |
| U.S.A. | United States of America |
| Venture Capital Funds or VCFs | Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI |

Technical and Industry Related Terms

| Term/Abbreviation | Description/ Full Form |
|--------------------------|--|
| KfW | KfW banking group, a German government-owned development bank |
| LIC | Life Insurance Corporation of India |
| Net Sanction | Amount calculated after reducing the unallocated amount to the Company and the cancelled loans from the gross sanction amount. |
| NPA | Non Performing Assets |
| NSSF | National Small Savings Fund |
| PPP | Public Private Partnership |
| Yield | Ratio of interest income to the daily average of interest earning assets |

Notwithstanding the foregoing, terms in the sections titled “*Statement of Tax Benefits*” and “*Issue Procedure*” on page 36 and 65, respectively of this Prospectus Tranche- III, shall have the meanings given to such terms in these respective sections.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Prospectus Tranche- III to “India” are to the Republic of India and its territories and possessions.

Financial Data

Unless stated otherwise, the financial data in this Prospectus Tranche- III is derived from: (i) our audited unconsolidated financial information, prepared in accordance with accounting standards generally accepted in India and the Companies Act for Fiscal 2013, 2012, 2011, 2010, 2009 and for six months period ended September 30, 2013; and/or (ii) and our audited consolidated financial information, prepared in accordance with accounting standards generally accepted in India and the Companies Act for the Fiscal 2013, 2012, 2011, 2010, 2009 and for six months period ended September 30, 2013. In this Prospectus Tranche- III, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points. The audit for the year ended March 31, 2009 was conducted by Gupta Nanda & Co., Chartered Accountants, and for the years ended March 31, 2010, March 31, 2011, March 31, 2012, March 31, 2013, were conducted by P.R Mehra & Co., Chartered Accountants, and for six months period ended September 30, 2013 was conducted by the Statutory Auditor K. M. Agarwal & Co., Chartered Accountant.

The current financial year of the Company commences on April 1 and ends on March 31 of the next year, so all references to particular “financial year”, “fiscal year”, and “Fiscal” or “FY”, unless stated otherwise, are to the 12 months period ended on March 31 of that year.

The degree to which the financial statements included in this Prospectus Tranche- III will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus Tranche- III should accordingly be limited.

Currency and Unit of Presentation

In this Prospectus Tranche- III, references to ‘Rs.’, ‘Indian Rupees’ and ‘Rupees’ are to the legal currency of India and references to ‘US\$’, ‘USD’, and ‘U.S. dollars’ are to the legal currency of the United States of America and references to ‘Euro’ and ‘€’ are to the legal currency of the European Union.

Industry and Market Data

Any industry and market data used in this Prospectus Tranche- III consists of estimates based on data reports compiled by government bodies, professional organizations and analysts, data from other external sources and knowledge of the markets in which the Company competes. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable but it has not been independently verified by us or its accuracy and completeness is not guaranteed and its reliability cannot be assured. Although the Company believes the industry and market data used in this Prospectus Tranche- III is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data is presented in this Prospectus Tranche- III is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the Company conducts its business, and methodologies and assumptions may vary widely among different market and industry sources.

Exchange Rates

The exchange rates of the US\$ and € as at December 31, 2013, September 30, 2013, March 31, 2013, 2012, 2011, 2010 and 2009 are provided below:

| Currency | Exchange Rate into Rs. as at December 31, 2013 | Exchange Rate into Rs. as at September 30, 2013 | Exchange Rate into Rs. as at March 31, 2013* | Exchange Rate into Rs. as at March 31, 2012** | Exchange Rate into Rs. as at March 31, 2011 | Exchange Rate into Rs. as at March 31, 2010 | Exchange Rate into Rs. as at March 31, 2009 |
|----------|--|---|--|---|---|---|---|
| 1 US\$ | 61.90 | 63.37 | 54.39 | 51.16 | 44.65 | 45.14 | 50.95 |
| 1 € | 85.36 | 85.87 | 69.54 | 68.34 | 63.24 | 60.56 | 67.48 |

Source: RBI Reference Rates

*March 29, 2013 was a holiday and March 30, 2013 and March 31, 2013 were trading holiday; hence, exchange rates for last working day of March, 2013 i.e. March 28, 2013 has been used.

** March 31, 2012 was trading holiday; hence, exchange rates for last working day of March, 2012 i.e. March 30, 2012 has been used.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Prospectus Tranche- III that are not statements of historical fact constitute ‘forward-looking statements’. Investors can generally identify forward-looking statements by terminology such as ‘aim’, ‘anticipate’, ‘believe’, ‘continue’, ‘could’, ‘estimate’, ‘expect’, ‘intend’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘seek,’ ‘should’, ‘will’, ‘would’, or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Prospectus Tranche- III that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- inherent risks in infrastructure financing, to the extent they materialize;
- our ability to comply with certain specific conditions prescribed by the Government of India (“**GoI**”) in relation to our business or any changes in laws and regulations applicable to companies in India, including foreign exchange control regulations in India;
- volatility in interest rates for our lending and investment operations as well as the rates at which the Company borrows from banks/financial institutions;
- limited recourse in the event of default by our borrowers;
- credit and market risks, affecting our credit ratings and our cost of funds;
- unavailability of financing at commercially acceptable terms, or at all;
- concentration of our exposure to certain sectors, areas and borrowers;
- foreign currency borrowings as well as financing activities, which will expose us to fluctuations on foreign exchange rates;
- we may face asset-liability mismatches, which could affect our liquidity;
- our provisioning norms may not be indicative of the expected quality of our loan portfolio;
- changes in political conditions in India and internationally;
- governmental and regulatory actions that may effect our business or our industry;
- other factors discussed in the Shelf Prospectus, including under “**Risk Factors**” on page 11 of the Shelf Prospectus.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “**Business**” and “**Material Developments**” on page 75 and 114 of the Shelf Prospectus, respectively. The forward-looking statements contained in the Shelf Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, the Company cannot assure Investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

**SECTION II - INTRODUCTION
THE ISSUE**

The following are the key terms of the Bonds. This section should be read in conjunction with, and is qualified in its entirety by, more detailed information in “*Issue Structure*” and “*Terms of the Issue*” on page 43 and 49 of this Prospectus Tranche-III, respectively.

| COMMON TERMS FOR ALL SERIES OF THE BONDS | | | | |
|---|---|--|--|---|
| Issuer | India Infrastructure Finance Company Limited | | | |
| Issue of Bonds | <p>Public issue of the tax free secured redeemable non-convertible bonds in the nature of debenture of face value of Rs. 1,000 each, having benefits under section 10(15)(iv)(h) of the Income Tax Act, proposed to be issued by the Company pursuant to the Shelf Prospectus and the relevant Tranche Prospectus(es), for an amount up to an aggregate amount of the Shelf Limit of Rs. 7,03,680.00 lakh*. The Bonds will be issued in one or more tranches subject to the Shelf Limit.</p> <p>This Tranche –III Issue by the Issuer is of the Bonds for an amount of Rs. 75,000.00 lakh with an option to retain oversubscription up to the Residual Shelf Limit (i.e. Rs. 2,82,379.49 lakh) and is being offered by way of this Prospectus Tranche- III containing, inter alia, the terms and conditions of Tranche –III Issue, which should be read together with the Shelf Prospectus filed with the RoC, the Designated Stock Exchange and SEBI. The Shelf Prospectus together with this Prospectus Tranche- III constitutes the Prospectus.</p> <p><i>*In terms of the Notification, the Company has raised Rs. 2,96,320.00 lakh on a private placement basis in three tranches, through information memorandum dated August 23, 2013, August 29, 2013 and September 5, 2013 and Rs. 1,21,300.51 lakh by way of a public issue under the Tranche- I Issue through the Prospectus Tranche- I and Rs. 3,00,000.00 lakh by way of a public issue under the Tranche- I Issue through the Prospectus Tranche- II. Accordingly, the residual shelf limit is Rs. 2,82,379.49 lakh (the “Residual Shelf Limit”). This limit shall be applicable for raising further funds through public issue route or private placement route. Further, the Company may also raise funds through private placement route in one or more tranches during the process of the present Issue. The aggregate amount raised through the private placement route shall not exceed Rs. 3,00,000.00 lakh i.e. up to 30% of the allocated limit for raising funds through tax free bonds during Fiscal 2014, in terms of the Notification. The Company shall ensure that the tax free bonds issued through public issue and private placement route shall together not exceed Rs. 10,00,000.00 lakh. In case if our Company raises funds through private placements during the process of the present Issue, the Residual Shelf Limit for the Issue shall be reduced by such amount raised</i></p> | | | |
| Face Value (Rs.) | Rs. 1,000 | | | |
| Issue Price (Rs.) | Rs. 1,000 | | | |
| Nature of Bonds | Secured | | | |
| Mode of Issue | Public issue | | | |
| Pay-in Date | Application Date. Full amount with the Application Form, except ASBA Applications. See “ <i>Issue Procedure – Payment Instructions</i> ” on page 78 of this Prospectus Tranche- III. | | | |
| Who can apply | <p>Category I (“Qualified Institutional Buyers”) (“QIBs”)**</p> <ul style="list-style-type: none"> • Public financial institution as defined in Section 4A of the Companies Act, • Alternative Investment Fund eligible to invest under the SEBI (Alternative Investment Funds) Regulations, 2012, as amended • Scheduled commercial bank, • Mutual fund, registered with SEBI, • Multilateral and bilateral development financial institutions, • State industrial development corporations, • Insurance companies registered with the Insurance Regulatory and Development Authority, • Provident funds with a minimum corpus of Rs. | <p>Category II (“Domestic Corporates”)**</p> <p>Companies within the meaning of section 2(20) of the Companies Act, 2013, Limited Liability Partnerships registered under the provisions of the LLP Act, statutory corporations, trust, partnership firms in the name of partners, cooperative banks, regional rural banks and legal entities registered under applicable laws in India and authorised to</p> | <p>Category III (“High Networth Individuals”) (“HNIs”)</p> <ul style="list-style-type: none"> • The following investors applying for an amount aggregating to more than Rs. 10.00 lakh across all Series of Bonds in this Tranche- III Issue • Resident Individual Investors • Hindu Undivided Families applying through the Karta | <p>Category IV (“Retail Individual Investors”) (“RIIs”)</p> <ul style="list-style-type: none"> • The following investors applying for an amount aggregating up to and including Rs. 10.00 lakh across all Series of Bonds in this Tranche- III Issue • Resident Individual Investors • Hindu Undivided Families through the Karta |

| COMMON TERMS FOR ALL SERIES OF THE BONDS | | | |
|--|---|-----------------|--|
| | 2500.00 lakh, <ul style="list-style-type: none"> • Pension funds with a minimum corpus of Rs. 2500.00 lakh, • The National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India, • Insurance funds set up and managed by the army, navy, or air force of the Union of India, and • Insurance funds set up and managed by the Department of Posts, India, which are authorized to invest in Bonds | invest in Bonds | |
| Credit Ratings | <p>ICRA Limited has, vide its letter no. D/RAT/2013-14/I-27/4 dated August 30, 2013, assigned a credit rating of “[ICRA] AAA (Outlook: Stable)” to the Bonds. 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. ICRA Limited has vide its letter No. D/RAT/2013-14/I-27/5 dated September 25, 2013, letter No. D/RAT/2013-14/I-27/6 dated November 22, 2013 and letter No. D/RAT/2013-14/I-27/7 dated February 4, 2014 revalidated its credit rating. Brickwork Rating India Private Limited has, vide its letter no. BWR/BNG/RL/2013-14/NS/0132 dated August 7, 2013 assigned a credit rating of “BWR AAA (Outlook: Stable)” to the Bonds. 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. Brickwork Rating India Private Limited has vide its letter no. BWR/ BNG/ RL/ 2013-14/ NS/ 0168 dated September 16, 2013, letter no. BWR/BNG/RL/2013-14/NS/0227 dated November 20, 2013 and letter No. BWR/BNG/RL/2013-2014/NS/0307 dated January 31, 2014, revalidated its credit rating. Credit Analysis & Research Limited has, vide its letter dated August 16, 2013, assigned a credit rating of “CARE AAA” to the Bonds. 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. Credit Analysis & Research Limited has vide its letters dated September 16, 2013, November 20, 2013 and January 31, 2014, revalidated its credit rating. Further, India Rating & Research Private Limited has, vide its letter dated August 21, 2013, assigned a credit rating of “IND AAA (Stable)” to the Bonds. 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. India Rating & Research Private Limited has vide its letters dated September 24, 2013, November 21, 2013 and January 31, 2014 revalidated its credit rating. For the revalidation letters dated February 4, 2014, January 31, 2014, January 31, 2014 and January 31, 2014 see “Annexure B: Credit Rating (Revalidation Letters)” of this Prospectus Tranche- III. For the rationale for the ratings given by Brickwork Rating India Private Limited, Credit Analysis & Research Limited and India Rating & Research Private Limited, see “Annexure B – Credit Rating” of the Shelf Prospectus and for ICRA Limited, see “Annexure B: Credit Ratings (Revalidation Letters)” of this Prospectus Tranche- III</p> | | |
| Security | <i>Pari passu</i> 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 the Bond Trust Agreement. The Company reserves the right to create first <i>pari passu</i> charge on, the present and future, receivables for its present and future financial requirements or otherwise, provided that a minimum security cover of 1 (one) time is maintained | | |
| Security Cover | One time of the total outstanding Bonds | | |
| Nature of Indebtedness and Ranking/ Seniority | The claims of the Bondholders shall be superior to the claims of any unsecured creditors of the Company and subject to applicable statutory and/or regulatory requirements, rank <i>pari passu</i> inter se to the claims of other secured creditors of the Company having the same security | | |
| Put/Call Option | There is no put/call option for the Bonds | | |
| Listing | BSE. For more information, see “ Terms of the Issue – Listing ” on page 61 of this Prospectus Tranche- III | | |
| Bond Trustee | IL&FS Trust Company Limited | | |
| Depositories | Central Depository Services (India) Limited (“CDSL”) and National Securities Depository Limited (“NSDL”) | | |
| Registrar | Karvy Computershare Private Limited | | |

| COMMON TERMS FOR ALL SERIES OF THE BONDS | | | | | |
|---|--|----------------------|--|------------------|--|
| Modes of Payment/Settlement Mode | <p>1. Direct Credit; 2. National Electronic Clearing System (“NECS”); 3. Real Time Gross Settlement (“RTGS”); 4. National Electronic Fund Transfer (“NEFT”); and 5. Demand Draft/ Cheque/ Pay Order</p> <p>For more information, see “<i>Terms of the Issue – Manner & Modes of Payment</i>” on page 58 of this Prospectus Tranche- III.</p> | | | | |
| Issuance | In dematerialised form and physical form, at the option of the Applicant*** | | | | |
| Trading | In dematerialised form only*** | | | | |
| Market Lot / Trading Lot | One Bond | | | | |
| Deemed Date of Allotment | The date on which, the Board of Directors or Bond Committee approves the Allotment of Bonds for this Tranche – III Issue or such date as may be determined by the Board of Directors or Bond Committee and notified to the Designated Stock Exchange. All benefits relating to the Bonds including interest on Bonds (as specified in this Prospectus Tranche- III) shall be available from the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment | | | | |
| Record Date | Date falling 15 days prior to the relevant Interest Payment Date on which interest or the Maturity Date on which the Maturity Amount is due and payable under this Prospectus Tranche- III. In the event the Record Date falls on a Saturday, Sunday or a Public Holiday in New Delhi or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, the succeeding Working Day shall be considered as the Record Date. | | | | |
| Lead Managers | SBI Capital Markets Limited, A.K Capital Services Limited, Axis Capital Limited, ICICI Securities Limited, Karvy Investor Services Limited and RR Investors Capital Services Private Limited. | | | | |
| Objects of the Issue and Utilisation of Proceeds | See “ <i>Objects of the Issue</i> ” on page 34 of this Prospectus Tranche- III. | | | | |
| Working Day Convention/ Day Count | <p>A Working Day shall mean all days excluding Sundays or a public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period and Record Date, where working days shall mean all days, excluding Saturdays, Sundays and public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881</p> <p>Day Count Convention</p> <p>Actual/actual, i.e., coupon/ interest rate will be computed on a 365 days-a-year basis on the principal outstanding on the Bonds. Where the coupon/ interest period (start date to end date) includes February 29, coupon/ interest rate will be computed on 366 days-a-year basis, on the principal outstanding on the Bonds.</p> <p>Effect of holidays on payments</p> <p>If the date of payment of coupon/ interest rate specified does not fall on a Working Day, the coupon payment shall be made on the immediately succeeding Working Day along with the interest for such additional period. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next coupon/ Interest Payment Date. If the Redemption Date/ Maturity Date (also being the last Coupon/ Interest Payment Date) of any Series of Bonds falls on a day which is not a Working Day, the redemption proceeds shall be paid on the immediately preceding Working Day along with the interest accrued on the Bonds until but excluding the date of such payment</p> | | | | |
| Transaction Documents | <p>Documents/undertakings/agreements entered into or to be entered into by the Company with Lead Managers and/or other intermediaries for the purpose of the Issue, including but not limited to the following: -</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top;">Bond Trust Agreement</td> <td style="width: 50%; vertical-align: top;">Bond trust Agreement dated September 4, 2013 entered into between the Bond Trustee and the Company</td> </tr> <tr> <td style="width: 50%; vertical-align: top;">Escrow Agreement</td> <td style="width: 50%; vertical-align: top;">Agreement dated September 20, 2013 entered into by the Company, the Registrar to the Issue, the Lead Managers and the Escrow Collection Bank(s) for collection of the Application Amounts and where applicable, refunds of amounts collected from Applicants on the terms and conditions thereof, as amended vide the First Addendum to the Escrow Agreement dated November 25, 2013 and Second Addendum to the Escrow Agreement dated February 7, 2014.</td> </tr> </table> | Bond Trust Agreement | Bond trust Agreement dated September 4, 2013 entered into between the Bond Trustee and the Company | Escrow Agreement | Agreement dated September 20, 2013 entered into by the Company, the Registrar to the Issue, the Lead Managers and the Escrow Collection Bank(s) for collection of the Application Amounts and where applicable, refunds of amounts collected from Applicants on the terms and conditions thereof, as amended vide the First Addendum to the Escrow Agreement dated November 25, 2013 and Second Addendum to the Escrow Agreement dated February 7, 2014. |
| Bond Trust Agreement | Bond trust Agreement dated September 4, 2013 entered into between the Bond Trustee and the Company | | | | |
| Escrow Agreement | Agreement dated September 20, 2013 entered into by the Company, the Registrar to the Issue, the Lead Managers and the Escrow Collection Bank(s) for collection of the Application Amounts and where applicable, refunds of amounts collected from Applicants on the terms and conditions thereof, as amended vide the First Addendum to the Escrow Agreement dated November 25, 2013 and Second Addendum to the Escrow Agreement dated February 7, 2014. | | | | |

| | | |
|--|--|---|
| | Issue Agreement | The agreement entered into on September 3, 2013, between the Company and the Lead Managers |
| | Lead Broker MoU | Memorandum of Understanding dated September 20, 2013 entered into between the Company and the Lead Brokers |
| | Registrar Agreement | Agreement dated September 3, 2013 entered into between the Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue |
| | Tripartite Agreements | Tripartite agreement dated January 20, 2009 entered into between the Company, CDSL and the Registrar to the Issue and the tripartite agreement dated January 20, 2009 entered into between the Company, NSDL and the Registrar to the Issue |
| Issue Opening Date | February 17, 2014 | |
| Issue Closing Date | March 14, 2014 | |
| | This Tranche – III Issue shall open for subscription from 10.00 a.m. to 5.00 p.m.(Indian Standard Time) during the period indicated above with an option for early closure or extension, as may be decided by the Board of Directors or Bond Committee. In the event of such early closure or extension of the subscription list of this Tranche- III Issue, the Company shall ensure that public notice of such early closure/extension is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in a leading national daily newspaper | |
| Default Interest Rate | The Company shall pay liquidated damages at a compounded rate of 1% per annum on the amount in respect of which a default has been committed in the event the Company fails to pay any amounts outstanding payable, when due and payable | |
| Redemption Premium/Discount | Not applicable | |
| Interest on Application Money | See “ <i>Terms of the Issue- Interest on Application and Refund Money</i> ” on page 55 of this Prospectus Tranche- III | |
| Option to retain oversubscription | This Tranche- III Issue by the Issuer is of the Bonds of Rs. 75,000.00 lakh with an option to retain oversubscription upto the Residual Shelf Limit (i.e. Rs. 2,82,379.49 lakh) | |
| Conditions precedent/ subsequent to disbursement | Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedent/subsequent to disbursement. See “ <i>Terms of the Issue - Utilisation of Issue Proceeds</i> ” on page 62 of this Prospectus Tranche- III | |
| Event of Default | See “ <i>Terms of the Issue</i> ” on page 49 of this Prospectus Tranche- III | |
| Cross Default | Not applicable | |
| Roles and Responsibilities of Bond Trustee | See “ <i>Terms of the Issue- Bond Trustee</i> ” on page 61 of this Prospectus Tranche- III | |
| Discount at which Bond is issued and the effective yield as a result of such discount | Not applicable | |
| Governing Law | Laws of the Republic of India | |
| Jurisdiction | The courts of New Delhi will have exclusive jurisdiction for the purposes of this Tranche- III Issue. | |

** With regard to Section 372A(3) of the Companies Act, kindly refer to General Circular No. 6/ 2013, dated March 14, 2013 Ministry of Corporate Affairs, GoI clarifying that in cases where the effective yield on tax free bonds is greater than the prevailing bank rate, there shall be no violation of Section 372A(3) of the Companies Act.

***In terms of Regulation 4(2)(d) of the Debt Regulations, the Company will make public issue of the Bonds in the dematerialised form. However, in terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Investors who wish to hold the Bonds in physical form will fulfill such request. However, trading in Bonds shall be compulsorily in dematerialized form.

Participation by any of the above-mentioned Investor classes in this Tranche – III Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and/or regulatory provisions.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of Bonds pursuant to this Tranche- III Issue.

SPECIFIC TERMS FOR EACH SERIES OF BONDS

| Options | Series of Bonds* | | |
|---------------------------------------|---|--|--|
| | For Category I, II & III** | | |
| | Tranche III Series 1A | Tranche III Series 2A | Tranche III Series 3A |
| Coupon Rate (%) p.a | 8.16% | 8.55% | 8.55% |
| Annualised Yield (%) p.a | 8.16% | 8.55% | 8.55% |
| Options | For Category IV** | | |
| | Tranche III Series 1B | Tranche III Series 2B | Tranche III Series 3B |
| Coupon Rate (%) p.a | 8.41% | 8.80% | 8.80% |
| Annualised Yield (%) p.a | 8.41% | 8.80% | 8.80% |
| For Category I, II, III & IV** | | | |
| Minimum Application | 5 Bonds (Rs.5000) (individually or collectively, across series) | | |
| In the multiple of | One Bond (Rs.1000) | | |
| Tenor | 10 years | 15 years | 20 years |
| Maturity / Redemption Date | 10 years from the Deemed Date of Allotment | 15 years from the Deemed Date of Allotment | 20 years from the Deemed Date of Allotment |
| Face Value | Rs 1,000 | Rs 1,000 | Rs 1,000 |
| Issue Price | Rs 1,000 | Rs 1,000 | Rs 1,000 |
| Redemption Amount (Rs./Bond) | Repayment of the Face Value plus any interest at the applicable Coupon/ Interest Rate that may have accrued at the Redemption Date | | |
| Coupon/ Interest Type | Fixed Coupon Rate | | |
| Coupon / Interest Payment Date | The date, which is the day falling one year from the Deemed Date of Allotment, in case of the first coupon/ interest payment and the same day every year, until the Redemption Date for subsequent coupon/ interest payment | | |
| Coupon/ Interest Reset Process | Not applicable | | |
| Frequency of Coupon/ Interest Payment | Annual | | |

*Our Company shall allocate and allot Tranche III Series 1A/ Series 1B (depending upon the category of applicants) to all valid applications, wherein the Applicants have not indicated their choice of the relevant Series of Bond.

**In pursuance of the Notification and for avoidance of doubt, it is clarified as under:

- The coupon rates indicated under Tranche III Series 1B, Tranche III Series 2B and Tranche III Series 3B shall be payable only on the Portion of Bonds allotted to RIIs in this Tranche- III Issue. Such coupon is payable only if on the Record Date for payment of interest, the Bonds are held by investors falling under RII Category viz Category IV.
- In case the Bonds allotted against Tranche III Series 1B, Tranche III Series 2B and Tranche III Series 3B are transferred by RIIs to Non-RIIs viz, Qualified Institutional Buyers, Domestic Corporate and/or High Networth Individuals, the coupon rate on such Bonds shall stand at par with coupon rate applicable on Tranche III Series 1A, Tranche III Series 2A and Tranche III Series 3A, respectively.
- If the Bonds allotted against Tranche III Series 1B, Tranche III Series 2B and Tranche III Series 3B are sold/ transferred by the RIIs to investor(s) who fall under the RII category as on the Record Date for payment of interest, then the coupon rates on such Bonds shall remain unchanged;
- Bonds allotted against Tranche III Series 1B, Tranche III Series 2B and Tranche III Series 3B shall continue to carry the specified coupon rate if on the Record Date for payment of interest, such Bonds are held by investors falling under RII Category;
- If on any Record Date, the original RII allottee(s)/ transferee(s) hold the Bonds under Tranche III Series 1B, Tranche III Series 2B and Tranche III Series 3B for an aggregate face value amount of over Rs. 10.00 lakh, then the coupon rate applicable to such RII allottee(s)/transferee(s) on Bonds under Tranche III Series 1B, Tranche III Series 2B, Tranche III Series 3B shall stand at par with coupon rate applicable on Tranche III Series 1A, Tranche III Series 2A and Tranche III Series 3A, respectively;
- Bonds allotted under Tranche III Series 1A, Tranche III Series 2A and Tranche III Series 3A shall carry coupon rates indicated above till the respective maturity of Bonds irrespective of Category of holder(s) of such Bonds;
- For the purpose of classification and verification of status of the RII Category of Bondholders, the aggregate face value of Bonds held by the Bondholders in all the Series of Bonds, allotted under the relevant Issue shall be clubbed and taken together on the basis of PAN.

IL&FS Trust Company Limited has vide its letter dated September 4, 2013 given its consent for its appointment as Bond Trustee to the Issue and for its name to be included in the Shelf Prospectus and Tranche Prospectus(es) and in all the subsequent periodical communications sent to the holders of the Bonds issued pursuant to the Issue.

A copy of this Prospectus Tranche- III shall be filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana, in terms of Section 56 and 60 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 2013, along with the requisite endorsed/ certified copies of all documents. For more information, see “**Material Contracts and Documents for Inspection**” on page 88 of this Prospectus Tranche- III.

GENERAL INFORMATION

The Company was incorporated on January 5, 2006 as a public limited company under the Companies Act and received a certificate for commencement of business on January 24, 2006. The Company was set up by GoI to provide finance to infrastructure projects in accordance with SIFTI, notified by MoF on January 4, 2006 and amended from time to time. Further, the Company has been notified as a 'public financial institution' by the MCA, through a notification (F.No. 3/5/2008/CL V) dated January 14, 2009. The Company has also been registered as a "NBFC- IFC" by the RBI and a certificate bearing No. N-14.03288 dated September 09, 2013 has been issued by RBI to the Company in this regard.

Registered Office and Corporate Office

8th Floor Hindustan Times House
18 & 20 Kasturba Gandhi Marg
New Delhi 110 001
Tel: +91 (11) 2370 8263, 2370 8264
Fax: +91 (11) 2376 6256, 2373 0251

Registration

| Details | Registration/Identification number |
|---------------------------------|------------------------------------|
| Registration Number | 144520 |
| Corporate Identification Number | U67190DL2006GOI144520 |

For information on changes in our Registered Office, see "*History and Certain Corporate Matters*" on page 93 of the Shelf Prospectus.

Address of the Registrar of Companies

The Company is registered at the office of:

The Registrar of Companies
National Capital Territory of Delhi and Haryana
4th Floor, IFCI Tower
61, Nehru Place
New Delhi 110 019
Tel: +91 (11) 2623 5704
Fax: +91 (11) 2623 5702

Compliance Officer

Mr. Abhirup Singh
8th Floor, Hindustan Times House
18 & 20 Kasturba Gandhi Marg
New Delhi 110 001
Tel: +91 (11) 2345 0287
Fax: +91 (11) 2376 6256, 2373 0251
Email: complianceofficer.taxfreebonds@iifcl.org

Chief Financial Officer and Company Secretary

Mr. Rajeev Mukhija
8th Floor, Hindustan Times House
18 & 20 Kasturba Gandhi Marg
New Delhi 110 001
Email: rajiv@iifcl.org

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, bond certificate (for Applicants who have applied for Allotment in physical form), demat credit or refund orders.

All grievances relating to this Tranche- III Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of Bonds applied for, Series of Bonds applied for, amount paid on application, Depository Participant and the Collection Centre of the Members of the Syndicate where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant,

or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA centres, giving full details such as name, address of Applicant, Application Form number, series/option applied for number of Bonds applied for, amount blocked on Application.

All grievances arising out of Applications for the Bonds made through the Online Stock Exchange Mechanism or through Trading Members may be addressed directly to the relevant Stock Exchange.

Lead Managers

SBI Capital Markets Limited

202, Maker Tower E, Cuffe Parade, Mumbai 400 005
Tel: +91 (22) 2217 8300
Fax: +91 (22) 2218 8332
Email: iifclbonds2013@sbicaps.com
Investor Grievance Email: investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Ms. Neha Pruthi/ Mr. Gitesh Vargantwar
Compliance Officer: Mr. Bhaskar Chakraborty
SEBI Registration No.: INM000003531

Axis Capital Limited

1st Floor, Axis House, C-2 Wadia International Centre P.B.
Marg, Worli, Mumbai 400 025
Tel: +91 (22) 4325 2525; Fax: +91 (22) 4325 3000
E-mail: iifclbonds@axiscap.in
Investor Grievance Email: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Mr. Akash Aggarwal
Compliance Officer: Mr. M. Natarajan
SEBI Registration No.: INM0000012029

Karvy Investor Services Limited

701, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Off.
Bandra Kurla Complex, Bandra (East), Mumbai- 400 051,
India
Tele: +91 22 6149 1500
Facsimile: +91 22 6149 1515
Email: iifcl2013@karvy.com
Investor Grievance Email: igmbd@karvy.com,
cmg@karvy.com
Website: www.karvy.com
Contact Person: Mr. Sumit Singh
Compliance Officer: Mr. V. Madhusudhan Rao
SEBI Registration No.: INM000008365

Lead Brokers

Standard Chartered Securities (India) Limited

1st Floor, Standard Chartered Tower,
201B/1, Western Express Highway,
Goregaon (East), Mumbai-400063
Tel: +91 (22) 6755 9604/ 6755 9626
Fax: +91 (22) 6755 9607
Email: Sanjay.rajoria@sc.com/rahul.kamble@sc.com
Investor Grievance Email:
customercare@standardcharteredsecurities.com
Website: www.standardcharteredtrade.co.in
Contact Person: Mr. Sanjay Rajoria/ Rahul Kamble
Compliance Officer: Mr. Mitesh Thakkar
SEBI Registration No.: NSE-INB231333338 & BSE-
INB011333334

A. K. Capital Services Limited

30-39 Free Press House, 3rd Floor, Free Press Journal
Marg, 215, Nariman Point
Mumbai 400 021
Tel: +91 (22) 6754 6500
Fax: +91 (22) 6610 0594
Email: iifcltbonds3@akgroup.co.in
Investor Grievance Email:
investor.grievance@akgroup.co.in
Website: www.akcapindia.com
Contact Person: Ms. Akshata Tambe/ Mr. Lokesh Singhi
Compliance Officer: Mr. Vikas Agarwal
SEBI Registration No.: INM000010411

ICICI Securities Limited

ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai
400 020, India
Tel: +91 (22) 2288 2460
Fax: +91 (22) 2282 6580
Email: project.iifcl@icicisecurities.com
Investor Grievance Email:
customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Ms. Payal Kulkarni
Compliance Officer: Mr. Subir Saha
SEBI Registration No.: INM000011179

RR Investors Capital Services Private Limited

47, M.M Road, Rani Jhansi Marg, New Delhi- 110 055,
India
Tele: +91 11 2363 6362/63
Facsimile: +91 11 2363 6746
Email: iifcltaxfree2013@rrfcl.com
Investor Grievance Email: investors@rrfcl.com
Website: www.rrfcl.com, www.rrfinance.com
Contact Person: Mr. Anurag Awasthi
Compliance Officer: Mr. Ravi Kant Goyal
SEBI Registration No.: INM000007508

India Infoline Limited

IIFL House, Sun Infotech Park,
3rd Floor, Road No. 16V, Plot No. B-23, MIDC
Thane Industrial Area, Wagle Estate,
Thane West – 400 604
Tel: +91 (22) 4103 5274/73/4103 0211
Fax: +91 (22) 2580 6654
Email: ncd@indiainfoline.com
Investor Grievance Email: ncd@indiainfoline.com
Website: www.indiainfoline.com
Contact person: Mr. Anwar Ahmed
Compliance Officer: Mr. Dinesh Tanwar
SEBI Registration No.: INB231097537

HDFC Securities Limited

HDFC Securities Limited,
1 Think Techno Campus Building –B,
“Alpha” Office Floor 8, Opposite Crompton Greaves
Near Kanjurmarg Station Kanurmarg (East)
Mumbai-400 042, India
Tel: +91 (22) 3075 3400
Fax: +91 (22) 3075 3435
Email: sunil.raula@hdfcsec.com/
sharmila.kambli@hdfcsec.com
Investor Grievance Email:
customercare@hdfcsec.com
Website: www.hdfcsec.com
Contact person: Mr. Sunil Raula / Ms.Sharmila Kambli
Compliance Officer: Mr.Baiju Budhwani
SEBI Registration No.: INB231109431

Kotak Securities Limited

32, Raja Bahadur Compound,
Opposite Bank of Maharashtra,
Mumbai Samachar Marg,
Mumbai- 400 023
Tel: +91 (22) 22655084
Fax: +91 (22) 66617041
Email: sanjeeb.das@kotak.com
Investor Grievance Email: ipo.redressal@kotak.com
Website: www.kotak.com
Contact person: Mr. Sanjeeb Kumar Das
Compliance Officer: Mr. Sandeep Chordia
SEBI Registration No.: NSE-INB230808130 & BSE-
INB010808153

RR Equity Brokers Private Limited

47 M.M. Road Rani Jhansi Marg,
Jhandewalan New Delhi- 100005
Tel: +91 (11) 2350 8473
Fax: +91 (11) 2363 6743
Email: manishagrawal@rrfcl.com
Investor Grievance Email: investors@rrfcl.com
Website: www.rrfcl.com
Contact person: Mr. Manish Agrawal
Compliance Officer: Mr. Manish Agrawal
SEBI Registration No.: NSE-INB231219636 & BSE-
INB011219632

SMC Global Securities Limited

17, Netaji Subhash Marg, Opposite Golcha Cinema,
Daryaganj, New Delhi
Tel: 9818620470, 9810059041
Fax: +91 (11) 2326 3297
Email: mkg@smcindiaonline.com,
neerajkhanna@smcindiaonline.com
Investor Grievance Email:
iifcltaxfree@smcindiaonline.com
Website: www.smctradeonline.com
Contact person:
Mr. Mahesh Gupta, Mr. Neeraj Khanna
Compliance Officer: Mr. Mahesh Gupta
SEBI Registration No.: 23/07714-31

SBICAP Securities Limited

Registered office: 191, Maker Towers, F Wing, 19th Floor,
Cuffe Parade, Mumbai- 400 005
Correspondence office: Mafatlal Chamber, C Wing, 2nd Floor,
NM Joshi Marg, Lower Parel, Mumbai 400 013
Tel: +91 (22) 42273300
Fax: +91 (22) 42273390
Email: archana.dedhia@sbicapsec.com
Investor Grievance Email: complaints@sbicapsec.com
Website: www.sbicapsec.com
Contact person: Ms. Archana Dedhia
Compliance Officer: Ms. Dhanashri Kenkare
SEBI Registration No.: NSE - INB231052938 & BSE –
INB11053031

ICICI Securities Limited

ICICI Centre, H.T. Parekh Marg,
Churchgate, Mumbai-400020, India
Tel: +91 (22) 22882460
Fax: +91 (22) 22826580
Email: project.iifcl@icicisecurities.com
Investor Grievance Email:
customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact person: Ms. Payal Kulkarni
Compliance Officer: Mr. Subir Saha
SEBI Registration No.: NSE-INB230773037 & BSE-
INB011286854

A.K. Stockmart Private Limited

30-39, Free Press House,
Free Press Journal House,
215, Nariman Point, Mumbai-400 021
Tel: +91 (22) 6634 9300
Fax: +91 (22) 6754 4666
Email: ankit@akgroup.co.in
Investor Grievance Email: stockmart@akgroup.co.in
Website: www.akcapindia.co.in
Contact person: Mr. Ankit Gupta
Compliance Officer: Mr. Ankit Gupta
SEBI Registration No.: INB231269532/ INB011269538

Karvy Stock Broking Limited

Karvy House, 46, Avenue 4, Street No. 1,
Banjara Hills, Hyderabad – 500 034
Tel: +91 (40) 2331 2454
Fax: +91 (40) 6662 1474
Email: iifcl2013@karvy.com
Investor Grievance Email: ksblredressal@karvy.com
Website: www.karvy.com
Contact person: Mr. P.B. Ramapriyan
Compliance Officer: Mr. N. Muthuswamy Iyer
SEBI Registration No.: INB230770138

JM Financial Services Limited

2,3 & 4, Kamanwala Chambers,
 Sir. P M Road, Fort, Mumbai-400 001
 Tel: +91 (22) 3021 3500; Fax: +91 (22) 2266 5902
 E-mail: rohit.singh@jmfl.com
 Investor Grievance E-mail Id: ig.distribution@jmfl.com
 Website: www.jmfinancialservices.in
 Contact Person: Mr. Rohit Singh
 Compliance Officer: Mr. Manishkumar Sabu
 SEBI Registration Number: INB231054835, INB01
 1054831

LKP Securities Limited**For Retail Investors**

Bank of Maharashtra Building,
 45/47, B.S Marg, Mumbai-
 400001
 Tel: +91 (22) 226 60171
 Fax: +91 (22) 2269 4480
 E-mail:
 dinesh_waghela@lkpsec.com
 Investor Grievance E-mail Id:
 dinesh_waghela@lkpsec.com
 Contact Person: Mr. Dinesh K
 Waghela

For Institutional investor

203, Embassy Centre,
 Nariman Point, Mumbai-
 400021
 Tel: +91 (22) 6654 8580/
 6630 6892
 Fax: +91 (22) 2284 2415
 E-mail: wdm@lkpsec.com
 Investor Grievance E-mail
 Id:
 wdm@lkpsec.com
 Contact Person: Mr. Anish
 P. Parekh

Website: www.lkpsec.com

Compliance Officer: Ms. Neha Malviya

SEBI Registration Number: NSE-INB230720030, BSE-
 INB010675433

Axis Capital Limited

1st floor, Axis House, C-2 Wadia International Centre
 P.B. Marg, Worli, Mumbai 400 025
 Tel: +91 (22) 4325 2525;
 Fax: +91 (22) 4325 3000
 E-mail: iifclbonds@axiscap.in
 Investor Grievance Email: complaints@axiscap.in
 Website: www.axiscapital.co.in
 Contact Person: Mr. Akash Aggarwal
 Compliance Officer: Mr. M. Natarajan
 SEBI Registration No.: NSE-INB231387235, BSE-
 INB011387330

IDBI Capital Market Services Limited

3rd Floor, Mafatlal Centre, Nariman Point,
 Mumbai 400 021
 Tel: +91 (22) 4322 1212;
 Fax: +91 (22) 43221246
 E-mail: dattaram.kamerkar@idbicapital.com
 Investor Grievance Email: redressal@idbicapital.com
 Website: www.idbicapital.com
 Contact Person: Mr. Dattaram Kamerkar
 Compliance Officer: Ms. Christina D'souza
 SEBI Registration Number: BSE-INB010706639, NSE-
 INB230706631

Edelweiss Broking Limited

Edelweiss House Off. C.S.T. Road
 Kalina, Mumbai - 400098
 Tel: 022 -40635411/ 9930362969; 022 – 67471342/ 9320331070
 Fax: +91 6747 1347
 E-mail: amit.dalvi@edelweissfin.com; prakash.boricha@edelweissfin.com
 Investor Grievance Email: helpdesk@edelweiss.in
 Website: www.edelweissfin.com
 Contact Person: Mr. Amit Dalvi, Mr. Prakash Boricha
 Compliance Officer: Mr. Brijmohan Bohra
 SEBI Registration Number: INB/INF/INE231311631 (NSE)/
 INB011311637 (BSE)

Bond Trustee**IL&FS Trust Company Limited**

The IL&FS Financial Centre, Plot C-22, G Block,
 Bandra Kurla Complex, Bandra (East), Mumbai 400 051
 Tel: +91 (22) 22 2653 3908;
 Fax: +91 (22) 2653 3297;
 Email: itclcomplianceofficer@ilfsindia.com;
 Investor Grievance Email: investorgrievances.itcl@ilfsindia.com;
 Website: www.itclindia.com;
 Contact Person: Sr. Vice President;
 SEBI Registration No.: IND000000452

IL&FS Trust Company Limited has by its letter dated September 4, 2013 given its consent for its appointment as Bond Trustee to the Issue and for its name to be included in the Draft Shelf Prospectus, Shelf Prospectus, the Tranche Prospectus(es) and in all the subsequent periodical communications sent to the holders of the Bonds issued, pursuant to this Issue pursuant to Regulation 4(4) of the Debt Regulations.

Registrar to the Issue

Karvy Computershare Private Limited

Plot No. 17 to 24, Vithalrao Nagar, Madhapur
Hyderabad 500 081- A.P, India
Tel: +91 (40) 4465 5000
Fax: +91 (40) 2343 1551
E-mail: einward.ris@karvy.com
Investor Grievance Email: iifclbonds@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr. M. Murali Krishna
SEBI Registration Number: INR000000221

Statutory Auditors

M/s K.M. Agarwal & Co.
Chartered Accountants
36, Netaji Subhash Marg, Darya Ganj, New Delhi- 110 002, India
Tel: +91 (11) 2327 7049
Fax.: +91 (11) 2327 4380
Email: kmagarwal_1969@rediffmail.com
Firm Registration No.: 000853N

M/s K.M Agarwal & Co. was appointed as the Statutory Auditors by the Comptroller and Auditor General of India through a letter dated July 29, 2013.

Escrow Collection Banks/ Bankers to the Issue

State Bank of India

Videocon Heritage (Killick House),
Ground Floor, Charanjit Rai Marg, Fort
Mumbai 400 001
Tel: +91 (22) 2209 4932/ 2209 4927
Fax: +91 (22) 2209 4921/ 2209 4922
E-mail: nib.11777@sbi.co.in, sbi11777@yahoo.co.in
Website: www.statebankofindia.com
Contact Person: Mr. Anil Sawant
SEBI Registration Number: INBI00000038

Axis Bank Limited

148, Statesman House, Barakhamba Road,
New Delhi- 110001
Tel: +91(11) 4742 5120
Fax: +91 (11) 4350 6565/ 2331 1054
E-mail: newdelhi.branchhead@axisbank.com,
ashish.dhall@axisbank.com, amit.mishra@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Amit Mishra, Mr. Ashish Dhall
SEBI Registration Number: INBI00000017

ICICI Bank Limited

Capital Market Division,
1st Floor, 122, Mistry Bhavan,
Dinshaw Vachha Road, Backbay Reclamation,
Churchgate, Mumbai- 400 020
Tel: +91 (22) 6631 0322
Fax: +91 (22) 2261 1138
E-mail: anil.gadoo@icicibank.com
Website: www.icicibank.com
Contact Person: Mr. Viral Bharani
SEBI Registration Number: INBI00000004

Kotak Mahindra Bank Limited

Kotak Towers, Cash Management Services,
6th Floor, Zone 3, Building No. 21,
Infinity Park, Goregaon Mulund Link Road,
Malad (East), Mumbai 400 097
Tel: +91 (22) 6605 6959
Fax: +91 (22) 6646 6540
E-mail: prashant.sawant@kotak.com
Website: www.kotak.com
Contact Person: Mr. Prashant Sawant
SEBI Registration Number: INBI000000927

HDFC Bank Limited

FIG-OPS Department – Lodha,
I Think Techno Campus,
O-3 Level, Next to Kanjurmarg Railway Station,
Kanjurmarg (East),
Mumbai 400 042
Tel: +91 (22) 3075 2928
Fax: +91 (22) 2579 9801
E-mail: uday.dixit@hdfcbank.com, figdelhi@hdfcbank.com,
anchalgarg@hdfcbank.com, ashish.ujjawal@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Uday Dixit
SEBI Registration Number: INBI00000063

IndusInd Bank Limited

Cash Management Services,
Solitaire Park, No.1001,
Building No. 10, Ground Floor,
Guru Hargovindji Marg,
Andheri (East),
Mumbai 400 093
Tel: +91 (22) 6772 3901 - 3917
Fax: +91 (22) 6772 3998
E-mail: sanjay.vasarkar@indusind.com
Website: www.indusind.com
Contact Person: Mr. Sanjay Vasarkar
SEBI Registration Number: INBI00000002

Yes Bank Limited

IFC Tower 2, 8th Floor,
Senapati Bapat Marg, Elphinstone (W) Road,
Mumbai 400 013
Tel: +91 (22) 3347 7251
Fax: +91 (22) 2421 4504
E-mail: dltbtservices@yesbank.in
Website: www.yesbank.in
Contact Person: Mr. Shankar Vichare/ Paresh Kulkarni
SEBI Registration Number: INBI00000935

IDBI Bank Limited

Unit no.2, Corporate Park,
Sion Trombay Road,
Chembur, Mumbai 400 071
Tel: +91 (22) 6690 8402
Fax: +91 (22) 2528 6173
E-mail: ipoteam@idbi.co.in
Website: www.idbibank.com
Contact Person: Mr. V. Jayanathan
SEBI Registration Number: INBI00000076

Punjab National Bank

Capital Market Services Branch,
5 Sansad Marg,
New Delhi 110 001
Tel: +91 (11) 2373 7531/ 23737535
Fax: +91 (11) 2373 7528
E-mail: bo4552@pnb.co.in
Website: www.pnb.india.in
Contact Person: Mr. B.K. Mahan, Mr. N.K. Sharma
SEBI Registration Number: INBI00000084

Refund Banks**State Bank of India**

Videocon Heritage (Killick House),
Ground Floor, Charanjit Rai Marg, Fort
Mumbai 400 001
Tel: +91 (22) 2209 4932/ 2209 4927
Fax: +91 (22) 2209 4921/ 2209 4922
E-mail: nib.11777@sbi.co.in, sbi11777@yahoo.co.in
Website: www.statebankofindia.com
Contact Person: Mr. Anil Sawant
SEBI Registration Number: INBI00000038

IDBI Bank Limited

Unit no.2, Corporate Park,
Sion Trombay Road,
Chembur, Mumbai 400 071
Tel: +91 (22) 6690 8402
Fax: +91 (22) 2528 6173
E-mail: ipoteam@idbi.co.in
Website: www.idbibank.com
Contact Person: Mr. V. Jayanathan
SEBI Registration Number: INBI00000076

Self Certified Syndicate Banks

The list of Designated Branches that have been notified by SEBI to act as SCSBs for ASBA process is provided on <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> or at such other website as may be prescribed by SEBI from time to time. For more information on the Designated Branches collecting ASBA Applications, see the above mentioned web-link.

Syndicate SCSB Branches

In relation to ASBA Applications submitted to the Lead Managers, Lead Brokers, sub-brokers or the Trading Members of the Stock Exchange(s) only in the specified cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Cities named by the respective SCSBs to receive deposits of ASBA Applications from such Lead Managers, Lead Brokers, sub-brokers or the Trading Members of the Stock Exchange(s) is provided on <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting ASBA Applications from Members of the Syndicate or the Trading Members of the Stock Exchange(s) only in the Specified Cities, see the above mentioned web-link.

Bankers to the Company**ICICI Bank Limited**

9A, Phelps Building, Block A, Connaught Place,
New Delhi- 100 001
Tel: +91 (11) 43084008
Fax: +91 (11) 66310410
Email: bhavit.sharma@icicibank.com
Contact Person: Mr. Bhavit Sharma
Website: www.icicibank.com

Punjab National Bank

Capital Market Service Branch
5, Sansad Marg, New Delhi 110 001
Tel: +91 (11) 2373 7535, 2373 7531
Fax: +91 (11) 2373 7528
Email: bo4552@pnb.co.in
Contact Person: Mr. N. K. Sharma
Website: www.pnbindia.in

State Bank of India

Capital Market Branch
 Videocon Heritage (Killick House), Ground Floor,
 Charanjit Rai Marg, Fort, Mumbai 400 001
 Tel: +91 (22) 2209 4932/ 27
 Fax: +91 (22) 2209 4921/ 22
 Email: nib.11777@sbi.co.in, sbi11777@yahoo.co.in
 Contact Person: Mr. Anil Sawant
 Website: www.statebankofindia.com

State Bank of Travancore

Parliament Street Branch,
 4A, Jeevan Tara Building,
 Parliament Street, New Delhi-110001
 Tel: 011-23340061, 23744577
 Fax: 011-23341370, 23744588
 Email: parliament@sbt.co.in
 Contact Person: Mr. Nitin Mishra,
 Website: www.statebankoftravancore.com

Legal Advisor to the Issue**Dhir & Dhir Associates**

D-55, Defence Colony, New Delhi – 110 024
 Tel.: +91 (11) 42410000
 Fax: +91 (11) 42410091
 E-mail: iifcltaxfreebonds@dhirassociates.com
 Contact Person: Mr. Girish Rawat
 Website: www.dhirassociates.com

Credit Rating Agencies**ICRA Limited**

Building No. 8
 2nd floor, Tower A
 DLF Cyber City, Phase II
 Gurgaon 122 002
 Tel: +91 (124) 4545 300
 Fax: +91 (124) 4050 424
 Email: vivek@icraindia.com
 Investor Grievance Email: investors@icraindia.com
 Contact Person: Mr. Vivek Mathur
 Website: www.icra.in
 SEBI Registration Number: IN/CRA/003/1999

Credit Analysis and Research Limited

3rd Floor, B-47, Inner Circle, Connaught Place,
 Near Plaza Cinema, New Delhi – 110 001
 Tel: +91 11 45333245
 Facsimile: +91 11 4533238
 Email: jasmeen.kaur@carerating.com
 Investor Grievance E-mail Id:
jasmeen.kaur@carerating.com
 Contact Person: Ms. Jasmeen Kaur
 Website: www.careratings.com
 SEBI Registration No.: IN/CRA/004/1999

Credit Rating and Rationale

ICRA Limited has, vide its letter no. D/RAT/2013-14/I-27/4 dated August 30, 2013, assigned a credit rating of “[ICRA] AAA (Outlook: Stable)” to the Bonds. 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. ICRA Limited has vide its letter No. D/RAT/2013-14/I-27/5 dated September 25, 2013, letter No. D/RAT/2013-14/I-27/6 dated November 22, 2013 and letter No. D/RAT/2013-14/I-27/7 dated February 4, 2014 revalidated its credit rating.

Brickwork Rating India Private Limited has, vide its letter no. BWR/BNG/RL/2013-14/NS/0132 dated August 7, 2013, assigned a credit rating of “BWR AAA (Outlook: Stable)” to the Bonds. Instruments with this rating are considered to have

IDBI Bank Limited

Unit no.2, Corporate Park,
 Sion Trombay Road,
 Chembur, Mumbai 400 071
 Tel: +91 (22) 6690 8402
 Fax: +91 (22) 2528 6173
 E-mail: ipoteam@idbi.co.in
 Website: www.idbibank.com
 Contact Person: Mr. V. Jayanathan
 SEBI Registration Number: INBI00000076

Brickwork Ratings India Private Limited

III floor, Raj Alkaa Park
 Kalena Agrahara, Bannerghatta Road
 Bangalore 560 076
 Tel: +91 (80) 4040 9940
 Fax: +91 (88) 4040 9941
 Email: info@brickworkratings.com
 Investor Grievance Email: info@brickworkratings.com
 Contact Person: Ms. Sharada Shivram
 Website: www.brickworkratings.com
 SEBI Registration Number: IN/CRA/005/2008

India Ratings and Research Private Limited

Wockhardt Towers, 4th Floor, West Wing,
 Bandra Kurla Complex, Bandra East, Mumbai – 400051
 Tel: +91 22 4000 1700
 Facsimile: +91 22 4000 1701
 Email: shrikant.dev@indiaratings.co.in
 Investor Grievance E-mail Id:
investor.services@indiaratings.co.in
 Contact Person: Mr. Shrikant Dev, Compliance Officer
 Website: www.indiaratings.co.in
 SEBI Registration No.: IN/CRA/002/1999

the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. Brickwork Rating India Private Limited has vide its letter no. BWR/BNG/RL/2013-14/NS/0168 dated September 16, 2013, letter no. BWR/BNG/RL/2013-14/NS/0227 dated November 20, 2013 and letter No. BWR/BNG/RL/2013-2014/NS/0307 dated January 31, 2014, revalidated its credit rating.

Credit Analysis & Research Limited has, vide its letters dated August 16, 2013 and September 16, 2013, assigned a credit rating of “CARE AAA” to the Bonds. 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. Credit Analysis & Research Limited has vide its letters dated September 16, 2013, November 20, 2013 and January 31, 2014, revalidated its credit rating.

Further, India Rating & Research Private Limited has, vide its letter dated August 21, 2013, assigned a credit rating of “IND AAA (Stable)” to the Bonds. 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. India Rating & Research Private Limited has vide its letters dated September 24, 2013, November 21, 2013 and January 31, 2014 revalidated its credit rating.

For the revalidation letters dated February 4, 2014, January 31, 2014, January 31, 2014 and January 31, 2014, see “**Annexure B: Credit Rating (Revalidation Letters)**” of this Prospectus Tranche- III. For the rationale for the ratings given by Brickwork Rating India Private Limited, Credit Analysis & Research Limited and India Rating & Research Private Limited, see “**Annexure B – Credit Rating**” of the Shelf Prospectus and for ICRA Limited, see “**Annexure B: Credit Ratings (Revalidation Letters)**” of this Prospectus Tranche- III.

Expert Opinion

Except the letters dated August 7, 2013, September 16, 2013, November 20, 2013 and January 31, 2014 issued by Brickwork, letters dated August 16, 2013, September 16, 2013, November 20, 2013 and January 31, 2014 issued by CARE and the letters dated August 21, 2013, September 24, 2013, November 21, 2013 and January 31, 2014 issued by IRRPL, in respect of the credit rating of the Issue, and the audit reports dated September 2, 2013 and October 29, 2013 and statement of tax benefits dated September 3, 2013 issued by M/s K.M. Agarwal & Co., Statutory Auditors of the Company, the Company has not obtained any expert opinions.

Minimum Subscription

In terms of the SEBI Debt Regulations, an issuer undertaking a public issue of debt securities may disclose the minimum amount of subscription that it proposes to raise through the issue in the offer document. The Company has decided not to stipulate minimum subscription for this Tranche – III Issue.

Underwriting

This Tranche- III Issue is not underwritten.

Issue Programme

| ISSUE PROGRAMME | |
|-------------------|------------------|
| ISSUE OPENS ON | ISSUE CLOSES ON* |
| February 17, 2014 | March 14, 2014 |

**This Tranche – III Issue shall open for subscription from 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the period indicated above with an option for early closure or extension, as may be decided by the Board of Directors or Bond Committee. In the event of such early closure or extension of the subscription list of this Tranche- III Issue, the Company shall ensure that public notice of such early closure/extension is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in a leading national daily newspaper. For more information, see “Issue Procedure” on page 65 of this Prospectus Tranche- III.*

Application Forms for this Tranche – III Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Members of the Syndicate or the Trading Members of the Stock Exchange(s), as the case maybe, at the centers mentioned in Application Form through the non-ASBA mode or, (ii) in case of ASBA Applications, (a) directly by the Designated Branches of the SCSBs or (b) by the centers of the Members of the Syndicate or the Trading Members of the Stock Exchange, as the case may be, only at the Specified Cities. On the Issue Closing Date the Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and not later than 3.00 p.m (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event if a large number of Applications are received on the Issue Closing Date, there may be some Applications which may not be uploaded due to lack of sufficient time for uploading. Any such Applications which are not uploaded will not be considered for allocation under this Tranche – III Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Members of the Syndicate or Trading Members of the Stock Exchange(s) shall be liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise.

RECENT DEVELOPMENTS

Other than as described below, there are no recent material developments in relation to the Company since the filing of the Shelf Prospectus with the RoC, the Designated Stock Exchange, including in respect of disclosure under the sections titled “Risk Factors”, “Selected Financial Information”, “Capital Structure”, “Industry Overview”, “Business”, “Regulations and Policies”, “History and Certain Corporate Matters”, “Management”, “Promoter”, “Stock Market Data for our Debentures” “Description of Certain Indebtedness”, “Outstanding Litigation”, “Material Developments”, “Main Provisions of Articles of Association” and Annexure A, B and C of the Shelf Prospectus. The Company further confirms that the Prospectus contains all material disclosures which are true and adequate to enable prospective investors to make an informed investment decision in this Tranche- III Issue, and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading.

I. RISK FACTORS

Our Company has disclosed in the Prospectus Tranche- II, the audited financial information and audited consolidated financial information for six months period ended on September 30, 2013. In light of the above, Investors should note the following additional risk factor in relation to this Issue which shall be read together with “**Annexure C: Financial Information for six months period ended on September 30, 2013**” of Prospectus Tranche- II, in addition to the risk factors disclosed in the section titled “Risk Factors” on page 11 of the Shelf Prospectus.

Our Statutory Auditors have expressed certain opinions in their audit report on our audited financial information and audited consolidated financial statements for the six months period ended on September 30, 2013.

Our statutory auditors have made remarks in their audit report with respect to certain matters in the audited financial statements and audited consolidated financial statements for the six months period ended on September 30, 2013. For more information, see “**Annexure C: Financial Information for six months period ended on September 30, 2013**” of Prospectus Tranche- II.

Qualifications in Auditor’s Report in audited financial statements:

There are qualifications in the auditor’s report on the audited financial statements for the six months period ended on September 30, 2013, which are as under:

1. *As per Accounting Standard-11 (AS-11) i.e. ‘The Effects of Changes in Foreign Exchange Rates’, foreign currency loans taken (to the extent hedged) and outstanding forward exchange contracts should be restated at the exchange rates prevailing at the reporting date and difference should be taken to the Statement of Profit and Loss whereas the company has restated these foreign currency loans as on the date of inception of the forward contracts and difference taken to statement of profit and loss as stated in Note No. 24 (B)13. Had the company complied with AS-11, loan liability and foreign currency receivable account as on September 30, 2013 would have been higher by Rs. 1,54,281.69 Lac (Rs. 69,646.50 Lac as on March 31, 2013) each. However, there would be no impact on the profit for the half-year ended September 30, 2013 as the loss on principal amount of hedged foreign currency loans will be totally offset by the gain on the forward exchange contracts.*
2. *As stated by the management in Note No. 24(B)11, the net Mark to Market (M2M) gain on composite contracts (Interest Rate Swaps cum forward exchange contracts) as on September 30, 2013 amounts to Rs. 154281.69 Lac (gross gains Rs. 1,54,538.69 Lac and gross loss Rs. 257.00 Lac) and the net M2M loss/gain relating to interest rate swaps, if any, cannot be computed separately.*

As per the announcement issued by the Institute of Chartered Accountants of India regarding ‘Accounting for Derivatives’, keeping in view the principle of prudence as enunciated in AS 1, ‘Disclosure of Accounting Policies’, the entity is required to provide for losses in respect of all outstanding derivative contracts at the balance sheet date by marking them to market except in respect of ‘Forward Contracts’ which are to be accounted for in accordance with the provisions of AS-11, ‘The Effects of Changes in Foreign Exchange Rates’. In our opinion, the company has not ascertained and provided for such mark to market loss, if any, on these outstanding derivative contracts, i.e. Interest Rate Swaps.

3. (i) *The balances shown under infrastructure loans, borrowings and other balances shown under various other debit and credit balances and few of the balances shown under fixed deposits with banks are subject to confirmation and reconciliation carried out at end of financial year. The impact of difference in amount of various accounts during confirmation and reconciliation on the company’s Interim Financial Statements is not ascertainable at this stage. In the opinion of management, no material impact of reconciliation on account of resetting of interest rates in pending loan accounts is anticipated on financial statements.*
- (ii) *The effect of resetting of interest rates in some of the loans given by the company is not being accounted for in the books of account of the company timely resulting in under/ over statement of interest income in the Statement of Profit and Loss. The impact on the company’s Interim Financial Statements is not ascertainable at this stage. In the opinion of management, no material impact of reconciliation on account of resetting of interest rates in pending loan accounts is anticipated on financial statements.*

Qualifications in Auditor's Report in audited consolidated financial statements:

There are qualifications in the auditor's report on the audited consolidated financial statements for the six months period ended on September 30, 2013, which are as under:

1. *As per Accounting Standard-11 (AS-11) i.e. 'The Effects of Changes in Foreign Exchange Rates', foreign currency loans taken (to the extent hedged) and outstanding forward exchange contracts should be restated at the exchange rates prevailing at the reporting date and difference should be taken to the Statement of profit and loss whereas the Company has restated these foreign currency loans as on the date of inception of the forward contracts and difference taken to statement of profit and loss as stated in Note No. 24 (B)13. Had the company complied with AS-11, loan liability and foreign currency receivable account as on September 30, 2013 would have been higher by Rs. 1,54,281.69 Lac (Rs. 69,646.50 Lac as on March 31, 2013) each. However, there would be no impact on the profit for the half-year ended September 30, 2013 as the loss on principal amount of hedged foreign currency loans will be totally offset by the gain on the forward exchange contracts.*
2. *As stated by the management in Note No. 24(B)11, the net Mark to market (M2M) gain on composite contracts (Interest Rate Swaps cum forward exchange contracts) as on September 30, 2013 amounts to Rs. 154281.69 Lac (gross gains Rs. 1,54,538.69 Lac and gross loss Rs. 257.00 Lac) and the net M2M loss/gain relating to interest rate swaps, if any, cannot be computed separately.*

As per the announcement issued by the Institute of Chartered Accountants of India regarding 'Accounting for Derivatives', keeping in view the principle of prudence as enunciated in AS 1, 'Disclosure of Accounting Policies', the entity is required to provide for losses in respect of all outstanding derivative contracts at the balance sheet date by marking them to market except in respect of 'Forward Contracts' which are to be accounted for in accordance with the provisions of AS-11, 'The Effects of Changes in Foreign Exchange Rates'. In our opinion, the Company has not ascertained and provided for such mark to market loss, if any, on these outstanding derivative contracts, i.e. Interest Rate Swaps.

3. (i) *Balances confirmation of Infrastructure loans, borrowings and other balances shown under various other debit and credit balances and fixed deposits with banks are obtained by the Company at year end. The impact of such confirmation and reconciliation of differences, if any on the Interim Consolidated Financial Statements is not ascertainable at this stage. In the opinion of management, no material impact of reconciliation on account of resetting of interest rates in pending loan accounts is anticipated on financial statements.*
- (ii) *The effect of resetting of interest rates in some of the loans given by the company is not being accounted for in the books of account of the Company timely resulting in under/ over statement of interest income in the Statement of profit and loss. The impact on the Interim Consolidated Financial Statements is not ascertainable at this stage. In the opinion of management, no material impact of reconciliation on account of resetting of interest rates in pending loan accounts is anticipated on financial statements.*

II. CAPITAL STRUCTURE

Public Issue of Bonds

On September 28, 2013, the Company filed the Prospectus Tranche- I with the RoC, SEBI and Designated Stock Exchange for the Tranche- I Issue. The Tranche- I Issue opened for subscription on October 3, 2013 and closed for subscription on October 31, 2013, pursuant to which an aggregate amount of Rs. 121,300.51 lakh was raised by the Company under the Tranche- I Issue. The Deemed Date of Allotment was November 12, 2013.

On November 28, 2013, the Company filed the Prospectus Tranche- II with the RoC, SEBI and Designated Stock Exchange for the Tranche- II Issue. The Tranche- II Issue opened for subscription on December 9, 2013 and closed for subscription on January 10, 2014, pursuant to which an aggregate amount of Rs. 3,00,000.00 lakh was raised by the Company under the Tranche- II Issue. The Deemed Date of Allotment was January 22, 2014.

Allotment of Shares

The Government of India vide Department of Financial Services (DFS) letter no. F. No. 6/13/2011-IF-1 dated October 7, 2013 had conveyed the sanction of President of India for release of a sum of Rs. 40,000.00 lakh as equity contribution to the Company during the Fiscal 2014. Subsequently, Government of India has released an amount of Rs. 40,000.00 lakh towards equity contribution to the Company on October 11, 2013. Pursuant to the above, the Company has on December 10, 2013 allotted 4,000 lakh equity shares of Rs. 10/- each to President of India acting through MoF against the said equity contribution and thus, the paid-up equity capital of the Company has increased to Rs. 3,30,000.00 lakh on allotment of equity shares against the said equity contributions.

Our share capital as on December 31, 2013 and as at the date of this Prospectus Tranche- III is set forth below:

| | Aggregate value at face value (Rs. in lakh) |
|--|--|
| Authorised share capital | |
| 5,00,00,00,000 Equity Shares of Rs. 10 each | 5,00,000 |
| Issued, subscribed and paid up share capital | |
| 3,30,00,00,000 Equity Shares of Rs. 10 each, fully paid up | 3,30,000 |
| Securities premium account (before the Issue) | Nil |

Details of equity shares held by the Promoter as on December 31, 2013

| S No | Name of shareholder | No. of Equity Shares held | No. of Equity Shares held in dematerialized form | Percentage of issued Equity Share capital | No. of Equity Shares pledged | Percentage of Equity Shares pledged |
|------|----------------------------------|---------------------------|--|---|------------------------------|-------------------------------------|
| 1. | President of India, through MoF* | 3,30,00,00,000 | 0 | 100.00 | 0 | Nil |

*Including through nominees

Shareholding pattern of the Company and list of shareholders

The following is the shareholding pattern and list of shareholders of the Company, as on December 31, 2013 and date of this Prospectus Tranche- III.

| S No | Name of Shareholder | No. of Equity Shares held (of face value Rs. 10 each) | Percentage of issued Equity Share capital | No. of Equity Shares held in dematerialized form |
|------|---------------------------------|---|---|--|
| 1. | President of India, through MoF | 3,29,99,50,000 | 99.99 | 0 |
| 2. | Mr. Gulab Singh* | 49,994 | Negligible | 0 |
| 3. | Mr. Rajiv Takru* | 1 | Negligible | 0 |
| 4. | Mr. Arvind Mayaram* | 1 | Negligible | 0 |
| 5. | Mr. Anup Wadhawan* | 1 | Negligible | 0 |
| 6. | Mr. Alok Nigam* | 1 | Negligible | 0 |
| 7. | Mr. Arvind Kumar* | 1 | Negligible | 0 |
| 8. | Dr. K.P Krishna* | 1 | Negligible | 0 |
| | Total: | 330,00,00,000 | 100.00 | 0 |

*As nominees of MoF

Top 10 holders of non-convertible debentures

The Top 10 holders of non-convertible debentures issued by the Company, on a cumulative basis for all outstanding non-convertible debentures, as at December 31, 2013:

| S. No. | Name of the Debenture holder | Amount of Debentures held (in Rs. Lakh) |
|--------|--|---|
| 1. | The Hongkong and Shanghai Banking Corp. Ltd. | 1,43,081.00 |
| 2. | CBT EPF-11-A-DM | 77,450.00 |
| 3. | CBT EPF-05-C-DM | 72,150.00 |
| 4. | CBT EPF-11-C-DM | 70,900.00 |
| 5. | UCO Bank | 70,000.00 |
| 6. | Punjab National Bank | 57,488.00 |
| 7. | CBT EPF-05-B-DM | 55,490.00 |
| 8. | ITC Limited | 49,070.00 |
| 9. | Bosch Limited | 38,000.00 |
| 10. | State Bank of India | 37,260.00 |

Debt - equity ratio as on September 30, 2013
Rs. in lakh

| Particulars | Unconsolidated | | Consolidated | |
|---|----------------|-------------------------------------|--------------|-------------------------------------|
| | Pre Issue* | Post Issue** (Rs. 2,82,379.49 lakh) | Pre Issue* | Post Issue** (Rs. 2,82,379.49 lakh) |
| Debt | - | - | - | - |
| Long term Debt | 21,25,630.34 | 24,08,009.83 | 27,22,011.84 | 30,04,391.33 |
| Short Term Debt | 1,93,880.26 | 1,93,880.26 | 1,93,880.26 | 1,93,880.26 |
| Current maturities of Long term Debt | 10,19,402.12 | 10,19,402.12 | 10,19,402.12 | 10,19,402.12 |
| A | 33,38,912.72 | 36,21,292.21 | 39,35,294.22 | 42,17,673.71 |
| Equity | | | | |
| Share Capital | 2,90,000.00 | 2,90,000.00 | 2,90,000.00 | 2,90,000.00 |
| Reserve and Surplus | 2,19,611.02 | 2,19,611.02 | 2,55,643.36 | 2,55,643.36 |
| Share Application Money (Pending Allotment) | - | - | - | - |
| B | 5,09,611.02 | 5,09,611.02 | 5,45,643.36 | 54,56,43.36 |
| Debt Equity Ratio (A/B) | 6.55 | 7.11 | 7.21 | 7.73 |

*Pre-Issue unconsolidated and consolidated figures are as on September 30, 2013.

**Post Issue unconsolidated and consolidated figures are based on the assumption that there is no change in Total Shareholders' funds and in Total Debt subsequent to September 30, 2013 (except the Bonds, which are assumed to have been fully subscribed to the extent of Rs. 2,82,379.49 lakh). For avoidance of doubts, it is clarified that the above figures does not include Rs. 1,21,300.51 lakh and Rs. 3,00,000.00 lakh raised by our Company vide Prospectus Tranche-I and Prospectus Tranche- II, respectively and Rs. 40,000.00 lakh received by the Company on allotment of equity shares to President of India, through Ministry of Finance.

III. BUSINESS
1. Key Operational and Financial Parameters on an unconsolidated basis
(Rs. in lakh)

| S. No | Particulars | September 30, 2013 | Fiscal 2013 | Fiscal 2012 | Fiscal 2011 |
|-------|---|--------------------|--------------|----------------|--------------|
| 1. | Networth | 5,09,611.02 | 4,85,817.01 | 3,66,807.86 | 2,58,225.10 |
| 2. | Total Debt of which: | | | | |
| | - Non-current maturities of Long Term Borrowing | 21,25,630.34 | 17,83,859.52 | 20,84,196.36 | 19,87,203.78 |
| | - Short Term Borrowing | 1,93,880.26 | 1,48,385.89 | 2,74,368.97 | 1,18,207.74 |
| | - Current Maturities of Long Term Borrowings | 10,19,402.12 | 10,17,033.47 | 8,836.74 | - |
| 3. | Net Fixed Assets | 107.45 | 120.33 | 109.12 | 62.28 |
| 4. | Non Current Assets | 21,47,760.00 | 19,47,460.41 | 18,56,593.25 | 14,58,960.57 |
| 5. | Cash and Cash Equivalents | 4,475.85 | 34,959.19 | 6,489.28 | 41,408.52 |
| 6. | Current Investments | 959.23 | - | 1,482.98 | 1,82,237.05 |
| 7. | Current Assets | 18,47,579.45 | 15,73,210.99 | 9,36,118.32 | 9,51,763.27 |
| 8. | Current Liabilities | 13,21,315.20 | 12,23,503.96 | 3,24,004.94 | 1,57,450.34 |
| 9. | Assets under Management | | | Not applicable | |
| 10. | Off Balance Sheet Assets | | - | - | - |
| 11. | Interest Income | 1,84,842.57 | 3,24,986.04 | 2,52,631.93 | 1,87,805.17 |
| 12. | Interest Expense | 1,05,893.04 | 1,76,882.47 | 1,52,353.47 | 1,41,178.98 |
| 13. | Provisioning and Write-offs | 28,817.28 | 4,97,53.42 | 34,235.73 | 16,399.76 |
| 14. | PAT | 23,568.36 | 1,04,699.44 | 58,582.76 | 29,579.95 |
| 15. | Gross NPA (%) | 1.43% | 0.98% | - | - |
| 16. | Net NPA (%) | 1.28% | 0.88% | - | - |
| 17. | Tier I Capital Adequacy Ratio (%) | 18.18% | 17.97% | 18.39% | 16.12% |
| 18. | Tier II Capital Adequacy Ratio (%) | 0.21% | 0.22% | 0.30% | 0.37% |

2. **Key Operational and Financial Parameters on a consolidated basis**

(Rs. in lakh)

| S. No | Particulars | September 30, 2013 | Fiscal 2013 | Fiscal 2012 | Fiscal 2011 |
|-------|---|--------------------|--------------|--------------|----------------|
| 1. | Networth | 5,45,643.36 | 508675.71 | 3,90,163.37 | 2,67,044.27 |
| 2. | Total Debt | | | | |
| | Of which: | | | | |
| | - Non-current maturities of Long Term Borrowing | 27,22,011.84 | 2300557.87 | 24,28,479.61 | 20,98,828.78 |
| | - Short Term Borrowing | 1,93,880.26 | 148385.89 | 2,74,368.97 | 1,18,207.74 |
| | - Current Maturities of Long Term Borrowings | 10,19,402.12 | 1017033.47 | 8,836.74 | - |
| 3. | Net Fixed Assets | 126.21 | 139.85 | 126.97 | 81.88 |
| 4. | Non Current Assets | 26,39,754.74 | 22,98,993.98 | 20,48,222.63 | 15,28,663.34 |
| 5. | Cash and Cash Equivalents | 4,630.92 | 36046.99 | 21,812.62 | 41,921.38 |
| 6. | Current Investments | 959.23 | - | 1,482.98 | 1,82,237.05 |
| 7. | Current Assets | 19,96,763.81 | 17,68,026.35 | 11,16,956.76 | 10,03,797.32 |
| 8. | Current Liabilities | 13,23,855.73 | 12,25,175.15 | 3,28,292.60 | 1,58,742.43 |
| 9. | Assets under Management | | | | Not applicable |
| 10. | Off Balance Sheet Assets | | - | - | - |
| 11. | Interest Income | 1,94,866.47 | 345914.49 | 2,63,315.37 | 1,93,175.38 |
| 12. | Interest Expense | 1,07,146.81 | 179771.33 | 1,53,206.12 | 1,41,680.54 |
| 13. | Provisioning and Write-offs | 30,786.63 | 54310.92 | 38,160.86 | 17,626.76 |
| 14. | PAT | 29,266.46 | 100923.29 | 67,799.07 | 32,966.71 |
| 15. | Gross NPA (%) | 1.19% | 0.83% | - | - |
| 16. | Net NPA (%) | 1.07% | 0.76% | - | - |
| 17. | Tier I Capital Adequacy Ratio(%) | - | - | - | - |
| 18. | Tier II Capital Adequacy Ratio(%) | - | - | - | - |

IV. REGULATIONS AND POLICIES

The Government of India, Ministry of Finance, Department of Financial Services vide letter dated January 8, 2014 bearing no. F. No. 18/18/2006/IF-I (Vol IV) approved the following amendments in SIFTI:

i. **Clause 4.2 of SIFTI has been amended as under:**

“IIFCL would raise funds as and when required, for on-lending. To the extent of any mismatch between the raising of funds and their disbursement, surplus funds would be invested in marketable government securities (G-Sec and T-Bill) and/ or Certificate of Deposits and fixed deposits”

ii. **The following New Clause 5.5 has been incorporated in SIFTI**

“In case of PPP Projects by PPPAC/EC/EI which have provision of compulsory buyback by the authority on termination, IIFCL may offer loan with tenor longer than other lenders and remain sole lender, if necessary, after other lenders are paid out.”

V. HISTORY AND CERTAIN CORPORATE MATTERS

Associate Companies

The MoF, GoI vide letter no. F.No. 19/5/2011-IF-I dated December 12, 2013, extended the officiating arrangement as CMD (Additional Charge), IWRFC till the formal approval. Accordingly, the Board of Directors of IWRFC vide their resolution dated December 20, 2013 appointed Mr. Santosh Balachandran Nayar, Chairman and Managing Director of our Company as Chairman and Managing Director (Additional Charge) of IWRFC w.e.f. December 12, 2013. Consequently, as on date IWRFC and IIFCL are Associate Companies, as Mr. Santosh Balachandran Nayar is the CMD of both the IWRFC and IIFCL.

Further, the MoF, GoI has vide its letter no. 19/8/2012 –IF-I dated December 13, 2013, approved the proposal to make IWRFC a wholly owned subsidiary of our Company, and to the transfer of equity of Rs. 102.32 crore held by the Government of India in IWRFC into IIFCL on IWRFC becoming a subsidiary of our Company. Our Company is in the process of taking necessary steps to make IWRFC our subsidiary.

VI. MANAGEMENT

1. Mr. Santosh Balachandran Nayar was appointed as our Chairman and Managing Director pursuant to letter no. F. No. 3/8/2009/IF-I dated November 1, 2013 from the Department of Financial Services, Ministry of Finance, Government of India for a period of three years from the date of taking over charge or until further orders, whichever is earlier. Further, Mr. Santosh Balachandran Nayar has replaced Dr. Harsh Kumar Bhanwala as Member of various committees of the Board, including Audit Committee and Management and Investment Committee. Certain details in relation to Mr. Santosh Balachandran Nayar are provided below:

Mr. Santosh Balachandran Nayar, Chairman & Managing Director of India Infrastructure Finance Company Limited (IIFCL), possesses rich experience of around 37 years in finance and banking industry including International and Investment Banking as well as Life Insurance Industry. Immediately, prior to joining our Company, he was the Chief Executive Officer and Managing Director of IFCI Limited and before that he was Deputy Managing Director & Group Executive (Large Corporate Banking and Project Finance Group) in State Bank of India. Mr. Nayar also held the position of Chairman on the Board of Governors of Management Development Institute (MDI).

| Name, Designation, DIN, Age, Nationality and Director of the Company Since | Address | Other Directorships |
|--|--|--|
| Mr. Santosh Balachandran Nayar Designation: Chairman and Managing Director Director on the Board Since: December 12, 2013 DIN: 02175871 Nationality: Indian Age: 59 years | F-10/8, 2nd Floor, Near DAV School, Vasant Vihar, New Delhi, India | <ul style="list-style-type: none"> • IIFCL Projects Limited • IIFCL Asset Management Company Limited • IIFCL (UK) Limited • Irrigation and Water Resources Finance Corporation Limited |

2. Mr. Vinod Kumar Bhasin was appointed on our Board as the part time non-official Director pursuant to letter no. F.No. 3/1/2010-IF-1 dated January 27, 2014, from the Department of Financial Services, Ministry of Finance, Government of India for a period of three years from the date of notification or until further orders. Further, Mr. Vinod Kumar Bhasin has replaced Ms. Sharmila Chavaly as Member of Audit Committee and Remuneration Committee of the Board. Certain details in relation to Mr. V.K. Bhasin are provided below:

Mr. Vinod Kumar Bhasin is our Part-time Non official Director. He holds B.Com (Hons), M.Com, LLB and MBA Degrees and Diplomas in Labor Laws and Corporate Law and Secretarial Practice. He has also done Course in the Drafting of Legislation and advising in International Contracts from University of London. He has about 36 years experience (32 years as a Group 'A' Officer in the Central Government, Regulator and 4 years in PSUs). He has held the post of Secretary to GoI in the Legislative Department of Ministry of Law and Justice and Head of the Legal Division and Principal Legal Advisor in the Telecom Regulatory Authority of India. He has experience in drafting legislations, legal matters, and laws relating to Companies/ Taxation/ Competition/ Securities/ Insurance/ Banking and Regulatory Affairs etc.. He has been Government Nominee Director in a Public Sector Bank and also been Member of many Committees. He has drafted many Government Bills introduced in the Parliament of India (including laws on the Companies/ Taxation/ Competition/ Securities/ Insurance/ Banking/ Commodities/ Special Economic Zones/ Lokpal/ Pension/ Finance Bills etc. He was deputed to USA/ UK/ Australia/ Korea/ Singapore to represent the Central Government/ Telecom Regulator to have interaction with Insurance Regulator/ Securities Regulator/ Banking Regulator of those countries and study the laws and practices followed by them.

| Name, Designation, DIN, Age , Nationality and Director of the Company Since | Address | Other Directorships |
|--|--|---------------------|
| Mr. Vinod Kumar Bhasin Designation: Part-Time Non Official Director Director on the Board Since: January 30, 2014 DIN: 06801585 Nationality: Indian Age: 61 years | Flat No. – E-4, Poorti Apartments, Near Oxford Public School, Vikas Puri, West Delhi, Delhi-110018 | NIL |

3. Key Managerial Personnel

Mr. P. R. Jaishankar has been promoted to the position of Chief General Manager. He has been looking after Infrastructure Project Finance, Take-out Finance, Credit Enhancement and Corporate Planning. He comes with a rich experience of over two and half decades in the Indian Capital Market, Infrastructure and Housing sectors. He holds M.Tech from Indian Institute of Technology, Delhi and MBA from Faculty of Management Studies, University of Delhi.

Before joining the Company, he had worked with National Housing Bank (NHB) since 1989 and has held various senior level positions including Zonal Manager (South India Zone) with independent charge of three

Regional Offices in Andhra Pradesh, Tamil Nadu and Karnataka. He is well known for having conceptualized and structured the first ever Mortgage Securitization Transaction in India in the year 2000, followed by a number of other innovative instruments/products in the Indian Capital Market such as Credit Enhancements, Reverse Mortgages (enabled Annuities), Housing Microfinance, etc. He set up and went on to head the Mortgage Securitization business unit of NHB, involved in providing Trusteeship, Credit Enhancement, Mortgage servicing, Financial structuring and advisory services to the housing finance institutions and commercial banks. He has also headed Risk Management Department. He has been actively involved in Resources Mobilization (Domestic and External) and relations with Multi-Lateral Institutions (ADB, World Bank, KfW, JBIC, IFC).

He is also a member in the Advisory Board to guide policy and implementation of Public Private Partnership (PPP) projects in the Ports Sector, constituted by the Ministry of Shipping, Government of India.

VII. DESCRIPTION OF CERTAIN INDEBTEDNESS

Set forth below is a summary of the Company's significant outstanding secured and unsecured borrowings as at December 31, 2013.

1. Set forth below is a summary of our outstanding unconsolidated borrowings as at December 31, 2013:

| S. No. | Category of Borrowing | Outstanding Amount (Rs. in lakh) |
|--------|---|----------------------------------|
| 1. | Long term secured bonds | 9,30,848.58 |
| 2. | Long term unsecured loans* | 9,80,161.89 # |
| 3. | Long term unsecured non-convertible debentures ** | 14,10,000.00 ## |
| 4. | Short term unsecured loans | 54,213.62^ |
| Total | | 33,75,224.09 |

*Long term unsecured loans from NSSF, LIC, ADB, World Bank, KfW are guaranteed by the GoI

**Long term unsecured non-convertible bonds are guaranteed by the GoI

#Out of total long term unsecured loans, loan from Life Insurance Corporation of India for Rs. 10,000.00 lakh and loan from ADB for Rs. 12,490.95 lakh as on December 31, 2013, are due within 1 year from December 31, 2013.

##Out of total long term unsecured non-convertible debentures, 6.85% Non convertible bonds aggregating Rs. 10,00,000.00 lakh as on December 31, 2013, are due within 1 year from December 31, 2013.

^ Net of debit balance of Rs. 232.38 lakh.

Japan Bank for International Co-operation has, through a loan agreement dated December 28, 2009, sanctioned an unsecured loan of US\$ 7,50,00,000 for on-lending to DMICDC. However, the Company has not availed the funds from the said loan.

2. The statement of outstanding unconsolidated long term secured bonds issued by the Company as at December 31, 2013 is provided below:

| S. No. | Particulars | Date of Allotment | Redemption Date | Coupon | Credit Rating | Tenor | Secured | Amount Outstanding (Rs. in lakh) |
|--------|---|-------------------|-------------------------------------|--------|---|---|--|----------------------------------|
| 1. | 1,30,407 Non-convertible infrastructure bonds | March 28, 2011 | 10 years from the date of allotment | 8.15% | CRISIL AAA/Stable; CARE AAA (SO) | 10 years with buyback option for non-cumulative bonds after five years and one day from deemed date of allotment | Secured by a first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 1,304.07 |
| 2. | 7,79,211 Non-convertible infrastructure bonds | | 15 years from the date of allotment | 8.30% | | 15 years with buyback option for non-cumulative bonds after seven years and one day from deemed date of allotment | | 7,792.11 |
| 3. | 500 Non-convertible taxable bonds | July 27, 2012 | 30 years from the date of allotment | 9.36% | CRISIL AAA/Stable; CARE AAA | 30 years | Secured by pari passu charge on receivables of the Company, with minimum asset coverage of one time of the aggregate value of Bonds outstanding at all times | 5,000.00 |
| 4. | 10,500 Non-convertible taxable bonds | | 25 years from the date of allotment | 9.41% | | 25 years | | 1,05,000.00 |
| 5. | 98,31,060 Non convertible (Tax Free) Bonds | January 22, 2013 | 20 years from the date of allotment | 7.40% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA | 20 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 98,310.60 |
| 6. | 17,33,164 Non convertible (Tax Free) Bonds | | 20 years from the date of allotment | 7.90% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA | 20 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 17,331.64 |
| 7. | 84,24,960 Non convertible (Tax Free) Bonds | | 10 years from the date of allotment | 7.19% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA | 10 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 84,249.60 |

| S. No. | Particulars | Date of Allotment | Redemption Date | Coupon | Credit Rating | Tenor | Secured | Amount Outstanding (Rs. in lakh) | |
|--------|--|-------------------|-------------------------------------|-----------------|--|--|---|---|----------|
| 8. | 12,40,032 Non convertible (Tax Free) Bonds | | 10 years from the date of allotment | 7.69% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA | 10 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 12,400.32 | |
| 9. | 66,42,074 Non convertible (Tax Free) Bonds | | 15 years from the date of allotment | 7.36% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA | 15 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 66,420.74 | |
| 10. | 9,67,479 Non convertible (Tax Free) Bonds | | 15 years from the date of allotment | 7.86% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA | 15 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 9,674.79 | |
| 11. | 2,140 Non Convertible (Tax Free) Bonds Series IV-A | November 21, 2012 | 10 years from the date of allotment | 7.21% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA | 10 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 21,400.00 | |
| 12. | 500 Non Convertible (Tax Free) Bonds Series IV-B | | 15 years from the date of allotment | 7.38% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA | 15 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 5,000.00 | |
| 13. | 210 Non Convertible (Tax Free) Bonds Series IV-C | | 20 years from the date of allotment | 7.41% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA | 20 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 2,100.00 | |
| 14. | 600 Non Convertible (Tax Free) Bonds Series III-A | November 15, 2012 | 10 years from the date of allotment | 7.20% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA | 10 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 6,000.00 | |
| 15. | 1000 Non Convertible (Tax Free) Bonds Series III-B | | 15 years from the date of allotment | 7.38% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA | 15 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 10,000.00 | |
| 16. | 3400 Non Convertible (Tax Free) Bonds Series III-C | | 20 years from the date of allotment | 7.41% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA | 20 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 34,000.00 | |
| 17. | 19,16,110 Bonds, redeemable at par on March 26, 2023 | March 26, 2013 | March 26, 2023 | 6.86% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA | 10 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 19,161.10 | |
| 18. | 1,09,527 Bonds, redeemable at par on March 26, 2023 | | March 26, 2023 | 7.36% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA | 10 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 1,095.27 | |
| 19. | 3,46,000 Bonds, redeemable at par on March 26, 2028 | | March 26, 2028 | 7.02% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA | 15 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 3,460.00 | |
| 20. | 1,19,618 Bonds, redeemable at par on March 26, 2028 | | March 26, 2028 | 7.52% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA | 15 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 1,196.18 | |
| 21. | 20,400 Bonds, redeemable at par on March 26, 2033 | | March 26, 2033 | 7.08% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA | 20 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 204.00 | |
| 22. | 2,12,765 Bonds, redeemable at par on March 26, 2033 | August 23, 2013 | March 26, 2033 | 7.58% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA | 20 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 2,127.65 | |
| 23. | 20 Tax Free Bonds, redeemable at par on August 23, 2033 | | August 23, 2033 | 8.19% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA, IND AAA/ Stable | 20 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 200.00 | |
| 24. | 6,303 Tax Free Bonds, redeemable at par on August 23, 2028 | | August 23, 2028 | 8.26% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA, IND AAA/ Stable | 15 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 63,030.00 | |
| 25. | 265 Tax Free Bonds, redeemable at par on August 30, 2033 | | August 30, 2013 | August 30, 2033 | 8.37% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA, IND AAA/ Stable | 20 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 2,650.00 |
| | | | | | | | | | |

| S. No. | Particulars | Date of Allotment | Redemption Date | Coupon | Credit Rating | Tenor | Secured | Amount Outstanding (Rs. in lakh) |
|--------|---|-------------------|-------------------|--------|--|----------|---|----------------------------------|
| 26. | 11,597 Tax Free Bonds, redeemable at par on August 30, 2028 | | August 30, 2028 | 8.46% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA, IND AAA/ Stable | 15 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 1,15,970.00 |
| 27. | 100 Tax Free Bonds, redeemable at par on August 30, 2023 | | August 30, 2023 | 8.01% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA, IND AAA/ Stable | 10 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 1,000.00 |
| 28. | 11,297 Bonds, redeemable at par on September 5, 2028 | September 5, 2013 | September 5, 2028 | 8.48% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA, IND AAA/ Stable | 15 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 1,12,970.00 |
| 29. | 50 Bonds, redeemable at par on September 5, 2023 | | September 5, 2023 | 8.11% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA, IND AAA/ Stable | 10 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 500.00 |
| 30. | 18,68,982 Bonds redeemable at par on November 12, 2033 | November 12, 2013 | November 12, 2033 | 8.50% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA, IND AAA/ Stable | 20 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 18,689.82 |
| 31. | 25,79,621 Bonds, redeemable at par on November 12, 2033 | | November 12, 2033 | 8.75% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA, IND AAA/ Stable | 20 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 25,796.21 |
| 32. | 30,35,330 Bonds, redeemable at par on November 12, 2028 | | November 12, 2028 | 8.38% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA, IND AAA/ Stable | 15 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 30,353.30 |
| 33. | 16,60,320 Bonds redeemable at par on November 12, 2028 | | November 12, 2028 | 8.63% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA, IND AAA/ Stable | 15 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 16,603.20 |
| 34. | 17,26,340 Bonds, redeemable at par on November 12, 2023 | | November 12, 2023 | 8.01% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA, IND AAA/ Stable | 10 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 17,263.40 |
| 35. | 12,59,458 Bonds, redeemable at par on November 12, 2023 | | November 12, 2023 | 8.26% | ICRA AAA (Stable), BWR AAA (Stable), CARE AAA, IND AAA/ Stable | 10 years | Pari passu first charge on receivables of the Company with an asset cover of one time of the total outstanding amount | 12,594.58 |
| | TOTAL | | | | | | | 9,30,848.58 |

3. The statement of outstanding unconsolidated long term unsecured loans of the Company as at December 31, 2013 is provided below:

| S. | Name of Lender | Type of facility | Repayment schedule | Loan Amount (in lakh) | Amount Outstanding (in lakh) |
|--------------------------------|--|--|--|-----------------------|------------------------------|
| A. Domestic loans* | | | | | |
| 1. | LIC | Long term unsecured facility (in tranches) | For details, see “ Annexure A - Financial Information ” to the Shelf Prospectus | Rs. 2,00,000.00 | Rs.1,90,000.00# |
| 2. | NSSF | | | Rs. 1,50,000.00 | Rs. 1,50,000.00 |
| B. International loans* | | | | | |
| 1. | ADB | Long term unsecured facility (in tranches) | For details, see “ Annexure A - Financial Information ” to the Shelf Prospectus | US\$ 12,000 | Rs. 5,86,451.30 # |
| 2. | International Bank for Reconstruction and Development (World Bank) | | | US\$ 11,950 | Rs. 18,745.20 |
| 3. | KfW | | | € 500 | Rs. 34,965.39 |
| | Total | | | | Rs. 9,80,161.89 |

*Long term unsecured loans from NSSF, LIC, ADB, World Bank, KfW are guaranteed by the GoI

#Out of total long term unsecured loans, loan from Life Insurance Corporation of India for Rs. 10,000.00 lakh and loan from ADB for Rs. 12,490.95 lakh as on December 31, 2013, are due within 1 year from December 31, 2013.

4. The statement of outstanding unconsolidated long term unsecured non-convertible debentures issued by the Company as at December 31, 2013 is provided below:

| Particulars | Redemption Date | Coupon | Date of Allotment | Credit rating | Tenor | Secured/Unsecured | Outstanding Amount (Rs. in lakh) |
|--|-------------------|--------|-------------------|---|------------|-------------------|----------------------------------|
| Non Convertible Taxable Bonds (face value Rs. 10 lakh each) | | | | | | | |
| 8.70% bonds, redeemable at par on September 2, 2016 | September 2, 2016 | 8.70% | September 4, 2006 | AAA (SO) CRISIL & AAA(SO) ICRA | 10 years | Unsecured | 50,000.00 |
| 8.82% bonds, redeemable at par on December 19, 2022 | December 19, 2022 | 8.82% | December 18, 2007 | AAA CRISIL & AAA ICRA | 15 years | | 20,000.00 |
| 8.68% bonds, redeemable at par on December 18, 2023 | December 18, 2023 | 8.68% | December 18, 2008 | ICRA AAA(SO) & FITCH AAA(Exp) (ind)(SO) | 15 years | | 20,000.00 |
| 9.35% bonds, redeemable at par on November 17, 2023 | November 17, 2023 | 9.35% | November 17, 2008 | AAA(SO) ICRA, AAA(EXP) (ind)(SO) FITCH | 15 years | | 20,000.00 |
| 7.90% bonds, redeemable at par on April 28, 2024 | April 28, 2024 | 7.90% | April 28, 2009 | ICRA AAA(SO) CARE AAA(SO) | 15 years | | 50,000.00 |
| 8.10% bonds, redeemable at par on April 8, 2024 | April 8, 2024 | 8.10% | April 8, 2009 | ICRA AAA(SO) CARE AAA(SO) | 15 years | | 50,000.00 |
| 8.12% bonds, redeemable at par on August 12, 2024 | August 12, 2024 | 8.12% | August 12, 2009 | CARE AAA (so) BWR AAA (so) | 15 years | | 60,000.00 |
| 8.12% bonds, redeemable at par on August 24, 2024 | August 24, 2024 | 8.12% | August 24, 2009 | CARE AAA (so) BWR AAA (so) | 15 years | | 40,000.00 |
| 8.55% bonds, redeemable at par on November 3, 2024 | November 3, 2024 | 8.55% | November 3, 2009 | CARE AAA (so) BWR AAA (so) | 15 years | | 1,00,000.00 |
| Non Convertible Tax Free Bonds (face value of Rs. 1 lakh each)# | | | | | | | |
| 6.85% bonds, redeemable at par on January 22, 2014 | January 22, 2014 | 6.85% | January 22, 2009 | ICRA AAA(SO) | Five years | Unsecured | 7,36,930.00 |
| 6.85% bonds, redeemable at par on March 20, 2014 | March 20, 2014 | 6.85% | March 20, 2009 | FITCH AAA(ind)(SO) CRISIL AAA(so)/ Stable | Five years | | 2,63,070.00 |
| Total | | | | | | | 14,10,000.00 |

#Out of total long term unsecured non-convertible debentures, 6.85% Non convertible bonds aggregating Rs. 10,00,000.00 lakh as on December 31, 2013, are due within 1 year from December 31, 2013.

5. The statement of outstanding short term borrowing as at December 31, 2013 is provided below:

| Name of Lender | Loan Details | Rate of Interest | Term of Repayment | Security | Outstanding Amount (Rs. in lakh) |
|----------------------|--------------------------|---|---------------------|---|----------------------------------|
| Punjab National Bank | Loan repayable on demand | 25 basis points over and above fixed deposit rate | Repayable on demand | Secured by pledge of fixed deposit receipts of Rs. 46,318.00 lakh | 22,597.31 |
| Bank of India | Loan repayable on demand | 25 basis points over and above fixed deposit rate | Repayable on demand | Secured by pledge of fixed deposit receipts of Rs. 1,33,442.00 lakh | 31,848.68 |
| Total | | | | | 54,446.00 |

6. Servicing behaviour on existing debt securities, payment of due interest on due dates on term loans and debt securities.

As at the date of this Prospectus Tranche- III, there has been no default in payment of interest and principal of any kind of term loans, debt security and other indebtedness including any corporate guarantees issued by the Company in the past five years.

The Company does not have any outstanding corporate guarantees or commercial paper as on September 30, 2013, except that the Company has extended a credit guarantee not exceeding 24% (or Rs. 7,680.00 lakh) of the outstanding principal of the proposed bond issue of proposed tenor of 12.50 years by GMR Jadcherla Expressways Limited, in relation to its toll road project, which is yet to become effective pending issuance of project bonds by the project developer.

Apart from the indebtedness mentioned above and in “Annexure A – Financial Information” to the Shelf Prospectus and “Annexure C- Financial Information for six months period ended on September 30, 2013” to the Prospectus Tranche- II, the Company does not have any other borrowings.

VIII. OUTSTANDING LITIGATION

“Indian Council of Investors vs. Union of India & Others (Writ Petition No. 439 of 2013)

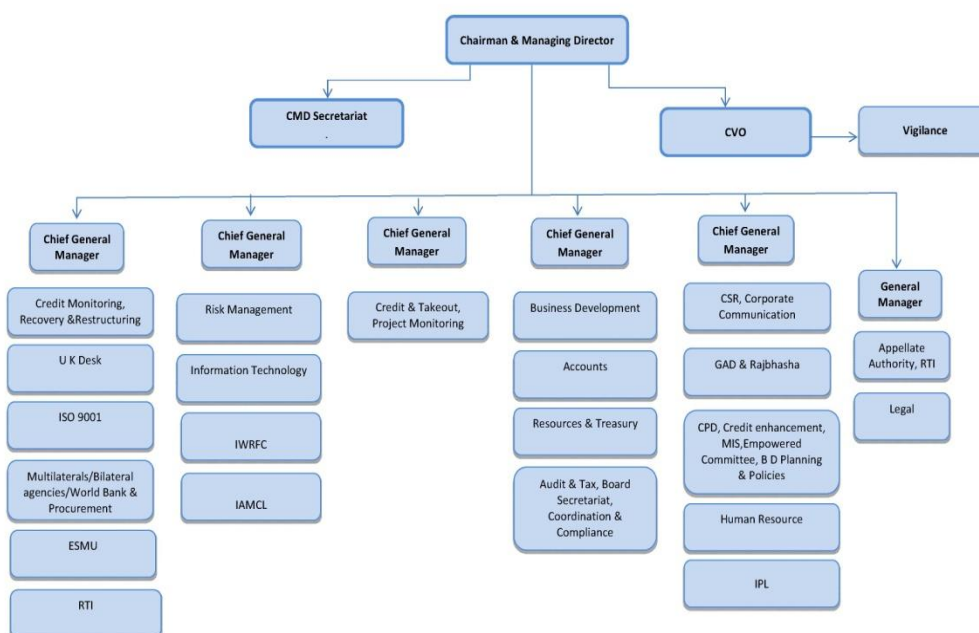
In this matter, the petitioner Indian Council of Investors has filed the said writ petition before Hon’ble High Court of Bombay with a prayer to pass an order directing the Securities and Exchange Board of India to conduct an enquiry and file report in respect of various bonds/ debentures issued from time to time by several public sector undertakings and other companies (including IIFCL).

The Petitioner is not seeking any relief regarding return/refund of amounts collected from the general people under the bonds issued by respondents including IIFCL, but has only prayed for the future action, if any, to be taken for infraction, if any, of any statutory provisions. In response to the allegations, the Company has filed its reply before Hon’ble high Court, and reiterate that it has followed all the requisite procedures and requirements and has not violated any of the rules or regulations.

The High Court website shows that the next date of hearing is February 26, 2014.”

XI. MISCELLANEOUS

1. The Company has redeemed its 6.85% IIFCL 2014 Tax Free Bonds Series I (ISIN - INE787H09038) for Rs. 7369.30 crore on January 22, 2014.
2. The Department of Financial Services, Ministry of Finance, Government of India vide Letter no. F. No. 3/8/2009/IF-I dated November 1, 2013 had extended the additional charge arrangement of the post of Chairman and Managing Director of our Company already assigned to Dr. Harsh Kumar Bhanwala, Executive Director for a further period of three months beyond September 23, 2013 or up to the date the charge is taken over by regular Chairman and Managing Director in the Company, whichever is earlier. The said additional charge arrangement of Dr. Harsh Kumar Bhanwala’s ended on December 11, 2013. Further, pursuant to appointment of Dr. Harsh Kumar Bhanwala as Chairman of NABARD vide Letter no. F. No. 7/4/2013/BO-I dated November 1, 2013 issued by the Department of Financial Services, Ministry of Finance, Government of India, Dr. Harsh Kumar Bhanwala has been relieved from this position as Executive Director of our Company w.e.f. December 17, 2013.
3. The Company’s management organisation structure has been changed to as under:



OBJECTS OF THE ISSUE

Issue Proceeds

This is a public issue by the Company, of tax free secured, redeemable, non-convertible bonds in the nature of debentures of face value of Rs.1,000 each, having tax benefits under section 10(15)(iv)(h) of the Income Tax Act, for an amount of Rs 75,000.00 lakh with an option to retain oversubscription upto the Residual Shelf Limit (i.e. Rs. 2,82,379.49 lakh) and is being offered by way of this Prospectus Tranche –III containing, inter alia, the terms and conditions of Tranche –III Issue, which should be read together with the Shelf Prospectus filed with the RoC, the Designated Stock Exchange and SEBI. The Shelf Prospectus together with this Prospectus Tranche- III constitutes the Prospectus. The Issue is being made under the SEBI Debt Regulations and pursuant to Notification No. 61/2013.F.No.178/37/2013-(ITA.1) dated August 8, 2013, issued by the Central Board of Direct Taxes, Department of Revenue, MoF, GoI, by virtue of powers conferred on it under section 10(15)(iv)(h) of the Income Tax Act.

In terms of the Notification, the Company has raised Rs. 2,96,320.00 lakh on a private placement basis in three tranches, through information memorandum dated August 23, 2013, August 29, 2013 and September 5, 2013 and Rs. 1,21,300.51 lakh by way of a public issue under the Tranche- I Issue through the Prospectus Tranche- I and Rs. 3,00,000.00 lakh by way of a public issue under the Tranche- II Issue through the Prospectus Tranche- II. Accordingly, the residual shelf limit is Rs. 2,82,379.49 lakh (the “Residual Shelf Limit”). This limit shall be applicable for raising further funds through public issue route or private placement route. Further, the Company may also raise funds through private placement route in one or more tranches during the process of the present Issue. The aggregate amount raised through the private placement route shall not exceed Rs. 3,00,000.00 lakh i.e. up to 30% of the allocated limit for raising funds through tax free bonds during Fiscal 2014, in terms of the Notification. The Company shall ensure that the tax free bonds issued through public issue and private placement route shall together not exceed Rs. 10,00,000.00 lakh. In case if our Company raises funds through private placements during the process of the present Issue, the Residual Shelf Limit for the Issue shall be reduced by such amount raised.

Utilisation of Issue Proceeds

The proceeds of Tranche- III Issue may be utilised towards lending in the infrastructure sector and augmenting our resource base. For more information on the Company’s business and associated risks, see “**Business**” and “**Risk Factors**” on pages 75 and 11 of the Shelf Prospectus, respectively.

The main objects clause of our Memorandum of Association permits the Company to undertake its existing activities as well as the activities for which the funds are being raised through this Tranche- III Issue.

In accordance with SEBI Debt Regulations, the Company is required to not utilise the proceeds of this Tranche- III Issue for providing loans to or acquisitions of shares of any person who is a part of the same group as the Company or who is under the same management as the Company or any Subsidiary or Associate Company of the Company. The Company is a public sector enterprise and, as such, we do not have any identifiable ‘group’ companies or ‘companies under the same management’. Further, this Tranche- III Issue proceeds shall not be utilized towards full or part consideration for the purchase or any acquisition, including by way of a lease, of any property. Issue proceeds from Bonds allotted to banks will not be utilised for any purpose which may be in contravention of RBI Guidelines on bank financing to NBFCs, including those relating to classification as capital market exposure or any other sectors that are prohibited by RBI.

We shall utilise this Tranche- III Issue proceeds only on execution of documents for creation of security as stated in this Prospectus Tranche- III under “**Terms of the Issue**” on page 49 of this Prospectus Tranche- III.

Project Cost and Means of Financing

The proceeds of Issue will be utilised towards lending in the infrastructure sector and augmenting our resource base and not for any specified project.

Interim use of Proceeds

The Board, in accordance with policies formulated from time to time, will have flexibility in deploying the proceeds of this Tranche- III Issue. Pending utilisation of this Tranche- III Issue proceeds for the purposes described above, the Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities or inter-corporate loans as may be approved by the Board. Such investment would be in accordance with the investment policies approved by the Board of Directors from time to time.

Issue Expenses

The following are the estimated Tranche- III Issue expenses, proposed to be met from the Tranche- III Issue proceeds:

| Particulars | Amount (Rs. in lakh) | Percentage of Tranche- III Issue size* | Percentage of total expenses of the Tranche- III Issue |
|--|-------------------------|---|---|
| Fees payable to Intermediaries | | | |
| To the Advisors | 1.78 | 0.00% | 0.10% |
| To the Registrar to the Issue | 2.00 | 0.00% | 0.11% |
| To the Lead Managers and Brokerage and Selling Commission | 1450.00 | 0.51% | 79.04% |
| To the Bond Trustee | 0.48 | 0.00% | 0.03% |
| To the SCSBs | 0.35 | 0.00% | 0.02% |
| Printing & Stationary | 65.00 | 0.02% | 3.54% |
| For advertising and marketing | 240.00 | 0.08% | 13.08% |
| Other Miscellaneous Expenses | 75.00 | 0.03% | 4.09% |
| Total | 1834.61 | 0.65% | 100.00% |

* The Company may incur expenditure towards the Issue, subject to the condition that total Issue Expense taken together for all the Tranche(s) shall not exceed 0.65% of aggregate Shelf Limit i.e. Rs. 7,03,680.00 lakh.

The Company shall pay processing fees to the SCSBs for ASBA forms procured by Lead Managers/ Lead Brokers/ Sub-brokers/Trading Members and submitted to SCSBs for blocking the application amount of the Applicant, at the rate of Rs. 15 (inclusive of service tax) per Application Form procured, as finalised by the Company. However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA processing fee.

Monitoring of Utilization of Funds

In terms of the SEBI Debt Regulations, there is no requirement for appointment of a monitoring agency in relation to the use of proceeds of this Tranche- III Issue. The Board shall monitor the utilisation of the proceeds of this Tranche- III Issue. The Company will disclose in our financial information for the relevant fiscal commencing from Fiscal 2014, the utilization of the proceeds of this Tranche- III Issue under a separate head along with any details in relation to all such proceeds of this Tranche- III Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of this Tranche- III Issue.

For more information, see “*Terms of the Issue - Utilisation of Issue Proceeds*” and “*Terms of the Issue - Monitoring & Reporting of Utilisation of Issue Proceeds*” on page 62 of this Prospectus Tranche- III.

STATEMENT OF TAX BENEFITS

Under the current tax laws, the following possible tax benefits, inter alia, will be available to the Bondholder. This is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the Bond, under the current tax laws presently in force in India. The benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the laws or enactments thereto. The Bondholder is advised to consider in his own case the tax implications in respect of subscription to the Bond after consulting his tax advisor as alternate views are possible interpretation of provisions where under the contents of his statement of tax benefit is formulated may be considered differently by income tax authority, government, tribunals or court. We are not liable to the Bondholder in any manner for placing reliance upon the contents of this statement of tax benefits.

A. INCOME TAX

1. Interest from Bond do not form part of Total Income.

a) In exercise of power 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 vide Notification NO. 61/2013.F.No.178/37/2013-(ITA.1) dated 8th August, 2013 authorizes India Infrastructure Finance Company Limited to issue through a Public/Private Issue, during the Financial year 2013-14, tax free, secured, redeemable, non-convertible bonds for the aggregate amount not exceeding Rs. 10,000 crore subject to the conditions as prescribed in the said notification.

- (i) It shall be mandatory for the subscribers of such bonds to furnish their permanent account number to the issuer
- (ii) There shall be ceiling on the coupon rates based on the reference Government security (G-Sec) Rate:
- (iii) 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 the daily basis (working day) prevailing for two weeks ending on the 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 placements.
- (iv) The ceiling coupon rate for AAA rated issuers shall be the reference G-sec rate less 55 basis points in case of Retail Individual Investor and reference G-sec less 80 basis points in case of other investor segments, like Qualified Institutional Buyers(QIB's), Corporates and High Networth Individuals.
- (v) The higher rate of interest, applicable to retail investors, shall not be available in case the bonds are transferred by Retail investors to non retail investors.

b) Section 10(15)(iv)(h) to be read with Section 14A(1) provides that in computing the total income of a previous year of any person, interest payable by any public sector company in respect of such bonds or debentures and subject to such conditions, including the condition that the holder of such bonds or debentures registers his name and the holding with that company, as the Central Government may, by notification in the Official Gazette, specify in this behalf shall not be included;

Further, as per Section 14 A(1), no deduction shall be allowed in respect of expenditure incurred by the assessee in relation to said interest, being exempt.

Section 2(36A) of the IT Act defines "Public Sector Company" as any corporation established by or under any state Central, State, Provincial Act or a Government company as defined under section 617 of the Companies Act, 1956.

- c) Accordingly, pursuant to the aforesaid notification, interest from bond will be exempt from income tax.
- d) Since the interest Income on these bonds is exempt, no Tax Deduction at Source is required. However interest on application money would be liable for TDS as well as tax as per present tax laws.

2. CAPITAL GAIN

a) Under Section 2 (29A) of the I.T. Act, read with section 2 (42A) of the I.T. Act, a listed Bond is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

Under Section 112 of the I.T. Act, capital gains arising on the transfer of long term capital assets being listed securities are subject to tax at the rate of 20% of capital gains calculated after reducing indexed cost of acquisition or 10% of capital gains without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition/indexed cost of acquisition of the bonds from the sale consideration.

However as per third proviso to Section 48 of Income Tax Act, 1961 benefits of indexation of cost of acquisition under second proviso of Section 48 of Income Tax Act, 1961 is not available in case of bonds and debenture, except capital indexed bonds. Thus, long term capital gain tax can be considered at a rate of 10% on listed bonds without indexation.

Securities Transaction Tax ("STT") is a tax being levied on all transactions in specified securities done on the stock exchanges at rates prescribed by the Central Government from time to time. STT is not applicable on transactions in the Bonds.

In case of an individual or HUF, being a resident, where the total income as reduced by the long term capital gains is below the maximum amount not chargeable to tax i.e. Rs. 2,00,000 resident individual/HUF, Rs. 250,000 in case of resident senior citizens of 60 or more years of age (on any day of the previous year) and Rs.5,00,000 in case of resident super senior citizens of 80 years or more of age (on any day of the previous year), the long term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and at the option of assessee the tax on the balance of such long-term capital gains shall be computed at the rate of ten per cent in accordance with and the proviso to sub-section (1) of section 112 of the I.T. Act read with CBDT Circular 721 dated September 13, 1995 or 20% with indexation of cost, as the case may be.

A 2% education cess and 1% secondary and higher education cess on the total income tax (including surcharge for corporate only) is payable by all categories of tax payers.

- b) Short-term capital gains on the transfer of listed bonds, where bonds are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provision of the I.T. Act.

The provisions related to minimum amount not chargeable to tax, surcharge and education cess described at para(a) above would also apply to such short-term capital gains.

- c) Under Section 54 EC of the I.T. Act and subject to the conditions and to the extent specified therein, long term capital gains arising to the bondholders on transfer of their bonds in the company shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified bonds are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. Where the benefit of Section 54 EC of the I.T. Act has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under Section 80 C of the I.T. Act.

For purpose of availing exemption from tax on Capital gains, The investment made in the notified bonds by an assessee in any financial year cannot exceed Rs. 50.00 lakh.

- d) As per the provisions of Section 54F of the Income Tax Act, 1961 and subject to conditions specified therein, any long-term capital gains (not being residential house) arising to Bondholder who is an individual or Hindu Undivided Family, are exempt from capital gains tax if the entire net sales considerations is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis.

Provided that the said Bondholder should not own more than one residential house other than the new asset, on the date of such transfer or purchase any residential house, other than the new asset, within a period of one year after the date of such transfer or purchase any residential house, other than the new asset, within a period of three years after the date of such transfer on which the income is chargeable under " Income from House Property ". If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the Bondholder purchases within a period of

two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

- e) Under Section 195 of Income Tax Act, Income Tax shall be deducted from sum payable to Non-Residents on long term capital gain and short term capital gain arising on sale and purchase of bonds at the rate specified in the Finance Act of the relevant year or the rate or rates of the income tax specified in an agreement entered into by the Central Government under section 90, or an agreement notified by the Central Government under section 90A, as the case may be.
- f) The income by way of short term capital gains or long term capital gains (not covered under Section 10(38) of the Act) realized by Foreign Financial Institutions on sale of security in the Company would be taxed at the following rates as per Section 115AD of the Act.
 - Short term capital gains- 30% (plus applicable surcharge and education cess)
 - Long term capital gains- 10% without cost of indexation (plus applicable surcharge and education cess)

As per section 90(2) of the Act, the provision of the Act would not prevail over the provision of the tax treaty applicable to the non-resident to the extent such tax treaty provisions are more beneficial to the non resident. Thus, a non resident can opt to be governed by the beneficial provisions of an application tax treaty.

- g) However under section 196D, No deduction of tax shall be made from income arising by way of capital gain to Foreign Institutional Investors.

3. Bonds held as Stock in Trade

In case the Bonds are held as stock in trade, the income on transfer of bonds would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.

4. Taxation on gift

As per section 56(2)(vii) (c) of the I.T. Act, in case where individual or Hindu undivided Family receives bond from any person on or after 1st October, 2009

- A. without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such bonds/debentures or;
- B. for a consideration which is less than the aggregate fair market value of the Bond by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such property as exceeds such consideration; shall be taxable as the income of the recipient.

Provided further that this clause shall not apply to any sum of money or any property received-

- a) from any relative; or
- b) on the occasion of the marriage of the individual; or
- c) under a will or by way of inheritance; or
- d) in contemplation of death of the payer or donor, as the case may be; or
- e) from any local authority as defined in the Explanation to clause (20) of section 10; or
- f) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of section 10; or
- g) from any trust or institution registered under section 12AA.

B. WEALTH TAX

Wealth-tax is not levied on investment in bond under section 2(ea) of the Wealth-tax Act, 1957.

C. PROPOSALS MADE IN DIRECT TAX CODE

The Hon'ble Finance Minister has presented the Direct Tax Code Bill, 2010 ("DTC Bill") on August 30, 2010. The DTC Bill is likely to be presented before the Indian Parliament in future. Accordingly, it is currently unclear what effect the Direct Tax Code would have on the investors.

For K M Agarwal & Co.
(Chartered Accountants)
(Regn. No. 000853N)

(C P Mishra)
Partner
(Membership No. 073009)

Place: New Delhi
Dated: September 03, 2013

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The CBDT has, vide the Notification, authorised the Company to issue Bonds aggregating to Rs. 10,00,000.00 lakh. The Company proposes to raise Rs. 7,03,680.00 lakh* through a public issue of Bonds in one or more tranches, prior to March 31, 2014.

This Tranche – III Issue by the Issuer is of Bonds for an amount of Rs. 75,000.00 lakh with an option to retain oversubscription upto Residual Shelf Limit (i.e. Rs. 2,82,379.49 lakh). This Tranche- III Issue is being offered by way of this Prospectus Tranche- III, which contains, inter alia, the terms and conditions of this Tranche – III Issue which should be read together with the Shelf Prospectus filed by the Company with the RoC, Stock Exchanges and SEBI.

The Board, at the meeting held on September 2, 2013, approved the Issue of the tax free secured redeemable non-convertible bonds in the nature of debentures, by public issue(s) and/or on private placements(s) basis in India to eligible investors, in one or more tranches, in the aggregate amount of up to Rs. 10,00,000.00 lakh during Fiscal 2014, as allocated in the Notification, provided that the aggregate amount raised through private placement(s) of Bonds shall not exceed Rs. 3,00,000.00 lakh (being 30% of the overall allocated limit for issuance of the Bonds, under the Notification) during Fiscal 2014, and the aggregate amount raised through public issue(s) of the Bonds shall not exceed the Shelf Limit.

**In terms of the Notification, the Company has raised Rs. 2,96,320.00 lakh on a private placement basis in three tranches, through information memorandum dated August 23, 2013, August 29, 2013 and September 5, 2013 and Rs. 1,21,300.51 lakh by way of a public issue under the Tranche- I Issue through the Prospectus Tranche- I and Rs. 3,00,000.00 lakh by way of a public issue under the Tranche- II Issue through the Prospectus Tranche- II. Accordingly, the residual shelf limit is Rs. 2,82,379.49 lakh (the "Residual Shelf Limit"). This limit shall be applicable for raising further funds through public issue route or private placement route. Further, the Company may also raise funds through private placement route in one or more tranches during the process of the present Issue. The aggregate amount raised through the private placement route shall not exceed Rs. 3,00,000.00 lakh i.e. up to 30% of the allocated limit for raising funds through tax free bonds during Fiscal 2014, in terms of the Notification. The Company shall ensure that the tax free bonds issued through public issue and private placement route shall together not exceed Rs. 10,00,000.00 lakh. In case if our Company raises funds through private placements during the process of the present Issue, the Residual Shelf Limit for the Issue shall be reduced by such amount raised.*

Eligibility to make the Issue

The Company and persons in control of the Company have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force.

Consents

Consents in writing of the Directors, Company Secretary, Chief Financial Officer, Compliance Officer, Statutory Auditors, Escrow Collection Bank(s), Refund Bank, Bankers to the Company, Lead Managers, Members of the Syndicate, Registrar to the Issue, Credit Rating Agencies, Bond Trustee and Legal Advisors to the Issue, in their respective capacities, have been obtained and filed along with a copy of each Tranche Prospectus with the RoC.

Expert Opinion

Except the letters dated August 7, 2013, September 16, 2013, November 20, 2013 and January 31, 2014 issued by Brickwork, letters dated August 16, 2013, September 16, 2013, November 20, 2013 and January 31, 2014 issued by CARE and the letters dated August 21, 2013, September 24, 2013, November 21, 2013 and January 31, 2014 issued by IRRPL, in respect of the credit rating of the Issue, and the audit reports dated September 2, 2013 and October 29, 2013 and statement of tax benefits dated September 3, 2013 issued by M/s K.M. Agarwal & Co., Statutory Auditors of the Company, the Company has not obtained any expert opinions.

Minimum Subscription

For information, see "*Issue Structure – Minimum Subscription*" on page 48 of this Prospectus Tranche- III.

No Reservation or Discount

Pursuant to the Notification, at least 70% of the allocated limit for raising funds through tax free bonds during Fiscal 2014 shall be raised through public issue, of which 40% shall be reserved for Retail Individual Investors. There is no discount being offered in the Issue, to any category of Applicants.

Common Form of Transfer

There will be a common form of transfer for Bonds held in physical form and relevant provisions of the Companies Act, 1956 (to the extent applicable)/ Companies Act, 2013, as the case may be, and other applicable laws will be duly complied with in respect of all transfers of the Bonds and registration thereof. The transfer of Bonds in demat form will be done as per the procedure/rules prescribed by the Depositories and Depository Participants.

Dividend

Save and except as mentioned below the Company has not paid any dividends on its Equity Shares since incorporation. Pursuant to the resolution of the Board dated January 8, 2013, our Company has paid a dividend at the rate of 8% of Rs. 22,112.88 lakh along with dividend distribution tax of Rs. 3,587.26 lakh in this regard.

Previous Public or Rights Issues by the Company during last five years

The Company has not undertaken any public or rights issue of any securities since incorporation, other than: (i) issuance of long term infrastructure bonds of face value of Rs. 1,000 each, in the nature of secured, redeemable, non-convertible bonds having benefits under section 80 CCF of the Income Tax Act, for Rs. 9,096.18 lakh, pursuant to a shelf prospectus dated February 1, 2011 and tranche prospectus dated February 1, 2011, (ii) the issuance of long term tax free bonds of face value of Rs. 1,000 each, in the nature of secured redeemable non-convertible bonds having benefits under Section 10(15)(iv)(h) of the Income Tax Act, for Rs. 315,631.89 lakh, pursuant to a shelf prospectus dated December 10, 2012 and tranche prospectus dated December 10, 2012 and February 20, 2013, and (iii) the issuance of long term tax free secured, redeemable, non-convertible Bonds in the nature of debentures of face value of Rs. 1,000 each, having tax benefits under section 10(15)(iv)(h) of the Income Tax Act, 1961 for Rs. 1,21,300.51 lakh (i.e. Tranche- I Issue) and Rs. 3,00,000.00 lakh (i.e. Tranche-II Issue), pursuant to the Shelf Prospectus dated September 28, 2013, Prospectus Tranche – I dated September 28, 2013 and Prospectus Tranche – II dated November 28, 2013.

Commission or Brokerage on Previous Issues

In relation to the issuance of long term infrastructure bonds of face value of Rs. 1,000 each, in the nature of secured, redeemable, non-convertible bonds having benefits under section 80 CCF of the Income Tax Act, for Rs. 9,096.18 lakh, pursuant to a tranche prospectus dated February 1, 2011, the total commission/brokerage paid to brokers was Rs. 145.80 lakh and the total fee paid to the lead managers was Rs. 35.75 lakh.

In relation to the issuance of long term tax free bonds of face value of Rs. 1,000 each, in the nature of secured redeemable non-convertible bonds having benefits under Section 10(15)(iv)(h) of the Income Tax Act, for Rs. 315,631.89 lakh, pursuant to a shelf prospectus dated December 10, 2012 and tranche prospectus dated December 10, 2012 and February 20, 2013, the total commission/brokerage paid/ payable to brokers/ ASBA collection bankers was Rs. 507.46 lakh and the total fee paid/ payable to the lead managers was Rs. 5.00.

In relation to the Tranche- I Issue and Tranche-II Issue, pursuant to the Prospectus Tranche- I dated September 28, 2013 and Prospectus Tranche- II dated November 28, 2013, the Company is in the process of payment of the commission/ brokerage to the brokers. For details, see Prospectus Tranche- I dated September 28, 2013 and Prospectus Tranche- II dated November 28, 2013.

Change in auditors of the Company during last three years

| S.No | Name | Address | Date of Appointment/ Resignation | Date of Cessation | Remark (If any) |
|------|--|--|-------------------------------------|-------------------|--|
| 1 | M/s P.R Mehra & Co. Chartered Accountants | 56, Darya Ganj, New Delhi- 110 002 | Date of CAG letter August 31, 2009. | June 20, 2013 | Last Term as Statutory auditor of the Company completed on conclusion of the Company's last AGM on June 20, 2013 |
| 2. | M/s K.M. Agarwal & Co. Chartered Accountants | 36, Netaji Subhaash Marg, Darya Ganj, New Delhi- 110 002 | Date of CAG Letter July 29, 2013 | N.A | -- |

For more information on the Statutory Auditors, see “*General Information*” on page 15 of this Prospectus Tranche- III.

Revaluation of assets

The Company has not revalued its assets in the last five years.

Utilisation of Issue Proceeds

For information, see “*Terms of the Issue - Utilisation of Issue Proceeds*” on page 62 of this Prospectus Tranche- III.

Track record of past public issues handled by the Lead Managers

Details of the track record of the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, has been disclosed on the respective websites of the Lead Managers. The track record of past issues handled by SBI Capital Markets Limited, A.K. Capital Services Limited, Axis Capital Limited, ICICI Securities Limited, Karvy Investor Services Limited and RR Investors Capital Services Private Limited are available at www.sbicaps.com, www.akcapindia.com, www.axiscapital.co.in, www.icicisecurities.com, www.karvy.com and www.rfcl.com, respectively.

Listing

For information, see “*Terms of the Issue – Listing*” on page 61 of this Prospectus Tranche- III.

Disclaimer clause of BSE

BSE Limited (“**The Exchange**”) has given vide its letter dated September 13, 2013, permission to this Company to use the Exchange’s name in this offer document as one of the stock exchanges on which this company’s securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. The Exchange does not in any manner:

- a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- b) warrant that this company’s securities will be listed or will continue to be listed on the Exchange; or
- c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this company 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 for any other reason whatsoever.

Disclaimer clause of RBI

The Company is having a valid certificate of registration dated September 9, 2013 issued by the Reserve Bank of India under section 45-IA of the Reserve Bank of India Act, 1934. However, the Reserve Bank of India does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for repayment of deposits/discharge of liability by the Company.

Statement by the Board:

- (i) All monies received pursuant to the Issue shall be transferred/ kept to/ in a separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013;
- (ii) Details of all monies utilised out of the Issue shall be disclosed under an appropriate separate head in the Company’s Balance Sheet, indicating the purpose for which such monies were utilised; and
- (iii) Details of all unutilised monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the Company’s Balance Sheet, indicating the form in which such unutilised monies have been invested.

Mechanism for redressal of investor grievances

Karvy Computershare Private Limited has been appointed as the Registrar to the Issue to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints.

Communications in connection with Applications made in the Issue should be addressed to the Registrar to the Issue, quoting all relevant details including the full name of the sole/first Applicant, Application Form number, Applicant’s Depository Participant (“**DP**”) ID, Client ID and Permanent Account Number (“**PAN**”), number of Bonds applied for, date of the Application Form, name and address of the Member of the Syndicate or Trading Member of the Stock Exchange or Designated Branch of the SCSB, as the case may be, where the Application was submitted, and cheque/draft number and issuing bank thereof, or with respect to ASBA Applications, the ASBA Account number in which an amount equivalent to the Application Amount was blocked. Applicants may contact the Compliance Officer and/or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, refunds, interest on Application Amounts or refund or credit of Bonds in the respective beneficiary accounts, as the case may be. Grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB. Grievances relating to the Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchange.

**SECTION III – OFFER INFORMATION
ISSUE STRUCTURE**

The CBDT has, vide the Notification, authorised the Company to issue Bonds aggregating to Rs. 10,00,000.00 lakh. The Company proposes to raise Rs. 7,03,680.00 lakh* through a public issue of Bonds in one or more tranches, prior to March 31, 2014.

This Tranche – III Issue by the Issuer is of Bonds for an amount of Rs. 75,000.00 lakh with an option to retain oversubscription upto the Residual Shelf Limit (i.e. Rs. 2,82,379.49 lakh). This Tranche- III Issue is being offered by way of this Prospectus Tranche- III, which contains, inter alia, the terms and conditions of this Tranche – III Issue which should be read together with the Shelf Prospectus filed by the Company with the RoC, Stock Exchanges and SEBI.

The Board, at the meeting held on September 2, 2013, approved the Issue of the tax free secured redeemable non-convertible bonds in the nature of debentures, by public issue(s) and/or on private placements(s) basis in India to eligible investors, in one or more tranches, in the aggregate amount of up to Rs. 10,00,000.00 lakh during Fiscal 2014, as allocated in the Notification, provided that the aggregate amount raised through private placement(s) of Bonds shall not exceed Rs. 3,00,000.00 lakh (being 30% of the overall allocated limit for issuance of the Bonds, under the Notification) during Fiscal 2014, and the aggregate amount raised through public issue(s) of the Bonds shall not exceed the Shelf Limit.

**In terms of the Notification, the Company has raised Rs. 2,96,320.00 lakh on a private placement basis in three tranches, through information memorandum dated August 23, 2013, August 29, 2013 and September 5, 2013 and Rs. 1,21,300.51 lakh by way of a public issue under the Tranche- I Issue through the Prospectus Tranche- I and Rs. 3,00,000.00 lakh by way of a public issue under the Tranche- II Issue through the Prospectus Tranche- II. Accordingly, the residual shelf limit is Rs. 2,82,379.49 lakh (the “Residual Shelf Limit”). This limit shall be applicable for raising further funds through public issue route or private placement route. Further, the Company may also raise funds through private placement route in one or more tranches during the process of the present Issue. The aggregate amount raised through the private placement route shall not exceed Rs. 3,00,000.00 lakh i.e. up to 30% of the allocated limit for raising funds through tax free bonds during Fiscal 2014, in terms of the Notification. The Company shall ensure that the tax free bonds issued through public issue and private placement route shall together not exceed Rs. 10,00,000.00 lakh. In case if our Company raises funds through private placements during the process of the present Issue, the Residual Shelf Limit for the Issue shall be reduced by such amount raised.*

Particulars of the Bonds

The following are the key terms of the Bonds. This section should be read in conjunction with, and is qualified in its entirety by, more detailed information in “*Issue Structure*” and “*Terms of the Issue*” on page 43 and 49 of this Prospectus Tranche-III, respectively.

| COMMON TERMS FOR ALL SERIES OF THE BONDS | |
|---|---|
| Issuer | India Infrastructure Finance Company Limited |
| Issue of Bonds | <p>Public issue of the tax free secured redeemable non-convertible bonds in the nature of debenture of face value of Rs. 1,000 each, having benefits under section 10(15)(iv)(h) of the Income Tax Act, proposed to be issued by the Company pursuant to the Shelf Prospectus and the relevant Tranche Prospectus(es), for an amount up to an aggregate amount of the Shelf Limit of Rs. 7,03,680.00lakh*. The Bonds will be issued in one or more tranches subject to the Shelf Limit.</p> <p>This Tranche –III Issue by the Issuer is of the Bonds for an amount of Rs. 75,000.00 lakh with an option to retain oversubscription up to the Residual Shelf Limit (i.e. Rs. 2,82,379.49 lakh) and is being offered by way of this Prospectus Tranche- III containing, inter alia, the terms and conditions of this Tranche –III Issue, which should be read together with the Shelf Prospectus dated September 28, 2013 filed with the RoC, the Designated Stock Exchange and SEBI. The Shelf Prospectus together with this Prospectus Tranche- III constitutes the Prospectus.</p> <p><i>*In terms of the Notification, the Company has raised Rs. 2,96,320.00 lakh on a private placement basis in three tranches, through information memorandum dated August 23, 2013, August 29, 2013 and September 5, 2013 and Rs. 1,21,300.51 lakh by way of a public issue under the Tranche- I Issue through the Prospectus Tranche- I and Rs. 3,00,000.00 lakh by way of a public issue under the Tranche- II Issue through the Prospectus Tranche- II. Accordingly, the residual shelf limit is Rs. 2,82,379.49 lakh (the “Residual Shelf Limit”). This limit shall be applicable for raising further funds through public issue route or private placement route. Further, the Company may also raise funds through private placement route in one or more tranches during the process of the present Issue. The aggregate amount raised through the private placement route shall not exceed Rs. 3,00,000.00 lakh i.e. up to 30% of the allocated limit for raising funds through tax free bonds during Fiscal 2014, in terms of the Notification. The Company shall ensure that the tax free bonds issued through public issue and private placement route shall together not exceed Rs. 10,00,000.00 lakh. In case if our Company raises funds through private placements during the process of the present Issue, the Residual Shelf Limit for the Issue shall be reduced by such amount raised</i></p> |

| COMMON TERMS FOR ALL SERIES OF THE BONDS | | | | |
|--|--|--|--|--|
| Face Value (Rs.) | Rs. 1,000 | | | |
| Issue Price (Rs.) | Rs. 1,000 | | | |
| Nature of Bonds | Secured | | | |
| Mode of Issue | Public issue | | | |
| Pay-in Date | Application Date. Full amount with the Application Form, except ASBA Applications. See “ <i>Issue Procedure – Payment Instructions</i> ” on page 78 of this Prospectus Tranche- III. | | | |
| Who can apply | Category I (“Qualified Institutional Buyers”) (“QIBs”)** | Category II (“Domestic Corporates”)** | Category III (“High Networth Individuals”) (“HNIs”) | Category IV (“Retail Individual Investors”) (“RIIs”) |
| | <ul style="list-style-type: none"> Public financial institution as defined in Section 4A of the Companies Act, Alternative Investment Fund eligible to invest under the SEBI (Alternative Investment Funds) Regulations, 2012, as amended Scheduled commercial bank, Mutual fund, registered with SEBI, Multilateral and bilateral development financial institutions, State industrial development corporations, Insurance companies registered with the Insurance Regulatory and Development Authority, Provident funds with a minimum corpus of Rs. 2500.00 lakh, Pension funds with a minimum corpus of Rs. 2500.00 lakh, The National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India, Insurance funds set up and managed by the army, navy, or air force of the Union of India, and Insurance funds set up and managed by the Department of Posts, India, which are authorized to invest in Bonds | <p>Companies within the meaning of section 2(20) of the Companies Act, 2013, Limited Liability Partnerships registered under the provisions of the LLP Act, statutory corporations, trust, partnership firms in the name of partners, cooperative banks, regional rural banks and legal entities registered under applicable laws in India and authorised to invest in Bonds</p> | <ul style="list-style-type: none"> The following investors applying for an amount aggregating to more than Rs. 10.00 lakh across all Series of Bonds in this Tranche- III Issue <ul style="list-style-type: none"> Resident Individual Investors Hindu Undivided Families applying through the Karta | <ul style="list-style-type: none"> The following investors applying for an amount aggregating up to and including Rs. 10.00 lakh across all Series of Bonds in this Tranche- III Issue <ul style="list-style-type: none"> Resident Individual Investors Hindu Undivided Families through the Karta |
| Credit Ratings | <p>ICRA Limited has, vide its letter no. D/RAT/2013-14/I-27/4 dated August 30, 2013, assigned a credit rating of “[ICRA] AAA (Outlook: Stable)” to the Bonds. 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. ICRA Limited has vide its letter No. D/RAT/2013-14/I-27/5 dated September 25, 2013, letter No. D/RAT/2013-14/I-27/6 dated November 22, 2013 and letter No. D/RAT/2013-14/I-27/7 dated February 4, 2014 revalidated its credit rating. Brickwork Rating India Private Limited has, vide its letter no. BWR/BNG/RL/2013-14/NS/0132 dated August 7, 2013, assigned a credit rating of “BWR AAA (Outlook: Stable)” to the Bonds. 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. Brickwork Rating India Private Limited has vide its letter no. BWR/BNG/RL/2013-14/NS/0168 dated September 16, 2013, letter no. BWR/BNG/RL/2013-14/NS/0227 dated November 20, 2013 and letter No. BWR/BNG/RL/2013-2014/NS/0307 dated January 31, 2014, revalidated its credit rating. Credit Analysis & Research Limited has, vide its letters</p> | | | |

| COMMON TERMS FOR ALL SERIES OF THE BONDS | |
|---|--|
| | dated August 16, 2013, assigned a credit rating of “CARE AAA” to the Bonds. 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. Credit Analysis & Research Limited has vide its letters dated September 16, 2013, November 20, 2013 and January 31, 2014, revalidated its credit rating. Further, India Rating & Research Private Limited has, vide its letter dated August 21, 2013, assigned a credit rating of “IND AAA (Stable)” to the Bonds. 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. India Rating & Research Private Limited has vide its letters dated September 24, 2013, November 21, 2013 and January 31, 2014 revalidated its credit rating. For the revalidation letters dated February 4, 2014, January 31, 2014, January 31, 2014 and January 31, 2014 see “ Annexure B: Credit Rating (Revalidation Letters) ” of this Prospectus Tranche- III. For the rationale for the ratings given by Brickwork Rating India Private Limited, Credit Analysis & Research Limited and India Rating & Research Private Limited, see “ Annexure B – Credit Rating ” of the Shelf Prospectus and for ICRA Limited, see “ Annexure B: Credit Ratings (Revalidation Letters) ” of this Prospectus Tranche- III. |
| Security | <i>Pari passu</i> 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 the Bond Trust Agreement. The Company reserves the right to create first <i>pari passu</i> charge on, the present and future, receivables for its present and future financial requirements or otherwise, provided that a minimum security cover of 1 (one) time is maintained |
| Security Cover | One time of the total outstanding Bonds |
| Nature of Indebtedness and Ranking/ Seniority | The claims of the Bondholders shall be superior to the claims of any unsecured creditors of the Company and subject to applicable statutory and/or regulatory requirements, rank <i>pari passu</i> inter se to the claims of other secured creditors of the Company having the same security |
| Put/Call Option | There is no put/call option for the Bonds |
| Listing | BSE. For more information, see “ Terms of the Issue – Listing ” on page 61 of this Prospectus Tranche- III |
| Bond Trustee | IL&FS Trust Company Limited |
| Depositories | Central Depository Services (India) Limited (“CDSL”) and National Securities Depository Limited (“NSDL”) |
| Registrar | Karvy Computershare Private Limited |
| Modes of Payment/Settlement Mode | 1. Direct Credit; 2. National Electronic Clearing System (“NECS”); 3. Real Time Gross Settlement (“RTGS”); 4. National Electronic Fund Transfer (“NEFT”); and 5. Demand Draft/ Cheque/ Pay Order For more information, see “ Terms of the Issue – Manner & Modes of Payment ” on page 58 of this Prospectus Tranche- III. |
| Issuance | In dematerialised form and physical form, at the option of the Applicant*** |
| Trading | In dematerialised form only*** |
| Market Lot / Trading Lot | One Bond |
| Deemed Date of Allotment | The date on which, the Board of Directors or Bond Committee approves the Allotment of Bonds for this Tranche – III Issue or such date as may be determined by the Board of Directors or Bond Committee and notified to the Designated Stock Exchange. All benefits relating to the Bonds including interest on Bonds (as specified in this Prospectus Tranche- III) shall be available from the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment |
| Record Date | Date falling 15 days prior to the relevant Interest Payment Date on which interest or the Maturity Date on which the Maturity Amount is due and payable under this Prospectus Tranche- III. In the event the Record Date falls on a Saturday, Sunday or a Public Holiday in New Delhi or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, the succeeding Working Day shall be considered as the Record Date. |
| Lead Managers | SBI Capital Markets Limited, A.K Capital Services Limited, Axis Capital Limited, ICICI Securities Limited, Karvy Investor Services Limited and RR Investors Capital Services Private Limited. |
| Objects of the Issue and Utilisation of Proceeds | See “ Objects of the Issue ” on page 34 of this Prospectus Tranche- III. |
| Working Day Convention/ Day Count | A Working Day shall mean all days excluding Sundays or a public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period and Record Date, where working days shall mean all days, excluding Saturdays, Sundays and public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881 |

| COMMON TERMS FOR ALL SERIES OF THE BONDS | | | | | | | | | | | | | |
|---|---|----------------------|---|------------------|---|-----------------|--|-----------------|---|---------------------|--|-----------------------|---|
| | <p>Day Count Convention</p> <p>Actual/actual, i.e., coupon/ interest rate will be computed on a 365 days-a-year basis on the principal outstanding on the Bonds. Where the coupon/ interest period (start date to end date) includes February 29, coupon/ interest rate will be computed on 366 days-a-year basis, on the principal outstanding on the Bonds.</p> <p>Effect of holidays on payments</p> <p>If the date of payment of coupon/ interest rate specified does not fall on a Working Day, the coupon payment shall be made on the immediately succeeding Working Day alongwith the interest for such additional period. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next coupon/ Interest Payment Date. If the Redemption Date/ Maturity Date (also being the last Coupon/ Interest Payment Date) of any Series of Bonds falls on a day which is not a Working Day, the redemption proceeds shall be paid on the immediately preceding Working Day along with the interest accrued on the Bonds until but excluding the date of such payment.</p> | | | | | | | | | | | | |
| Transaction Documents | <p>Documents/undertakings/agreements entered into or to be entered into by the Company with Lead Managers and/or other intermediaries for the purpose of the Issue, including but not limited to the following: -</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Bond Trust Agreement</td> <td>Trust Agreement dated September 4, 2013 entered into between the Bond Trustee and the Company</td> </tr> <tr> <td>Escrow Agreement</td> <td>Agreement dated September 20, 2013 entered into by the Company, the Registrar to the Issue, the Lead Managers and the Escrow Collection Bank(s) for collection of the Application Amounts and where applicable, refunds of amounts collected from Applicants on the terms and conditions thereof, as amended vide First Addendum to the Escrow Agreement dated November 25, 2013 and Second Addendum to the Escrow Agreement dated February 7, 2014</td> </tr> <tr> <td>Issue Agreement</td> <td>The agreement entered into on September 3, 2013, between the Company and the Lead Managers</td> </tr> <tr> <td>Lead Broker MoU</td> <td>Memorandum of Understanding dated September 20, 2013 between the Company and the Lead Brokers</td> </tr> <tr> <td>Registrar Agreement</td> <td>Agreement dated September 3, 2013 entered into between the Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue</td> </tr> <tr> <td>Tripartite Agreements</td> <td>Tripartite agreement dated January 20, 2009 between the Company, CDSL and the Registrar to the Issue and the tripartite agreement dated January 20, 2009 between the Company, NSDL and the Registrar to the Issue</td> </tr> </table> | Bond Trust Agreement | Trust Agreement dated September 4, 2013 entered into between the Bond Trustee and the Company | Escrow Agreement | Agreement dated September 20, 2013 entered into by the Company, the Registrar to the Issue, the Lead Managers and the Escrow Collection Bank(s) for collection of the Application Amounts and where applicable, refunds of amounts collected from Applicants on the terms and conditions thereof, as amended vide First Addendum to the Escrow Agreement dated November 25, 2013 and Second Addendum to the Escrow Agreement dated February 7, 2014 | Issue Agreement | The agreement entered into on September 3, 2013, between the Company and the Lead Managers | Lead Broker MoU | Memorandum of Understanding dated September 20, 2013 between the Company and the Lead Brokers | Registrar Agreement | Agreement dated September 3, 2013 entered into between the Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue | Tripartite Agreements | Tripartite agreement dated January 20, 2009 between the Company, CDSL and the Registrar to the Issue and the tripartite agreement dated January 20, 2009 between the Company, NSDL and the Registrar to the Issue |
| Bond Trust Agreement | Trust Agreement dated September 4, 2013 entered into between the Bond Trustee and the Company | | | | | | | | | | | | |
| Escrow Agreement | Agreement dated September 20, 2013 entered into by the Company, the Registrar to the Issue, the Lead Managers and the Escrow Collection Bank(s) for collection of the Application Amounts and where applicable, refunds of amounts collected from Applicants on the terms and conditions thereof, as amended vide First Addendum to the Escrow Agreement dated November 25, 2013 and Second Addendum to the Escrow Agreement dated February 7, 2014 | | | | | | | | | | | | |
| Issue Agreement | The agreement entered into on September 3, 2013, between the Company and the Lead Managers | | | | | | | | | | | | |
| Lead Broker MoU | Memorandum of Understanding dated September 20, 2013 between the Company and the Lead Brokers | | | | | | | | | | | | |
| Registrar Agreement | Agreement dated September 3, 2013 entered into between the Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue | | | | | | | | | | | | |
| Tripartite Agreements | Tripartite agreement dated January 20, 2009 between the Company, CDSL and the Registrar to the Issue and the tripartite agreement dated January 20, 2009 between the Company, NSDL and the Registrar to the Issue | | | | | | | | | | | | |
| Issue Opening Date | February 17, 2014 | | | | | | | | | | | | |
| Issue Closing Date | <p>March 14, 2014</p> <p>This Tranche – III Issue shall open for subscription from 10.00 a.m. to 5.00 p.m.(Indian Standard Time) during the period indicated above with an option for early closure or extension, as may be decided by the Board of Directors or Bond Committee. In the event of such early closure or extension of the subscription list of this Tranche – III Issue, the Company shall ensure that public notice of such early closure/extension is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in a leading national daily newspaper</p> | | | | | | | | | | | | |
| Default Interest Rate | The Company shall pay liquidated damages at a compounded rate of 1% per annum on the amount in respect of which a default has been committed in the event the Company fails to pay any amounts outstanding payable, when due and payable. | | | | | | | | | | | | |
| Redemption Premium/Discount | Not applicable | | | | | | | | | | | | |

| COMMON TERMS FOR ALL SERIES OF THE BONDS | |
|--|--|
| Interest on Application Money | See “ <i>Terms of the Issue-Interest on Application and Refund Money</i> ” on page 55 of this Prospectus Tranche- III |
| Option to retain oversubscription | This Tranche- III Issue by the Issuer is of the Bonds aggregating to Rs. 75,000.00 lakh with an option to retain oversubscription upto the Residual Shelf Limit (i.e. Rs. 2,82,379.49 lakh) |
| Conditions precedent/subsequent to disbursement | Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedent/subsequent to disbursement. See “ <i>Terms of the Issue - Utilisation of Issue Proceeds</i> ” on page 62 of this Prospectus Tranche- III |
| Event of Default | See “ <i>Terms of the Issue</i> ” on page 49 of this Prospectus Tranche- III |
| Cross Default | Not applicable |
| Roles and Responsibilities of Bond Trustee | See “ <i>Terms of the Issue-Bond Trustee</i> ” on page 61 of this Prospectus Tranche- III |
| Discount at which Bond is issued and the effective yield as a result of such discount | Not applicable |
| Governing Law | Laws of the Republic of India |
| Jurisdiction | The courts of New Delhi will have exclusive jurisdiction for the purposes of the Issue. |

** With regard to Section 372A(3) of the Companies Act, 1956 kindly refer to General Circular No. 6/ 2013, dated March 14, 2013 Ministry of Corporate Affairs, GoI clarifying that in cases where the effective yield on tax free bonds is greater than the prevailing bank rate, there shall be no violation of Section 372A(3) of the Companies Act, 1956.

***In terms of Regulation 4(2)(d) of the Debt Regulations, the Company will make public issue of the Bonds in the dematerialised form. However, in terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Investors who wish to hold the Bonds in physical form will fulfill such request. However, trading in Bonds shall be compulsorily in dematerialized form.

Participation by any of the above-mentioned Investor classes in this Tranche – III Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and/or regulatory provisions.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of Bonds pursuant to this Tranche- III Issue.

SPECIFIC TERMS FOR EACH SERIES OF BONDS

| Options | Series of Bonds* | | |
|--|---|--|--|
| | For Category I, II & III** | | |
| | Tranche III Series 1A | Tranche III Series 2A | Tranche III Series 3A |
| Coupon Rate (%) p.a | 8.16% | 8.55% | 8.55% |
| Annualised Yield (%) p.a | 8.16% | 8.55% | 8.55% |
| Options | For Category IV** | | |
| | Tranche III Series 1B | Tranche III Series 2B | Tranche III Series 3B |
| Coupon Rate (%) p.a | 8.41% | 8.80% | 8.80% |
| Annualised Yield (%) p.a | 8.41% | 8.80% | 8.80% |
| For Category I, II, III & IV** | | | |
| Minimum Application | 5 Bonds (Rs.5000) (individually or collectively, across series) | | |
| In the multiple of | One Bond (Rs.1000) | | |
| Tenor | 10 years | 15 years | 20 years |
| Maturity / Redemption Date | 10 years from the Deemed Date of Allotment | 15 years from the Deemed Date of Allotment | 20 years from the Deemed Date of Allotment |
| Face Value | Rs 1,000 | Rs 1,000 | Rs 1,000 |
| Issue Price | Rs 1,000 | Rs 1,000 | Rs 1,000 |
| Redemption Amount (Rs./Bond) | Repayment of the Face Value plus any interest at the applicable Coupon/ Interest Rate that may have accrued at the Redemption Date | | |
| Coupon/ Interest Type | Fixed Coupon Rate | | |
| Coupon / Interest Payment Date | The date, which is the day falling one year from the Deemed Date of Allotment, in case of the first coupon/ interest payment and the same day every year, until the Redemption Date for subsequent coupon/ interest payment | | |
| Coupon/ Interest Reset Process | Not applicable | | |
| Frequency of Coupon/ Interest Payment | Annual | | |

**Our Company shall allocate and allot Tranche III Series 1A/ Series 1B(depending upon the category of applicants) to all valid applications, wherein the Applicants have not indicated their choice of the relevant Series of Bond.*

***In pursuance of the Notification and for avoidance of doubt, it is clarified as under:*

- a. The coupon rates indicated under Tranche III Series 1B, Tranche III Series 2B and Tranche III Series 3B shall be payable only on the Portion of Bonds allotted to RIIs in the Issue. Such coupon is payable only if on the Record Date for payment of interest, the Bonds are held by investors falling under RII Category viz Category IV.*
- b. In case the Bonds allotted against Tranche III Series 1B, Tranche III Series 2B and Tranche III Series 3B are transferred by RIIs to Non-RIIs viz, Qualified Institutional Buyers, Domestic Corporates and/or High Networth Individuals, the coupon rate on such Bonds shall stand at par with coupon rate applicable on Tranche III Series 1A, Tranche III Series 2A and Tranche III Series 3A, respectively.*
- c. If the Bonds allotted against Tranche III Series 1B, Tranche III Series 2B and Tranche III Series 3B are sold/ transferred by the RIIs to investor(s) who fall under the RII category as on the Record Date for payment of interest, then the coupon rates on such Bonds shall remain unchanged;*
- d. Bonds allotted against Tranche III Series 1B, Tranche III Series 2B and Tranche III Series 3B shall continue to carry the specified coupon rate if on the Record Date for payment of interest, such Bonds are held by investors falling under RII Category;*
- e. If on any Record Date, the original RII allottee(s)/ transferee(s) hold the Bonds under Tranche III Series 1B, Tranche III Series 2B and Tranche III Series 3B for an aggregate face value amount of over Rs. 10.00 lakh, then the coupon rate applicable to such RII allottee(s)/transferee(s) on Bonds under Tranche III Series 1B, Tranche III Series 2B, Tranche III Series 3B shall stand at par with coupon rate applicable on Tranche III Series 1A, Tranche III Series 2A and Tranche III Series 3A, respectively;*
- f. Bonds allotted under Tranche III Series 1A, Tranche III Series 2A and Tranche III Series 3A shall carry coupon rates indicated above till the respective maturity of Bonds irrespective of Category of holder(s) of such Bonds;*
- g. For the purpose of classification and verification of status of the RII Category of Bondholders, the aggregate face value of Bonds held by the Bondholders in all the Series of Bonds, allotted under the relevant Issue shall be clubbed and taken together on the basis of PAN.*

Minimum Subscription

In terms of the SEBI Debt Regulations, an issuer undertaking a public issue of debt securities may disclose the minimum amount of subscription that it proposes to raise through the issue in the offer document. The Company has decided not to stipulate minimum subscription for this Tranche – III Issue.

Market Lot & Trading Lot

As per the SEBI Debt Regulations, since trading in the Bonds will be in dematerialised form only, the tradable lot is one Bond (“**Market Lot**”). The Company has made depository arrangements with CDSL and NSDL for trading of the Bonds in dematerialised form, pursuant to the tripartite agreement dated January 20, 2009 between the Company, CDSL and the Registrar to the Issue and the tripartite agreement dated January 20, 2009 between the Company, NSDL and the Registrar to the Issue (collectively, “**Tripartite Agreements**”).

Listing

For information, see “**Terms of the Issue – Listing**” on page 61 of this Prospectus Tranche- III.

TERMS OF THE ISSUE

GENERAL TERMS OF THE ISSUE

Authority for the Issue

The CBDT has, vide the Notification, authorised the Company to issue Bonds aggregating to Rs. 10,00,000.00 lakh. The Company proposes to raise Rs. 7,03,680.00 lakh* through a public issue of Bonds in one or more tranches, prior to March 31, 2014.

This Tranche – III Issue by the Issuer is of Bonds for an amount of Rs. 75,000.00 lakh with an option to retain oversubscription upto the Residual Shelf Limit (i.e. Rs. 2,82,379.49 lakh). This Tranche- III Issue is being offered by way of this Prospectus Tranche- III, which contains, inter alia, the terms and conditions of this Tranche – III Issue which should be read together with the Shelf Prospectus filed by the Company with the RoC, Stock Exchanges and SEBI.

The Board, at the meeting held on September 2, 2013, approved the Issue of the tax free secured redeemable non-convertible bonds in the nature of debentures, by public issue(s) and/or on private placements(s) basis in India to eligible investors, in one or more tranches, in the aggregate amount of up to Rs. 10,00,000.00 lakh during Fiscal 2014, as allocated in the Notification, provided that the aggregate amount raised through private placement(s) of Bonds shall not exceed Rs. 3,00,000.00 lakh (being 30% of the overall allocated limit for issuance of the Bonds, under the Notification) during Fiscal 2014, and the aggregate amount raised through public issue(s) of the Bonds shall not exceed the Shelf Limit.

**In terms of the Notification, the Company has raised Rs. 2,96,320.00 lakh on a private placement basis in three tranches, through information memorandum dated August 23, 2013, August 29, 2013 and September 5, 2013 and Rs. 1,21,300.51 lakh by way of a public issue under the Tranche- I Issue through the Prospectus Tranche- I and Rs. 3,00,000.00 lakh by way of a public issue under the Tranche- II Issue through the Prospectus Tranche- II. Accordingly, the residual shelf limit is Rs. 2,82,379.49 lakh (the "Residual Shelf Limit"). This limit shall be applicable for raising further funds through public issue route or private placement route. Further, the Company may also raise funds through private placement route in one or more tranches during the process of the present Issue. The aggregate amount raised through the private placement route shall not exceed Rs. 3,00,000.00 lakh i.e. up to 30% of the allocated limit for raising funds through tax free bonds during Fiscal 2014, in terms of the Notification. The Company shall ensure that the tax free bonds issued through public issue and private placement route shall together not exceed Rs. 10,00,000.00 lakh. In case if our Company raises funds through private placements during the process of the present Issue, the Residual Shelf Limit for the Issue shall be reduced by such amount raised.*

Terms & Conditions of the Issue

The terms and conditions of Bonds being offered in the Issue are subject to the Companies Act, 1956 (to the extent applicable)/ Companies Act, 2013, as the case may be, the SEBI Debt Regulations, Income Tax Act, the Debt Listing Agreement, the Notification, the Shelf Prospectus, the Tranche Prospectus(es), the Application Form, the Abridged Prospectus and other terms and conditions as may be incorporated in the Bond Trust Agreement entered into between the Company and IL&FS Trust Company Limited (in its capacity as the "Bond Trustee", which expression will include its successor(s) as trustee), as well as laws applicable from time to time, including rules, regulations, guidelines, notifications and any statutory modifications or re-enactments including those issued by GoI, SEBI, RBI, the Stock Exchanges and/or other authorities and other documents that may be executed in respect of the Bonds.

For more information, see "Issue Structure" on page 43 of this Prospectus Tranche- III.

Face Value

The face value of each Bond is Rs. 1,000.

Security

The Bonds will be secured by a *pari passu* first charge on receivables, present and future, of the Company, with an asset cover of one time of the total outstanding amount of Bonds, pursuant to the terms of the Bond Trust Agreement. The Company reserves the right to create first *pari passu* charge on its present and future receivables for its present and future financial requirements or otherwise, provided that a minimum security cover of 1 (one) time is maintained.

The Company has obtained the NOC from the existing debenture trustees for creation and sharing of *pari passu* security interest as aforesaid.

The Bondholders are entitled to the benefit of the Bond Trust Agreement and are bound by and are deemed to have notice of all provisions of the Bond Trust Agreement.

Credit Rating

ICRA Limited has, vide its letter no. D/RAT/2013-14/I-27/4 dated August 30, 2013, assigned a credit rating of “[ICRA] AAA (Outlook: Stable)” to the Bonds. 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. ICRA Limited has vide its letter No. D/RAT/2013-14/I-27/5 dated September 25, 2013, letter No. D/RAT/2013-14/I-27/6 dated November 22, 2013 and letter No. D/RAT/2013-14/I-27/7 dated February 4, 2014 revalidated its credit rating.

Brickwork Rating India Private Limited has, vide its letter no. BWR/BNG/RL/2013-14/NS/0132 dated August 7, 2013 and letter no. BWR/BNG/RL/2013-14/NS/0168 dated September 16, 2013, assigned a credit rating of “BWR AAA (Outlook: Stable)” to the Bonds. 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. Brickwork Rating India Private Limited has vide its letter no. BWR/BNG/RL/2013-14/NS/0168 dated September 16, 2013, letter no. BWR/BNG/RL/2013-14/NS/0227 dated November 20, 2013 and letter No. BWR/BNG/RL/2013-2014/NS/0307 dated January 31, 2014, revalidated its credit rating.

Credit Analysis & Research Limited has, vide its letters dated August 16, 2013, assigned a credit rating of “CARE AAA” to the Bonds. 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. Credit Analysis & Research Limited has vide its letters dated September 16, 2013, November 20, 2013 and January 31, 2014, revalidated its credit rating.

Further, India Rating & Research Private Limited has, vide its letter dated August 21, 2013, assigned a credit rating of “IND AAA (Stable)” to the Bonds. 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. India Rating & Research Private Limited has vide its letters dated September 24, 2013, November 21, 2013 and January 31, 2014 revalidated its credit rating.

For the revalidation letters dated February 4, 2014, January 31, 2014, January 31, 2014 and January 31, 2014 see “**Annexure B: Credit Rating (Revalidation Letters)**” of this Prospectus Tranche- III. For the rationale for the ratings given by Brickwork Rating India Private Limited, Credit Analysis & Research Limited and India Rating & Research Private Limited, see “**Annexure B – Credit Rating**” of the Shelf Prospectus and for ICRA Limited, see “**Annexure B: Credit Ratings (Revalidation Letters)**” of this Prospectus Tranche- III.

Issue Period

| | |
|------------------------|--------------------------|
| Issue Opens On | February 17, 2014 |
| Issue Closes On | March 14, 2014 |

This Tranche –III Issue shall open for subscription from 10.00 a.m. to 5.00 p.m.(Indian Standard Time) during the period indicated above with an option for early closure or extension, as may be decided by the Board of Directors or Bond Committee. In the event of such early closure or extension of the subscription list of this Tranche – III Issue, the Company shall ensure that public notice of such early closure/extension is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in a leading national daily newspaper.

Application Forms for this Tranche –III Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges during the Issue Period mentioned above, on all Working Days, i.e., between Monday and Friday, both inclusive, barring public holidays: (i) by the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, at the centres mentioned in the Application Form through the non-ASBA mode, or (ii) in case of ASBA Applications, (a) directly by Designated Branches of SCSBs or (b) by the centres of the Members of the Syndicate or Trading Members of the Stock Exchange(s), as the case may be, only at the specified cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat) (“**Specified Cities**”), except that on the Issue Closing Date, Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges (after taking into account the total number of Applications received up to the closure of timings for acceptance of Application Forms as stated herein). Applicants may also make their Applications through Direct Online Applications using the online payment facility offered through the Stock Exchange(s) during the Issue Period, subject to such online payment facility being made available by the Stock Exchange(s) prior to the date of filing of this Prospectus Tranche – III by the Company with RoC.

Due to limitation of time available for uploading Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under this Tranche – III Issue.

Application Forms will only be accepted on Working Days. The Bonds are being issued at par and the full amount of the face value per Bond is payable on Application, except ASBA Application.

Neither the Company, nor the Members of the Syndicate or Trading Members of the Stock Exchanges shall be liable for any failure in uploading Applications due to failure in any software/hardware system or otherwise.

MINIMUM APPLICATION

5 Bonds in the multiples of one Bond thereafter (for all Series of Bonds, either taken individually or collectively).

ESCROW MECHANISM

Please refer “*Issue Procedure – Escrow Mechanism for Applicants other than ASBA Applicants*” and “*Issue Procedure – Payment into Escrow Account*” on page 79 of this Prospectus Tranche- III.

ALLOTMENT OF BONDS

Deemed Date of Allotment

The date on which, the Board of Directors or Bond Committee approves the Allotment of Bonds for this Tranche – III Issue or such date as may be determined by the Board of Directors or Bond Committee and notified to the Designated Stock Exchange. All benefits relating to the Bonds including interest on Bonds (as specified in this Prospectus Tranche- III) shall be available from the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment.

Group of Applications and Allocation Ratio

The Registrar will aggregate the applications based on the applications received through an electronic book from the stock exchanges and determine the valid applications for the purpose of drawing the basis of allocation. Grouping of the application received will be then done in the following manner:

For the purposes of the basis of allotment:

- a) Applications received from Category I Applicants: Applications received from Applicants belonging to Category I shall be grouped together (“**QIB Portion**”);
- b) Applications received from Category II Applicants: Applications received from Applicants belonging to Category II, shall be grouped together (“**Domestic Corporate Portion**”);
- c) Applications received from Category III Applicants: Applications received from Applicants belonging to Category III shall be grouped together (“**High Net Worth Individual Portion**”); and
- d) Applications received from Category IV Applicants: Applications received from Applicants belonging to Category IV shall be grouped together (“**Retail Individual Investor Portion**”)

Pursuant to the Notification, at least 40% of the Issue size shall be reserved for Retail Individual Investors.

For avoidance of doubt, the terms “**QIB Portion**”, “**Domestic Corporate Portion**”, “**High Net Worth Individual Portion**” and “**Retail Individual Investor Portion**” are individually referred to as a “**Portion**” and collectively referred to as “**Portions**”.

For the purposes of determining the number of Bonds available for allocation to each of the abovementioned Portions, the Company shall have the discretion of determining the number of Bonds to be allotted over and above the Base Issue Size, in case the Company opts to retain any oversubscription in this Tranche –III Issue up to the Residual Shelf Limit (i.e. Rs. 2,82,379.49 lakh). The aggregate value of Bonds decided to be allotted over and above the Base Issue Size, (in case the Company opts to retain any oversubscription in this Tranche – III Issue), and/or the aggregate value of Bonds up to the Base Issue Size shall be collectively termed as the “**Overall Issue Size**”.

Allocation Ratio

| QIB Portion | Domestic Corporate Portion | High Networth Individual Portion | Retail Individual Investor Portion |
|-------------------------------|-----------------------------------|---|---|
| 15% of the Overall Issue Size | 20% of the Overall Issue Size | 25% of the Overall Issue Size | 40% of the Overall Issue Size |

Basis of Allotment

- (a) Allotment on date-priority:

By virtue of its letter **IMD/DOF-1/BM/VA/OW/23169/2013 dated September 12, 2013**, SEBI has advised to make allotments in the Issue on the basis of date of upload of each application into the electronic book of the Stock Exchange. Further, SEBI has also advised that on the date of oversubscription, the allotments should be made to the applicants on proportionate basis. Accordingly, Allotments of Bonds in this Tranche

– III Issue will be on a first come-first serve basis, on the basis of the date of upload of Applications on the electronic platform of the Stock Exchange. Also, in case of oversubscription, on the date of oversubscription the allotment to applicants shall be on proportionate basis.

(b) Allotments in the first instance:

- (i) Applicants belonging to the Category I, in the first instance, will be allocated Bonds up to 15% of Overall Issue Size on first come first serve basis which would be determined on the basis of the date of upload of each Application into the electronic system of the Stock Exchanges;
- (ii) Applicants belonging to the Category II, in the first instance, will be allocated Bonds up to 20% of Overall Issue Size on first come first serve basis which would be determined on the basis of date of upload of each Application into the electronic system of the Stock Exchanges;
- (iii) Applicants belonging to the Category III, in the first instance, will be allocated Bonds up to 25% of Overall Issue Size on first come first serve basis which would be determined on the basis of date of upload of each Application in to the electronic system of the Stock Exchanges;
- (iv) Applicants belonging to the Category IV, in the first instance, will be allocated Bonds up to 40% of Overall Issue Size on first come first serve basis which would be determined on the basis of date of upload of each Application in to the electronic system of the Stock Exchanges.

Allotments, in consultation with the Designated Stock Exchange, shall be made on a first come first serve basis, based on the date of upload of each Application into the electronic system of the Stock Exchanges, in each Portion, subject to the Allocation Ratio.

(c) Under Subscription: If there is any under subscription in any Portion, priority in allotments will be given in the following order on a first come first serve basis in each Portion, based on the date of upload of each Application into the electronic system of the Stock Exchanges, in each Portion:

- (i) Retail Individual Investor Portion
- (ii) High Net worth Individual Portion
- (iii) Domestic Corporate Portion
- (iv) QIB Portion

(d) For each Portion, all Applications uploaded into the electronic system of the Stock Exchanges in the same day would be treated at par with each other. Allotment within a day would be on proportionate basis, where Bonds applied for exceeds Bonds to be allotted for each Portion respectively.

(e) Allotments in case of oversubscription: In case of oversubscription, allotments to the maximum extent, as possible, will be made on a first come first serve basis and thereafter on a proportionate basis in each Portion, determined based on the date of upload of each Application into the electronic system of the Stock Exchanges i.e. full allotment of Bonds to the Applicants on a first come first serve basis up to the date falling 1 day prior to the date of oversubscription and proportionate allotment of Bonds to the Applicants on the date of oversubscription .

(f) Proportionate Allotments: For each Portion, on the date of oversubscription:

- (i) Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer.
- (ii) If the process of rounding off to the nearest integer results in the actual allocation of Bonds being higher than the Issue size, not all Applicants will be allotted the number of Bonds arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference.
- (iii) In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.

(g) Applicant applying for more than one Series of Bonds: If an Applicant has applied for more than one Series of Bonds and if such Applicant is entitled to allocation of only a part of the aggregate number of Bonds applied for, the Series - wise allocation of Bonds to such Applicants shall be in proportion to the number of Bonds with respect to each Series of Bonds, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate in consultation with Lead Managers and the Designated Stock Exchange.

(h) Minimum allotment of 1Bond and in multiples of 1 Bond thereafter would be made in case of each valid Application, subject to Basis of Allotment as mentioned above

All decisions pertaining to the basis of allotment of Bonds pursuant to this Tranche- III Issue shall be taken by our Company in consultation with the Lead Managers, and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Prospectus Tranche- III. Any other queries/ issues in connection with the Applications will be appropriately dealt with and decided upon by the Company in consultation with the Lead Managers.

Our Company will allot Tranche III Series 1A/ Series 1B Bonds (depending upon the category of applicants) to all valid applications, wherein the Applicants have not indicated their choice of the relevant Series of Bond.

Additional/Multiple Applications

Please refer “*Issue Procedure – Additional/ Multiple Applications*” on page 74 of this Prospectus Tranche- III.

Form of Allotment and Denomination

The Allotment of Bonds shall be in dematerialized form as well as physical form. In terms of Regulation 4 (2)(d) of the SEBI Debt Regulations, the Company shall make public issue of Bonds in dematerialized form. However, in terms of Section 8(1) of the Depositories Act, the Company, at the request of the Investors who wish to hold the Bonds in physical form will fulfill such request. However, trading in Bonds shall be compulsorily in dematerialized form.

The Company shall take necessary steps to credit the Depository Participant account of the Applicant with the number of Bonds Allotted in dematerialized form. The Bondholders holding the Bonds in dematerialized form shall deal with the Bonds in accordance with the provisions of the Depositories Act, Companies Act, 1956 (to the extent applicable)/ Companies Act, 2013, as the case may be, and rules and regulations notified thereunder, from time to time.

In case of Bonds held in physical form, whether on Allotment or on rematerialization of Bonds allotted in dematerialised form, a single certificate will be issued to the Bondholder for the aggregate amount (“**Consolidated Certificate**”) for each Series of Bond. The applicant can also request for the issue of Bond certificates in denomination of the Market Lot.

In respect of Consolidated Certificates, we will, only on receipt of a request from the Bondholder within 30 Business Day of the request, split such Consolidated Certificates into smaller denominations in accordance with the applicable rules/regulations/act, subject to the minimum of Market Lot. No fees will be charged for splitting of Bond certificate(s) in Market Lots, but stamp duty payable, if any, would be borne by the Bondholder. The request for splitting should be accompanied by the original Consolidated Certificates which will, on issuance of the split Consolidated Certificate, be treated as cancelled by us.

PAYMENT OF REFUNDS

Refunds for Applicants other than ASBA Applicants

Within 12 Working Days of the Issue Closing Date, the Registrar to the Issue will dispatch refund orders/issue instructions for electronic refund, as applicable, of all amounts payable to unsuccessful Applicants (other than ASBA Applicants) and also any excess amount paid on Application, after adjusting for allocation/Allotment of Bonds. Refunds, if any, to Applicants who have submitted Direct Online Applications through the online platform and online payment facility offered by Stock Exchanges, will also be made as per this section. The Registrar to the Issue will obtain from the Depositories the Applicant’s bank account details, including the MICR code, on the basis of the DP ID and Client ID provided by the Applicant in their Application Forms, for making refunds. For Applicants who receive refunds through ECS, direct credit, RTGS or NEFT, the refund instructions will be issued to the clearing system within 12 Working Days of the Issue Closing Date. A suitable communication will be dispatched to the Applicants receiving refunds through these modes, giving details of the bank where refunds will be credited with the amount and expected date of electronic credit of refund. Such communication will be mailed to the addresses (in India) of Applicants, as per Demographic Details received from the Depositories. The Demographic Details would be used for mailing of the physical refund orders, as applicable.

Investors, who applied for Bonds in electronic form, are advised to immediately update their bank account details as appearing on the records of their Depository Participant. Failure to do so could result in delays in credit of refund to the investor at their sole risk and neither the Lead Managers nor the Company shall have any responsibility and undertake any liability for such delays on part of the investors.

Mode of refunds for Applicants other than ASBA Applicants

Payment of refund, if any, for Applicants other than ASBA Applicants would be done through any of the following modes:

1. Direct Credit – Applicants having bank accounts with the Refund Bank(s), as per Demographic Details received from the Depositories, will be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.

2. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the Magnetic Ink Character Recognition (“MICR”) code from the Depositories.

3. RTGS – Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds Rs. 2.00 lakh, have the option to receive refund through RTGS provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Applicant’s bank which can be mapped with RBI data to obtain the corresponding Indian Financial System Code (“IFSC”). Charges, if any, levied by the applicant’s bank receiving the credit would be borne by the Applicant.

4. NEFT – Payment of refund will be undertaken through NEFT wherever the Applicant’s bank has been assigned the IFSC which can be linked to a MICR code, if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the beneficiary account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. If NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched through speed/registered post only to Applicants that have provided details of a registered address in India. Such refunds will be made by cheques, pay orders or demand drafts drawn on the relevant Refund Bank and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

Mode of refunds for ASBA Applicants

In case of ASBA Applicants, the Registrar to the Issue will instruct the relevant SCSB to unblock funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 12 Working Days of the Issue Closing Date.

INTEREST ON THE BONDS

For Bondholders falling under Category I, II and III, the Bonds under Tranche III Series 1A, Tranche III Series 2A and Tranche III Series 3A shall carry interest at the coupon rate of 8.16% p.a., 8.55% p.a. and 8.55% p.a. respectively payable from, and including, the Deemed Date of Allotment up to, but excluding, their respective Maturity Dates, payable annually on the “Interest Payment Date”, to the Bondholders as of the relevant Record Date. The effective yield to Category I, II and III Bondholders would be 8.16% p.a., 8.55% p.a. and 8.55% p.a. for the Tranche III Series 1A, Tranche III Series 2A and Tranche III Series 3A respectively.

For Bondholders falling under Category IV, the Bonds under Tranche III Series 1B, Tranche III Series 2B and Tranche III Series 3B shall carry interest at the coupon rate of 8.41% p.a., 8.80% p.a. and 8.80% p.a. respectively payable from, and including, the Deemed Date of Allotment up to, but excluding, their respective Maturity Dates, payable annually on the “Interest Payment Date”, to the Bondholders as of the relevant Record Date. The effective yield to Category IV Bondholders would be 8.41% p.a., 8.80% p.a. and 8.80% p.a. for the Tranche III Series 1B, Tranche III Series 2B and Tranche III Series 3B respectively.

The coupon rates indicated under Tranche III Series 1B, Tranche III Series 2B and Tranche III Series 3B shall be payable only on the Portion of Bonds allotted to RIIs in the Issue. Such coupon is payable only if on the Record Date for payment of interest, the Bonds are held by investors falling under RII Category viz Category IV.

In case the Bonds allotted against Tranche III Series 1B, Tranche III Series 2B and Tranche III Series 3B are transferred by RIIs to Non-RIIs viz, Qualified Institutional Buyers, Domestic Corporates and/or High Networth Individuals, the coupon rate on such Bonds shall stand at par with coupon rate applicable on Tranche III Series 1A, Tranche III Series 2A and Tranche III Series 3A, respectively.

If the Bonds allotted against Tranche III Series 1B, Tranche III Series 2B and Tranche III Series 3B are sold/ transferred by the RIIs to investor(s) who fall under the RII category as on the Record Date for payment of interest, then the coupon rates on such Bonds shall remain unchanged;

Bonds allotted against Tranche III Series 1B, Tranche III Series 2B and Tranche III Series 3B shall continue to carry the specified coupon rate if on the Record Date for payment of interest, such Bonds are held by investors falling under RII Category;

If on any Record Date, the original RII allottee(s)/ transferee(s) hold the Bonds under Tranche III Series 1B, Tranche III Series 2B and Tranche III Series 3B for an aggregate face value amount of over Rs. 10.00 lakh, then the coupon rate applicable to such RII allottee(s)/transferee(s) on Bonds under Tranche III Series 1B, Tranche III Series 2B, Tranche III

Series 3B shall stand at par with coupon rate applicable on Tranche III Series 1A, Tranche III Series 2A and Tranche III Series 3A, respectively;

Bonds allotted under Tranche III Series 1A, Tranche III Series 2A and Tranche III Series 3A shall carry coupon rates indicated above till the respective maturity of Bonds irrespective of Category of holder(s) of such Bonds;

For the purpose of classification and verification of status of the RII Category of Bondholders, the aggregate face value of Bonds held by the Bondholders in all the Series of Bonds, allotted under the relevant Issue shall be clubbed and taken together on the basis of PAN.

The last interest payment in each case will be made on the Maturity Date on a pro rata basis.

Interest on Application and Refund Money

Interest on application monies received which are used towards allotment of Bonds

We shall pay interest on the amount for which Bonds are allotted to the Applicants (except ASBA Applicants) subject to deduction of income tax under the Income Tax Act, to any applicants to whom the Bonds are allotted pursuant to this Tranche- III Issue from the date of realization of application money through cheque(s)/demand draft(s)/ any other mode or the date of receipt of the Application (being the date of upload of each application on the electronic platform of the stock exchange(s)) whichever is later up to one day prior to the Deemed date of Allotment, at the rate of 8.16% p.a, 8.55% p.a and 8.55% p.a on Tranche III Series 1A, Tranche III Series 2A and Tranche III Series 3A, respectively, for Allottees under Categories I, II and III and at the rate of 8.41% p.a, 8.80% p.a and 8.80% p.a on Tranche III Series 1B, Tranche III Series 2B and Tranche III Series 3B, respectively, for Allottees under Categories IV. We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Applicants. Alternatively, the interest warrant will be dispatched along with the Letter of Allotment/ Allotment Advice at the sole risk of the Applicant, to the sole/first Applicant.

A tax deduction certificate will be issued for the amount of income tax so deducted.

Interest on application monies received which are liable to be refunded

We shall pay interest on application money which is liable to be refunded to the Applicants (except ASBA Applicants) in accordance with the SEBI Debt Regulations, or other applicable statutory and/or regulatory requirements, subject to deduction of income tax under the Income Tax Act, as applicable, from the date of realization of the application money through cheque(s)/demand draft(s)/ any other mode or three days from the date of upload receipt of the Application (being the date of the Application on the electronic platform of the Stock Exchanges), whichever is later up to one day prior to the Deemed Date of Allotment, at the rate of 5% per annum. Such interest shall be paid along with the monies liable to be refunded. Interest warrant will be dispatched/credited (in case of electronic payment) along with the refund orders at the sole risk of the applicant, to the sole/first applicant. A tax deduction certificate will be issued for the amount of income tax so deducted.

Provided that, notwithstanding anything contained hereinabove, the Company shall not be liable to pay any interest on application and on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, and/or (b) applications which are withdrawn by the applicant, and/or (c) refund monies to the ASBA Applicants, and/or (d) monies paid in excess of the amount of Bonds applied for in the Application Form. For more information, see “**Issue Procedure - Rejection of Application**” on page 81 of this Prospectus Tranche- III.

REDEMPTION

The Company will redeem at par, on the respective Maturity Dates of each Series of Bonds.

Bonds held in electronic form:

No action is required on the part of Bondholders on the Maturity Date(s).

Bonds held in physical form:

No action will ordinarily be required on the part of the Bondholder at the time of redemption, and the Maturity Amount will be paid to those Bondholders whose names appear in the Register of Bondholders maintained by the Company on the Record Date fixed for the purpose of redemption. However, the Company may require the Bond Certificate(s), duly discharged by the sole holder or all the joint-holders (signed on the reverse of the Consolidated Bond Certificate(s)) to be surrendered for redemption on Maturity Date and sent by the Bondholders by registered post with acknowledgment due or by hand delivery to the Registrar to the Issue or the Company or to such persons at such addresses as may be notified by the Company from time to time. Bondholders may be requested to surrender the Bond Certificate(s) in the manner stated above, not more than three months and not less than one month prior to the Maturity Date so as to facilitate timely payment.

PAYMENT OF INTEREST ON BONDS

Day Count Convention

Coupon/ interest rate will be computed on a 365 days-a-year basis on the principal outstanding on the Bonds. Where the coupon/ interest period (start date to end date) includes February 29, coupon/ interest rate will be computed on 366 days-a-year basis, on the principal outstanding on the Bonds.

Effect of holidays on payments

If the date of payment of coupon/ interest rate specified does not fall on a Working Day, the coupon payment shall be made on the immediately succeeding Working Day along with the interest for such additional period. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next coupon/ Interest Payment Date. If the Redemption Date/ Maturity Date (also being the last Coupon/ Interest Payment Date) of any Series of Bonds falls on a day which is not a Working Day, the redemption proceeds shall be paid on the immediately preceding Working Day along with the interest accrued on the Bonds until but excluding the date of such payment.

Set forth below is an illustration for guidance in respect of the day count convention and effect of holidays on payments. For the purpose of this illustration, we have considered effect of holidays on cash flows only for Series 1A and Series 1B of Tranche- III Issue. The effect of holidays on cash flows for other Series of Bonds shall be similar to that of Series 1A and Series 1B. **INVESTORS SHOULD NOTE THAT THIS EXAMPLE IS SOLELY FOR ILLUSTRATIVE PURPOSES.**

Illustration 1:

| | |
|--|--|
| Name of Issuer | India Infrastructure Finance Company Limited |
| Face value of the Bonds (per Bond) | Rs. 1000.00 |
| Series of Bonds of Tranche- III Issue | 1A |
| Deemed Date of Allotment | March 23, 2014 |
| Redemption Date/Maturity Date | March 23, 2024 |
| Coupon/Interest Rate | 8.16% |
| Frequency of Coupon/Interest Payment with specified dates | First Coupon/Interest Payment Date March 23, 2015, and subsequently on March 23 of every year until the Maturity Date/Redemption Date of the Series of Bonds |
| Day Count Convention | Actual/Actual |

| Cash Flow | Coupon/ Interest Payment Date | No. of days in Coupon Period | Amount per Bond payable (in Rs.)* |
|-----------------------------------|-------------------------------|------------------------------|-----------------------------------|
| 1st Coupon/Interest Payment Date | Monday, March 23, 2015 | 365 | 81.60 |
| 2nd Coupon/Interest Payment Date | Wednesday, March 23, 2016 | 366** | 81.60 |
| 3rd Coupon/Interest Payment Date | Thursday, March 23, 2017 | 365 | 81.60 |
| 4th Coupon/Interest Payment Date | Friday, March 23, 2018 | 365 | 81.60 |
| 5th Coupon/Interest Payment Date | Saturday, March 23, 2019 | 365 | 81.60 |
| 6th Coupon/Interest Payment Date | Monday, March 23, 2020 | 366** | 81.60 |
| 7th Coupon/Interest Payment Date | Tuesday, March 23, 2021 | 365 | 81.60 |
| 8th Coupon/Interest Payment Date | Wednesday, March 23, 2022 | 365 | 81.60 |
| 9th Coupon/Interest Payment Date | Thursday, March 23, 2023 | 365 | 81.60 |
| 10th Coupon/Interest Payment Date | Saturday, March 23, 2024 | 366** | 81.60 |
| Principal | Saturday, March 23, 2024 | - | 1000.00 |
| Total | | | 1816.00 |

* Rounded-off as per FIMMDA handbook on market practices

**Fiscal 2016, 2020 and 2024 being a leap year, interest/ coupon period ending on March 23, 2016, March 23, 2020, and March 23, 2024 respectively has 366 days as provided in "-Day Count Convention"

Illustration 2:

| | |
|--|--|
| Name of Issuer | India Infrastructure Finance Company Limited |
| Face value of the Bonds (per Bond) | Rs. 1000.00 |
| Series of Bonds of Tranche- III Issue | 1B |
| Deemed Date of Allotment | March 23, 2014 |
| Redemption Date/Maturity Date | March 23, 2024 |
| Coupon/Interest Rate | 8.41% |
| Frequency of Coupon/Interest Payment with specified dates | First Coupon/Interest Payment Date March 23, 2015, and subsequently on March 23 of every year until the Maturity Date/Redemption Date of the Series of Bonds |
| Day Count Convention | Actual/Actual |

| Cash Flow | Coupon/ Interest Payment Date | No. of days in Coupon Period | Amount per Bond payable (in Rs.)* |
|-----------------------------------|-------------------------------|------------------------------|-----------------------------------|
| 1st Coupon/Interest Payment Date | Monday, March 23, 2015 | 365 | 84.10 |
| 2nd Coupon/Interest Payment Date | Wednesday, March 23, 2016 | 366** | 84.10 |
| 3rd Coupon/Interest Payment Date | Thursday, March 23, 2017 | 365 | 84.10 |
| 4th Coupon/Interest Payment Date | Friday, March 23, 2018 | 365 | 84.10 |
| 5th Coupon/Interest Payment Date | Saturday, March 23, 2019 | 365 | 84.10 |
| 6th Coupon/Interest Payment Date | Monday, March 23, 2020 | 366** | 84.10 |
| 7th Coupon/Interest Payment Date | Tuesday, March 23, 2021 | 365 | 84.10 |
| 8th Coupon/Interest Payment Date | Wednesday, March 23, 2022 | 365 | 84.10 |
| 9th Coupon/Interest Payment Date | Thursday, March 23, 2023 | 365 | 84.10 |
| 10th Coupon/Interest Payment Date | Saturday, March 23, 2024 | 366** | 84.10 |
| Principal | Saturday, March 23, 2024 | - | 1000.00 |
| Total | | | 1841.00 |

* Rounded-off as per FIMMDA handbook on market practices.

**Fiscal 2016, 2020 and 2024 being a leap year, interest/ coupon period ending on March 23, 2016, March 23, 2020, and March 23, 2024 respectively has 366 days as provided in "-Day Count Convention"

Manner & Modes of Payment

For Bonds held in electronic form:

No action is required on the part of Bondholders on the Maturity Date. Payment on the Bonds will be made to those Bondholders whose name appears first in the register of beneficial owners maintained by the Depository, on the Record Date. **The Company's liability to Bondholders for payment or otherwise will stand extinguished from the Maturity Date or on dispatch of the amounts payable by way of principal and/or interest to the Bondholders. Further, the Company will not be liable to pay any interest, income or compensation of any kind accruing subsequent to the Maturity Date.**

The Bondholders' respective bank account details will be obtained from the Depository for payments. **Applicants are therefore advised to immediately update their bank account details as appearing on the records of their DP. Failure to do so could result in delays in credit of payments to applicants at their sole risk, and neither the Company, the Members of the Syndicate, Trading Members of the Stock Exchange(s), Escrow Collection Bank(s), SCSBs, Registrar to the Issue nor the Stock Exchanges will bear any responsibility or liability for the same.**

For Bonds held in physical form

The bank details will be obtained from the Registrar to the Issue for effecting payments.

Moreover, the Company, Lead Managers and Registrar to the Issue will not be responsible for any delay in receipt of credit of interest, refund or Maturity Amount so long as the payment process has been initiated in time.

All payments to be made by the Company to the Bondholders will be made through any of the following modes, in the following order of preference:

(a) ***Direct Credit***

Applicants having bank accounts with the Refund Bank(s), as per Demographic Details received from the Depository, will be eligible to receive payments through direct credit. Charges, if any, levied by the Refund Bank for the same would be borne by the Company.

(b) ***NECS***

Applicants having a bank account at any of the centres notified by RBI, as per Demographic Details received from the Depository, will be eligible to receive payments through NECS. This mode of payment is subject to availability of complete bank account details with the Depository, including the MICR code, bank account number, bank name and bank branch. The corresponding IFSC will be obtained from the RBI website as at a date prior to the date of payment, duly mapped with the relevant MICR code.

(c) ***RTGS***

Applicants having a bank account with a bank branch which is RTGS enabled, as per the information available on the website of RBI and as per records received from the Depository, will be eligible to receive payments through RTGS in the event the payment amount exceeds Rs. 2.00 lakh. This mode of payment is subject to availability of complete bank account details with the Depository, including the MICR code, bank account number, bank name and bank branch. Charges, if any, levied by the Refund Bank for the same would be borne by the Company. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. The corresponding IFSC will be obtained from the RBI website as at a date prior to the date of payment, duly mapped with the relevant MICR code.

(d) ***NEFT***

Applicants having a bank account with a bank branch which is NEFT enabled, as per records received from the Depository, will be eligible to receive payments through NEFT. This mode of payment is subject to availability of complete bank account details with the Depository, including the MICR code, bank account number, bank name and bank branch. The corresponding IFSC will be obtained from the RBI website as at a date prior to the date of payment, duly mapped with the relevant MICR code.

(e) ***Demand Draft/ Cheque/ Pay Order***

For all other Applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched by Registered/Speed Post, only to Applicants that have provided details of a registered address in India. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where the Applications are received. Bank Charges, if any, for cashing such cheque, pay orders or demand drafts at other centres will be payable by the Applicants.

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of payment orders/warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/warrants. Applications without these details are liable to be rejected. In relation to Bonds applied for and held in dematerialised form, these particulars would be taken directly from the Depositories. In case of Bonds held in physical form on account of rematerialisation, Applicants are advised to submit their bank account details with the Company or the Registrar to the Issue at least seven days prior to the Record Date, failing which the orders/warrants will be dispatched to the postal address (in India) of the Bondholder as available in the register of beneficial owners maintained by the Depository, at the sole risk of the Bondholder. Bank account particulars will be printed on the orders/warrants which can then be deposited only in the account specified.

Record Date

The record date for payment of interest on the Bonds or the Maturity Amount will be 15 days prior to the date on which such amount is due and payable under this Prospectus Tranche- III ("**Record Date**"). In the event the Record Date falls on a Saturday, Sunday or a public holiday in New Delhi or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, the succeeding Working Day shall be considered as the Record Date. In case of redemption of Bonds, the trading in the Bonds shall remain suspended between the Record Date and the date of redemption.

TRANSFER OF THE BONDS

The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Companies Act, 1956 (to the extent applicable)/ Companies Act, 2013, as the case may be, and the Company's Articles of Association will apply, *mutatis mutandis* (to the extent applicable to debentures) to the Bonds.

Transfer of Bonds held in dematerialized form

In respect of Bonds held in the dematerialized form, transfers of the Bonds may be effected, only through the Depositories where such Bonds are held, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. The Bondholder shall give delivery instructions containing details of the prospective purchaser's DP's account to his DP. If a prospective purchaser does not have a demat account, the Bondholder may rematerialize his or her Bonds and transfer them in a manner as specified below.

Transfer of Bonds in physical form

The Bonds may be transferred by way of a duly executed transfer deed or other suitable instrument of transfer as may be prescribed by the Company for the registration of transfer of Bonds. Purchasers of Bonds are advised to send the Consolidated Bond Certificate to the Company or to such persons as may be notified by the Company from time to time. If a purchaser of the Bonds in physical form intends to hold the Bonds in dematerialized form, the Bonds may be dematerialized by the purchaser through his or her DP in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time.

The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date, failing which the interest and/or Maturity Amount for the Bonds will be paid to the person whose name appears in the register of Debenture Holders maintained by the Depositories. In such cases, any claims will be settled *inter se* between the parties and no claim or action will be brought against the Company or the Registrar to the Issue.

TAXATION

For details, please see "*Statement of Tax Benefits*" on page 36 of this Prospectus Tranche- III.

Bondholder Not a Shareholder

The Bondholders will not be entitled to any of the rights and privileges available to equity and/or preference shareholders of the Company.

Rights of Bondholders

Provided below is an indicative list of certain significant rights available to the Bondholders. The final rights of the Bondholders will be as per the Bond Trust Agreement.

- (a) The Company will maintain at its Registered Office or such other place as permitted by law a register of Bondholders ("**Register of Bondholders**") containing such particulars as required by Section 152 of the Companies Act. In terms of Section 152A of the Companies Act, the Register of Bondholders maintained by a Depository for any Bond in dematerialised form under Section 11 of the Depositories Act, 1996 ("**Depositories Act**") will be deemed to be a Register of Bondholders for this purpose.

- (b) The Bonds will not, except as provided in the Companies Act, confer on Bondholders any rights or privileges available to members of the Company including the right to receive notices or annual reports of, or to attend and / or vote, at the Company's general meeting(s). However, if any resolution affecting the rights of the Bondholders is to be placed before the shareholders, such resolution will first be placed before the concerned Bondholders for their consideration. In terms of Section 219(2) of the Companies Act, Bondholders will be entitled to a copy of the balance sheet on a specific request made to the Company.
- (c) The rights, privileges and conditions attached to the Bonds may be varied, modified and/or abrogated with either (i) the consent in writing of the holders of at least three-fourths of the outstanding amount of the Bonds; or (ii) the sanction of at least three-fourths of the Bondholders present and voting at a meeting of the Bondholders ("**Special Resolution**"), provided that nothing in such consent or resolution will be operative against the Company, where such consent or resolution modifies or varies the terms and conditions governing the Bonds if modification, variation or abrogation is not acceptable to the Company.
- (d) The Bondholder or, in case of joint-holders, the person whose name stands first in the register of beneficial owners maintained by the Depository will be entitled to vote in respect of such Bonds, either by being present in person or, where proxies are permitted, by proxy, at any meeting of the concerned Bondholders summoned for such purpose and every such Bondholder will be entitled to one vote on a show of hands and, on a poll, his or her voting rights will be in proportion to the outstanding nominal value of Bonds held by him or her on every resolution placed before such meeting of the Bondholders.
- (e) Bonds may be rolled over with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Bonds or with the sanction of a Special Resolution passed at a meeting of the Bondholders convened with at least 21 days prior notice for such roll-over and in accordance with the SEBI Debt Regulations. The Company will redeem the Bonds of all the Bondholders who have not given their positive consent to the roll-over.

The above rights of Bondholders are merely indicative. The final rights of the Bondholders will be as per the terms of the Shelf Prospectus and this Prospectus Tranche – III and Bond Trust Agreement.

Joint-holders

Where two or more persons are holders of any Bond(s), they will be deemed to hold the same as joint holders with benefits of survivorship subject to the Company's Articles of Association and applicable law.

Nomination

In accordance with Section 109A of the Companies Act, the sole/first Bondholder, with other joint Bondholders (being individuals), may nominate any one person (being an individual) who, in the event of death of the sole Bondholder or all the joint Bondholders, as the case may be, will become entitled to the Bonds. A nominee entitled to the Bonds by reason of the death of the original Bondholder(s) will become entitled to the same benefits to which he would be entitled if he were the original Bondholder. Where the nominee is a minor, the Bondholder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Bonds in the event of the Bondholder's death during minority. A nomination will stand rescinded on a sale/transfer/alienation of Bonds by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Company's Registered and Corporate Office or with the Registrar to the Issue or at such other addresses as may be notified by the Company.

The Bondholders are advised to provide the specimen signature of the nominee to the Company to expedite the transmission of the Bond(s) to the nominee in the event of demise of the Bondholders. The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of Section 109A of the Companies Act, will on the production of such evidence as may be required by the Board, elect either to register himself or herself as holder of Bonds; or to make such transfer of the Bonds, as the deceased holder could have made.

Further, the Board may at any time issue notice requiring any nominee to choose either to be registered himself or to transfer the Bonds, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividend, bonuses or other monies payable in respect of the Bonds, until the requirements of the notice have been complied with.

In case of Application for allotment of Bonds in dematerialised form, there is no need to make a separate nomination with the Company. Nominations registered with the respective DP of the Applicant will prevail. If Applicants want to change their nomination, they are advised to inform their respective DP.

Events of Default

Subject to the terms of the Bond Trust Agreement, the Bond Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the Bonds or with the sanction of a Special Resolution, passed at a meeting of the Bondholders, (subject to being indemnified and/or secured by the Bondholders to its satisfaction), give notice to the Company specifying that the Bonds, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the event of default occurs. The complete list of Event of Default(s) shall be as specified in the Bond Trust Agreement.

The amount(s) so payable by the Company on the occurrence of one or more Event(s) of Default shall be as detailed in the Bond Trust Agreement. If an Event of Default occurs, which is continuing, the Bond Trustee may, with the consent of the Bondholders, obtained in accordance with the Bond Trust Agreement, and with prior written notice to the Company, take an action in terms of the Bond Trust Agreement.

Bond Trustee

The Company has appointed IL&FS Trust Company Limited to act as Bond Trustee for the Bondholders. IL&FS Trust Company Limited has by its letter dated September 4, 2013 given its consent for its appointment as Bond Trustee to the Issue and for its name to be included in the Shelf Prospectus and Tranche Prospectus and in all the subsequent periodical communications sent to the holders of the Bonds issued, pursuant to the Issue pursuant to Regulation 4(4) of the Debt Regulations.

The Company has entered into a Bond Trust Agreement with the Bond Trustee, the terms of which will govern the appointment and functioning of the Bond Trustee and specified the powers, authorities and obligations of the Bond Trustee. Under the terms of the Bond Trust Agreement, the Company will covenant with the Bond Trustee that it will pay the Bondholders the principal amount on the Bonds on the relevant Maturity Date and also that it will pay the interest due on Bonds at the rate/on the date(s) specified under the Bond Trust Agreement.

The Bondholders will, without further act or deed, be deemed to have irrevocably given their consent to the Bond Trustee or any of their agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the Bonds as the Bond Trustee may in their absolute discretion deem necessary or require to be done in the interest of the Bondholders. Any payment made by the Company to the Bond Trustee on behalf of the Bondholders will discharge the Company *pro tanto* to the Bondholders. All the rights and remedies of the Bondholders will vest in and will be exercised by the Bond Trustee without reference to the Bondholders. No Bondholder will be entitled to proceed directly against the Company unless the Bond Trustee, having become so bound to proceed, failed to do so. The Bond Trustee will protect the interest of the Bondholders in the event of default by the Company in regard to timely payment of interest and repayment of principal and they will take necessary action at the Company's cost.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, the Company will, on or before the Issue Opening Date, publish a pre-Issue advertisement in the form prescribed under the SEBI Debt Regulations, in one national daily newspaper with wide circulation. Material updates, if any, between the date of filing of this Prospectus Tranche – III with the RoC and the date of release of the statutory pre-Issue advertisement will be included in the statutory pre-Issue advertisement.

Impersonation

Attention of the Applicants is specifically drawn to sub-section (1) of Section 38 of the Companies Act, 2013 reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under section 447.”

Listing

The Bonds will be listed on BSE. BSE will be the Designated Stock Exchange.

The provisions of sub-section(1) of Section 40 of the Companies Act, 2013 prescribes that every company making public offer shall, before making such offer, make an application to one or more recognised stock exchange or exchanges and obtain permission for the securities to be dealt with in such stock exchange or exchanges. The Company has obtained in-principle approval for the Issue from BSE, by a letter bearing no. DCS/SP/PI-BOND/04/13-14 dated September 13, 2013.

The Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing at the Designated Stock Exchanges are taken within 12 Working Days of the Issue Closing Date.

In the event of non-subscription to any one or more of the Series of the Bonds, such Series(s) of Bonds will not be listed.

Utilisation of Issue Proceeds

This Tranche- III Issue proceeds may be utilised towards financing activities and augmenting the resources base, and in accordance with SIFTI and all applicable laws including the Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000, as amended.

In accordance with the SEBI Debt Regulations, the Company is required not to utilise this Tranche- III Issue proceeds for providing loans to or acquisitions of shares of any person who is a part of the same group as the Company or who is under the same management as the Company or any Subsidiary of the Company. Further, the Company is a public sector enterprise and, as such, the Company does not have any identifiable 'group companies' or 'companies under the same management'. In addition, this Tranche- III 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. This Tranche- III Issue proceeds from Bonds Allotted to banks, if any, will not be utilised for any purpose which may be in contravention of RBI regulations/guidelines/circulars on bank financing to NBFCs including those relating to classification as capital market exposure or any other sectors that are prohibited under RBI regulations/guidelines/circulars.

Further, in accordance with the SEBI Debt Regulations and the Debt Listing Agreement as well as the Bond Trust Agreement, this Tranche- III Issue proceeds will be kept in separate Escrow Account(s) and the Company will have access to such funds only after creation of Security for the Bonds and/or as per applicable law.

For more information (including with respect to interim use of the Issue proceeds), see "*Objects of the Issue*" on page 34 of this Prospectus Tranche- III.

Monitoring & Reporting of Utilisation of Issue Proceeds

In terms of the SEBI Debt Regulations, there is no requirement for appointment of a monitoring agency in relation to the use of proceeds of this Tranche- III Issue. The Board shall monitor the utilisation of the proceeds of this Tranche- III Issue.

The end-use of the proceeds of this Tranche- III Issue, duly certified by the Statutory Auditors, will be reported in the Company's annual reports and other reports issued by the Company to relevant regulatory authorities, as applicable, including the Stock Exchanges in relation to the Company's reporting obligations under the Debt Listing Agreement. Such reports and term sheets will also be filed by the Company with the Infrastructure Division, Department of Economic Affairs, MoF, within three months from the end of the financial year.

Further, the Company confirms that funds raised by the Company from previous public issues and private placements of bonds have been utilised for the Company's business as stated in the respective offer documents, and as reported to the Stock Exchanges in relation to the Company's reporting obligations under the Debt Listing Agreement, as applicable.

For more information (including with respect to interim use of the Issue proceeds), see "*Objects of the Issue*" on page 34 of this Prospectus Tranche- III

Other Undertakings by the Company

The Company undertakes that:

- (a) Complaints received in respect of this Tranche- III Issue will be attended to by the Company expeditiously and satisfactorily;
- (b) Necessary cooperation to the Credit Rating Agency(ies) will be extended in providing true and adequate information until the obligations in respect of the Bonds are outstanding;
- (c) The Company will take necessary steps for the purpose of getting the Bonds listed within the specified time, i.e., within 12 Working Days of the Issue Closing Date;
- (d) Funds required for dispatch of refund orders/Allotment Advice/Bond certificates will be made available by the Company to the Registrar to the Issue;

- (e) The Company will forward details of utilisation of the Issue Proceeds, duly certified by the Statutory Auditor, to the Bond Trustee at the end of each half year.
- (f) The Company will provide a compliance certificate to the Bond Trustee on an annual basis in respect of compliance with the terms and conditions of this Tranche- III Issue of Bonds as contained in this Prospectus Tranche- III.
- (g) The Company will disclose the complete name and address of the Bond Trustee in its annual report.

Ranking of the Bonds

The Bonds would constitute direct and secured obligations of the Company and will rank *pari passu inter se* to the claims of other secured creditors of the Company having the same security and superior to the claims of any unsecured creditors of the Company, now existing or in the future, subject to any obligations preferred under applicable law.

DRR

Pursuant to Regulation 16 of the SEBI Debt Regulations and Section 117C of the Companies Act, any company that intends to issue debentures shall create a DRR to which adequate amounts shall be credited out of the profits of the Company until the redemption of the debentures. Further, the Ministry of Corporate Affairs (“MCA”) has, through its circular dated February 11, 2013, specified that NBFCs shall create a DRR to the extent of 25% of the value of the debentures issued through public issue. Accordingly, the Company shall create DRR of 25% of the value of Bonds issued and allotted in terms of this Prospectus Tranche-III, or such a percentage as may be required under the relevant law as amended from time to time, for the redemption of the Bonds. The Company shall credit adequate amounts to the DRR from its profits every year until the Bonds are redeemed. The amounts credited to the DRR shall not be utilised by the Company for any purpose other than for the redemption of the Bonds.

Guarantee/Letter of Comfort

This Tranche- III Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Replacement of Bond Certificates

In case of Bonds in physical form, if a Bond certificate is mutilated or defaced then on production thereof to the Company, the Company shall cancel such certificate and issue a new or duplicate certificate in lieu thereof, however, they will be replaced only if the certificate numbers and the distinctive numbers are legible. If any Bond certificate is lost, stolen or destroyed, then, on proof thereof to the satisfaction of the Company and on furnishing such indemnity as the Company may deem adequate and on payment of any expenses incurred by the Company in connection with proof of such destruction or theft or in connection with such indemnity the Company shall issue a new or duplicate Bond certificate. A fee may be charged by the Company not exceeding such sum as may be prescribed by applicable law for each new or duplicate Bond certificate issued hereunder except certificates in replacement of those which are old, decrepit or worn out or defaced or where the pages for recording transfers have been fully utilised.

Put/Call Option

There is no put or call option for the Bonds.

Future Borrowings

The Company will be entitled at any time in the future during the term of the Bonds or thereafter to borrow or raise loans or create encumbrances or avail of financial assistance in any form, and also to issue promissory notes or debentures or any other securities in any form, manner, ranking and denomination whatsoever and to any eligible persons whatsoever subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and to change its capital structure including through the issue of shares of any class, on such terms and conditions as the Company may deem appropriate, without requiring the consent of, or intimation to, the Bondholders or the Bond Trustee in this connection.

Lien

The Company will have the right of set-off and lien, present as well as future on the moneys due and payable to the Bondholder or deposits held in the account of the Bondholder, whether in single name or joint name, to the extent of all outstanding dues by the Bondholder to the Company.

Lien on Pledge of Bonds

Subject to applicable laws, the Company, at its discretion, may note a lien on pledge of Bonds if such pledge of Bond is accepted by any bank or institution for any loan provided to the Bondholder against pledge of such Bonds as part of the funding.

Procedure for Rematerialisation of Bonds

Bondholders who wish to hold the Bonds in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. For more information, see “*Form of Allotment and Denomination*” on page 53 of this Prospectus Tranche- III.

Sharing of Information

The Company may, at its option, use its own, as well as exchange, share or part with any financial or other information about the Bondholders available with the Company, its Subsidiary(ies) and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required. **Neither the Company nor its Subsidiaries and affiliates nor its or their respective agents will be liable for use of the aforesaid information.**

Notices

All notices to the Bondholders required to be given by the Company or the Bond Trustee will be published in one English language newspaper having wide circulation and/or, will be sent by post/courier to the Bondholders from time to time, only to Applicants that have provided a registered address in India.

Jurisdiction

The Bonds, the Bond Trust Agreement and other relevant documents shall be governed by and construed in accordance with the laws of India. The courts of New Delhi will have exclusive jurisdiction for the purposes of this Tranche- III Issue.

ISSUE PROCEDURE

This section applies to all Applicants. ASBA Applicants and Applicants making Direct Online Applications using the online payment facility of the Stock Exchanges should note that the ASBA and Direct Online Applications processes involve application procedures which may be different from the procedures applicable to Applicants who apply for Bonds through any of the other permitted channels and accordingly should carefully read the provisions applicable to ASBA and Direct Online Applications, respectively.

All Applicants are required to make payment of the full Application Amount with the Application Form. ASBA Applicants are required to ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Application Amount can be blocked by the SCSBs.

ASBA Applicants may submit their ASBA Applications to the Members of the Syndicate or Trading Members of the Stock Exchanges only in the Specified Cities or directly to the Designated Branches of SCSBs. Applicants other than ASBA Applicants are required to submit their Applications to the Members of the Syndicate or Trading Members of the Stock Exchanges at the centres mentioned in the Application Form or make Direct Online Applications using the online payment facility of the Stock Exchanges. For further information, please refer to “Submission of Duly Completed Application Forms” on page 80 of this Tranche- III Prospectus.

This section has been prepared based on SEBI Circular No. CIR./IMD/DF-1/20/2012 dated July 27, 2012 and is subject to the Stock Exchanges putting in place the necessary systems and infrastructure for implementation of the abovementioned circular, including the systems and infrastructure required in relation to Direct Online Applications through the online platform and online payment facility to be offered by Stock Exchanges and accordingly is subject to any further clarification, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI including SEBI Circular No. CIR/IMD/DF/18/2013 dated October 29, 2013.

More specifically vide Letter dated September 05, 2013, the Lead Managers have sought an exemption/clarification from SEBI from complying with paragraph 3.2.3 of the aforementioned circular in connection with this Tranche – III Issue and to allow the Company to effect allotments of Bonds through this Tranche- III Issue on the basis of the date of uploading of applications on the electronic platform of the stock exchange(s) and not on a date and time priority basis.

Accordingly, SEBI vide its letter no. IMD/DOF-1/BM/VA/OW/23169/2013 dated September 12, 2013 has advised to make allotment in this Tranche- III Issue on the basis of date of upload of each Application on the electronic platform of the Stock Exchange. Further, SEBI has advised that on the date of oversubscription, the allotment should be made to the Applicants on proportionate basis. Accordingly, the Basis of Allotment as described herein is based on the date of upload of the Application on the electronic platform of the Stock Exchange(s). In case of oversubscription, on the date of oversubscription the allotment to Applicants shall be on proportionate basis.

The information below is given for the benefit of the Investors. The Company, the Registrar to the Issue, and the Lead Managers shall not be liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus Tranche- III.

Trading Members of the Stock Exchanges who wish to collect and upload Applications in this Tranche- III Issue on the electronic application platform provided by the Stock Exchanges will need to approach the respective Stock Exchanges and follow the requisite procedures prescribed by the relevant Stock Exchange. The Members of the Syndicate, the Company and the Registrar to the Issue shall not be responsible or liable for any errors or omissions on the part of the Trading Members of the Stock Exchanges in connection with the responsibility of such Trading Members of the Stock Exchanges in relation to collection and upload of Applications in this Tranche- III Issue on the online platform and online payment facility to be provided by the Stock Exchanges. Further, the relevant Stock Exchanges shall be responsible for addressing investor grievances arising from Applications through Trading Members registered with such Stock Exchanges.

For purposes of this Tranche- III Issue, the term “Working Day” shall mean all days excluding Sundays or a public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period and Record Date, where working days shall mean all days, excluding Saturdays, Sundays and public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881.

PROCEDURE FOR APPLICATION

Availability of Abridged Prospectus and Application Forms

Physical copies of the Abridged Prospectus containing salient features of the Shelf Prospectus and this Tranche- III Issue together with Application Forms may be obtained from:

- (a) The Company’s Registered and Corporate Office;
- (b) Offices of the Lead Managers;
- (c) Offices of the Lead Brokers and sub-brokers;
- (d) Trading Members of the Stock Exchanges; and
- (e) Designated Branches of SCSBs.

Electronic Application Forms will be available on the websites of the Stock Exchanges, Lead Brokers that permit submission of ASBA Applications electronically. A unique application number (“UAN”) will be generated for every Application Form downloaded from the websites of the Stock Exchanges. In addition, online beneficiary account portals may provide a facility of submitting Application Forms online to their account holders.

Trading Members of the Stock Exchanges can download Application Forms from the websites of the Stock Exchanges. Further, Application Forms will be provided to Trading Members of the Stock Exchanges at their request. Our Company may also provide Application Forms for being downloaded and filled at such website as it may deem fit.

On a request being made by any Applicant before the Issue Closing Date, physical copies of the Shelf Prospectus, this Prospectus Tranche- III, and Application Form can be obtained from the Company’s Registered and Corporate Office, as well as offices of the Lead Managers. Electronic copies of the Shelf Prospectus and this Prospectus Tranche- III will be available on the websites of the Lead Managers, the Stock Exchanges, SEBI and the SCSBs.

Who Can Apply

| Category I (“Qualified Institutional Buyers”) (“QIBs”)** | Category II (“Domestic Corporates”) ** | Category III (“High Networth Individuals”) (“HNIs”) | Category IV (“Retail Investors”) (“RIIs”) |
|---|---|--|--|
| <ul style="list-style-type: none"> • Public financial institutions as defined in Section 4A of the Companies Act, • Alternative Investment Funds eligible to invest under the SEBI (Alternative Investment Funds) Regulations, 2012, as amended; • Scheduled commercial banks, • Mutual funds registered with SEBI, • Multilateral and bilateral development financial institutions, • State industrial development corporations, • Insurance companies registered with the Insurance Regulatory and Development Authority, • Provident funds with a minimum corpus of Rs. 2500.00 lakh, • Pension funds with a minimum corpus of Rs. 2500.00 lakh, • The National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India, • Insurance funds set up and managed by the army, navy, or air force of the Union of India, and • Insurance funds set up and managed by the Department of Posts, India, <p>which are authorized to invest in Bonds</p> | <ul style="list-style-type: none"> • Companies within the meaning of section 2(20) of the Companies Act, 2013, Limited Liability Partnerships registered under the provisions of the LLP Act, statutory corporations, trust, partnership firms in the name of partners, cooperative banks, regional rural banks and legal entities registered under applicable laws in India and authorised to invest in Bonds | <ul style="list-style-type: none"> • The following investors applying for an amount aggregating to more than Rs. 10.00 lakh across all Series of Bonds in the Issue <ul style="list-style-type: none"> • Resident Individual Investors • Hindu Undivided Families applying through the Karta | <ul style="list-style-type: none"> • The following investors applying for an amount aggregating up to and including Rs. 10.00 lakh across all Series of Bonds in the Issue <ul style="list-style-type: none"> • Resident Individual Investors • Hindu Undivided Families through the Karta |

**With regard to Section 372A(3) of the Companies Act, 1956, kindly refer to General Circular No. 6/ 2013, dated March 14, 2013 Ministry of Corporate Affairs, GoI clarifying that in cases where the effective yield on tax free bonds is greater than the prevailing bank rate, there shall be no violation of Section 372A(3) of the Companies Act, 1956.

Participation of any of the aforementioned persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities in the nature of the Bonds by such persons or entities. Applicants are advised to ensure that Applications made by them do not exceed the investment limits under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of Bonds pursuant to this Tranche- III Issue.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in this Tranche- III Issue.

Persons not eligible to Apply

The following persons and entities will not be eligible to participate in this Tranche- III Issue and any Applications from such persons and entities are liable to be rejected:

- Minors without a guardian name. A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian;
- Persons Resident Outside India and Foreign nationals (including Non-resident Indians, Foreign Institutional Investors and Qualified Foreign Investors);
- Venture Capital Fund and Foreign Venture Capital Investor;
- Overseas Corporate Bodies;
- Person ineligible to contract under applicable statutory/regulatory requirements; and
- Any other category of investors not mentioned in Category I, II, III and IV above.

Based on information provided by the Depositories, the Company will have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of Applications for Allotment of Bonds in dematerialised form, the Registrar to the Issue shall verify the foregoing on the basis of records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded to the electronic platform of the Stock Exchanges.

The concept of OCBs (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in this Tranche- III Issue.

Nothing in this Prospectus Tranche- III constitutes an offer of Bonds for sale in the United States or any other jurisdiction where it is unlawful to do so. The Bonds have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulations under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Company has not registered and does not intend to register under the U.S. Investment Company Act in reliance on section 3(c)(7) thereof.

No offer to the public (as defined under Directive 2003/71/EC, together with any amendments and implementing measures thereto the “Prospectus Directive”) have been or will be made in respect of this Tranche- III Issue or otherwise in respect of the Bonds, in any Member State of the European Economic Area which has implemented the Prospectus Directive (a “Relevant Member State”) except for any such offer made under exemption available under the Prospectus Directive, provided that no such offer result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of this Tranche- III Issue or otherwise in respect of the Bonds.

Any forwarding, distribution or reproduction of this document in whole or in part is unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions of the bonds and the information contained in the Shelf Prospectus and this Prospectus Tranche- III.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of Bonds pursuant to this Tranche- III Issue.

The information below is given for the benefit of Applicants. The Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus Tranche- III.

Modes of Making Applications

Applicants may use any of the following facilities for making Applications:

- (a) Direct Online Applications using the online payment facility offered through the Stock Exchanges. See “-- *Submission of Direct Online Applications*” on page 72 of this Prospectus Tranche- III;
- (b) ASBA Applications through the Members of the Syndicate or Trading Members of the Stock Exchanges only in the Specified Cities (“**Syndicate ASBA**”). See “- *Submission of ASBA Applications*” on page 70 of this Prospectus Tranche- III;
- (c) ASBA Applications through Designated Branches of SCSBs. See “-*Submission of ASBA Applications*” on page 70 of this Prospectus Tranche- III; and
- (d) Non-ASBA Applications through Members of the Syndicate or Trading Members of the Stock Exchanges at centres mentioned in the Application Form. See “- *Submission of Non-ASBA Applications (other than Direct Online Applications)*” on page 71 of this Prospectus Tranche- III.
- (e) Non-ASBA Applications for Allotment in physical form through the Members of the Syndicate or Trading Members of the Stock Exchanges at centres mentioned in the Application Form. See “- *Submission of Non- ASBA Applications for Allotment of the Bonds in physical form*” on page 70 of this Prospectus Tranche- III.

Applications by certain categories of Applicants

Applications by Mutual Funds

No MF scheme may invest more than 15% of its NAV in debt instruments issued by a single company which are rated not below investment grade by a credit rating agency authorised to carry out such activity. Such investment limit may be extended to 20% of the NAV of the scheme with the prior approval of the board of trustees and the board of the asset management company (“**AMC**”). A separate Application can be made in respect of each scheme of an MF; such Applications will not be treated as multiple Applications. Applications made by the AMCs or custodians of an MF must clearly indicate the name of the scheme for which Application is being made. In case of Applications made by MFs, the Application Form must be accompanied by certified true copies of their (i) SEBI registration certificate; (ii) trust deed (iii) resolution authorising investment and containing operating instructions; and (iv) specimen signatures of authorised signatories. **Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Application by Trusts or Societies

Applications made by a trust, settled under the Indian Trusts Act, 1882, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must be accompanied by a (i) certified true copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof; and (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Further, any society applying for Bonds must ensure that (a) they are authorised under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in bonds, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in bonds, and (c) applications made by them do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and or regulatory provisions.

Application by Alternative Investments Funds

Application made by Alternative Investments Funds eligible to invest in accordance with the Alternative Investment Funds Regulations, 2012, for Allotment of the Bonds must be accompanied by certified true copies of: (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions, memorandum and articles of associations; and (iii) specimen signatures of authorised signatories. **Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Application by Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks

Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks can apply in this Tranche – III Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; (iv) specimen signatures of authorised signatories; and (v) PAN Card. **Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered

SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Insurance Companies

The Application Form must be accompanied by certified copies of their (i) certificate of registration issued by IRDA; (ii) memorandum and articles of association; (iii) resolution authorising investment and containing operating instructions; (iv) power of attorney; and (v) specimen signatures of authorised signatories. **Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by PFIs

In case of Applications by PFIs authorised to invest in the Bonds, the Application Form must be accompanied by certified true copies of: (i) any Act/rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorised person. **Failing this, the Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Provident Funds and Pension Funds

In case of Applications by Indian provident funds and pension funds authorised to invest in the Bonds, the Application Form must be accompanied by certified true copies of: (i) any Act/rules under which they are incorporated; (ii) power of attorney, if any, in favour of one or more trustees thereof; (iii) board resolution authorising investments; (iv) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (v) specimen signature of authorised person; (vi) certified copy of the registered instrument for creation of such fund/trust; and (vii) tax exemption certificate issued by income tax authorities, if exempt from income tax. **Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by National Investment Fund

In case of Applications by National Investment Fund, the Application Form must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) specimen signature of authorised person. **Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by Companies, Limited Liability Partnership and Bodies Corporate

In case of Applications by companies, limited liability partnership and bodies corporate, the Application Form must be accompanied by certified true copies of: (i) any Act/Rules under which they are incorporated; (ii) board resolution/ resolution authorising investments; and (iii) specimen signature of authorised person. **Failing this, the Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

For information on submission of Direct Online Applications through the online platform and online payment facility offered by the Stock Exchanges, see “- ***Submission of Direct Online Applications***” on page 72 of this Prospectus Tranche-III.

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney by Applicants in Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants in Category III and Category IV, a certified copy of the power of attorney must be submitted with the Application Form. **Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor. The Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that the Company and the Lead Managers may deem fit.**

Applications by Partnership Firms

The Application must be accompanied by certified true copies of: (i) Partnership Deed; (ii) Any documents evidencing registration thereof under applicable statutory/regulatory requirements; (iii) Resolution authorizing investment and containing operating instructions (Resolution); (iv) Specimen signature of authorized person. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Brokers having online demat account portals may also provide a facility of submitting the Application Forms (ASBA as well as non-ASBA Applications) online to their account holders. Under this facility, a broker receives an online instruction

through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

APPLICATION FOR ALLOTMENT OF BONDS IN PHYSICAL AND DEMATERIALIZED FORM

Application for allotment in physical form

Submission of Non- ASBA Applications for Allotment of the Bonds in physical form

Applicants can also apply for Allotment of the Bonds in physical form by submitting duly filled in Application Forms to the Members of the Syndicate or the Trading Members of the Stock Exchanges, with the accompanying account payee cheques or demand drafts representing the full Application Amount and KYC documents as specified under “- **Applications by certain Categories of Applicants**” and “- **Additional instructions for Applicants seeking Allotment of the Bonds in physical form**” at pages 68 and 77 of this Prospectus Tranche- III, respectively. The Members of the Syndicate and Trading Members of the Stock Exchanges shall, on submission of the Application Forms to them, verify and check the KYC documents submitted by such Applicants and upload details of the Application on the electronic platforms of Stock Exchanges, following which they shall acknowledge the uploading of the Application Form by stamping the acknowledgment slip with the date and time and returning it to the Applicant.

On uploading of the Application details, the Members of the Syndicate and Trading Members of the Stock Exchanges will submit the Application Forms, with the cheque/demand draft to the Escrow Collection Bank(s), which will realise the cheque/demand draft, and send the Application Form and the KYC documents to the Registrar to the Issue, who shall check the KYC documents submitted and match Application details as received from the electronic platforms of Stock Exchanges with the Application Amount details received from the Escrow Collection Bank(s) for reconciliation of funds received from the Escrow Collection Bank(s). In case of discrepancies between the two databases, the details received from the electronic platforms of Stock Exchanges will prevail, except in relation to discrepancies between Application Amounts. The Members of the Syndicate/Trading Members of the Stock Exchanges are requested to note that all Applicants are required to be banked with only the designated branches of Escrow Collection Bank(s). On Allotment, the Registrar to the Issue will dispatch Bond certificates/Allotment Advice to the successful Applicants to their addresses as provided in the Application Form. **If the KYC documents of an Applicant are not in order, the Registrar to the Issue will withhold the dispatch of Bond Certificates pending receipt of complete KYC documents from such Applicant. In such circumstances, successful Applicants should provide complete KYC documents to the Registrar to the Issue at the earliest. In such an event, any delay by the Applicant to provide complete KYC documents to the Registrar to the Issue will be at the Applicant’s sole risk and neither the Company, the Registrar to the Issue, the Escrow Collection Bank(s), nor the Members of the Syndicate will be liable to compensate the Applicants for any losses caused to them due to any such delay, or liable to pay any interest on the Application Amounts for such period during which the Bond certificates are withheld by the Registrar to the Issue. Further, the Company will not be liable for any delays in payment of interest on the Bonds Allotted to such Applicants, and will not be liable to compensate such Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay in payment of interest on the Bonds.**

For instructions pertaining to completing Application Form please see “- **General Instructions**” and “- **Additional Instructions for Applicants seeking allotment of Bonds in physical form**” on pages 72 and 77 of this Prospectus Tranche-III, respectively.

Application for allotment in dematerialised form

Submission of ASBA Applications

Applicants may also apply for Bonds using the ASBA facility. ASBA Applications can be only by Applicants opting for Allotment in dematerialised form. ASBA Applications can be submitted through either of the following modes:

a) Physically or electronically to the Designated Branches of SCSB with whom the ASBA Account is maintained. In case of ASBA Application in physical mode, the ASBA Applicant will submit the Application Form at the relevant Designated Branch of the SCSB. The Designated Branch will verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic platform of the Stock Exchanges. **If sufficient funds are not available in the ASBA Account, the respective Designated Branch will reject such ASBA Application and will not upload such ASBA Application in the electronic platform of the Stock Exchanges.** If sufficient funds are available in the ASBA Account, the Designated Branch will block an amount equivalent to the Application Amount and upload details of the ASBA Application in the electronic platform of the Stock Exchanges. The Designated Branch of the SCSBs will stamp the Application Form. In case of Application in the electronic mode, the ASBA Applicant will submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such ASBA Applications.

b) Physically through the Members of the Syndicate or Trading Members of the Stock Exchanges only at the Specified Cities, i.e., Syndicate ASBA. ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the

ASBA Application, is maintained has not named at least one branch at that Specified City for the Members of the Syndicate or Trading Members of the Stock Exchanges, as the case may be, to deposit ASBA Applications. A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>.

On receipt of the Application Form by the Members of the Syndicate or Trading Members of the Stock Exchanges, as the case may be, an acknowledgement will be issued by giving the counter foil of the Application Form with the date stamp to the ASBA Applicant as proof of having accepted the Application. Thereafter, the details of the Application will be uploaded in the electronic platform of the Stock Exchanges and the Application Form will be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Members of the Syndicate or Trading Members of the Stock Exchanges, as the case may be. A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>. On receipt of the ASBA Application, the relevant branch of the SCSB will perform verification procedures and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. **If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected.** If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB will block an amount equivalent to the Application Amount mentioned in the ASBA Application. The Application Amount will remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted Bonds to the Public Issue Account(s), or until withdrawal/failure of the Issue or withdrawal/rejection of the Application Form, as the case may be.

ASBA Applicants must note that:

(a) Physical Application Forms will be available with the Designated Branches of SCSBs and with the Members of the Syndicate at the Specified Cities; and electronic Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Issue Opening Date. Trading Members of the Stock Exchanges can download Application Forms from the websites of the Stock Exchanges. Application Forms will also be provided to Trading Members of the Stock Exchanges at their request. The Application Forms would be serially numbered.

(b) The Designated Branches of SCSBs will accept ASBA Applications directly from ASBA Applicants only during the Issue Period. The SCSB will not accept any ASBA Applications directly from ASBA Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of SCSBs at Specified Cities can accept ASBA Applications from the Members of the Syndicate or Trading Members of the Stock Exchanges, as the case may be, after the closing time of acceptance of Applications on the Issue Closing Date. For further information on the Issue programme, see “*Terms of the Issue – Issue Period*” on page 50 of this Prospectus Tranche- III.

(c) In case of Applications through Syndicate ASBA, the physical Application Form will bear the stamp of the Members of the Syndicate or Trading Members of the Stock Exchanges, as the case may be; if not, the same will be rejected. **Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs, if not, the same are liable to be rejected.**

ASBA Applicants can invest in dematerialised form only.

For instructions pertaining to completing Application Form please see “- *General Instructions*” on page 72 of this Prospectus Tranche- III.

Submission of Non-ASBA Applications (other than Direct Online Applications)

Applicants must use the Application Form, which will be serially numbered, bearing the stamp of the relevant Member of the Syndicate or Trading Member of the Stock Exchanges at centres mentioned in the Application Form, as the case may be, from whom such Application Form is obtained. Such Application Form must be submitted to the relevant Member of the Syndicate or Trading Member of the Stock Exchanges, as the case may be, with the cheque or bank draft for the Application Amount, before the closure of the Issue Period. The Stock Exchanges may also provide Application Forms for being downloaded and filled. Accordingly, Applicants may download Application Forms and submit the completed Application Forms together with cheques/demand drafts to the Members of the Syndicate or Trading Member of the Stock Exchanges at centres mentioned in the Application Form. On submission of the completed Application Form, the relevant Members of the Syndicate or Trading Member of the Stock Exchanges, as the case maybe, will upload the Application Form on the electronic platform provided by the Stock Exchanges, and once an Application Form has been uploaded, issue an acknowledgement of such upload by stamping the acknowledgement slip attached to the Application Form with the relevant date and time and return the same to the Applicant. Thereafter, the Application Form together with the cheque or bank draft will be forwarded to the Escrow Collection Bank(s) for realisation and further processing.

The duly stamped acknowledgment slip will serve as a duplicate Application Form for the records of the Applicant. The Applicant must preserve the acknowledgment slip and provide the same in connection with: (a) any cancellation/withdrawal of their Application; (b) queries in connection with Allotment and/or refund(s) of Bonds; and/or (c) all investor grievances/complaints in connection with this Tranche- III Issue.

For instructions pertaining to completing Application Form please see “- *General Instructions*” on page 72 of this Prospectus Tranche- III.

Submission of Direct Online Applications

Applicants having operational beneficiary accounts can opt to submit Direct Online Applications through the online platform and online payment facility offered by Stock Exchanges. Such Applicants must:

- log on to the online platform of the Stock Exchanges;
- use and duly fill the Application Form available on the online platform of the Stock Exchanges;
- use the optional facility (if provided by the Stock Exchanges to supply the details of the broker who referred this Tranche- II Issue to the Applicant, if any);
- submit the above information online following the instructions stated therein; and
- make the requisite payment for the Bonds applied for using the online payment facility.

Relevant “know your customer” details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form.

On successful submission of a Direct Online Application, the Applicant will receive a system-generated UAN and an SMS or an e-mail confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit Bonds to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant’s bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of Bonds and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue.

As per Circular No. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI, the availability of the Direct Online Applications facility is subject to the Stock Exchanges putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification, deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI.

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

General Instructions

- (a) Applications must be made only in the prescribed Application Form.
- (b) Applications must be completed in block letters in English as per the instructions contained in this Prospectus Tranche- III, Abridged Prospectus and Application Form.
- (c) Application should be in single or joint names (not exceeding three names). In case of Applications in joint names for Allotment of Bonds in dematerialized form, the names should be in the same order as appearing in the records of the Depository Participant.
- (d) If the Application is submitted in joint names, the Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- (e) Applications must be for a minimum of 5 Bonds and in multiples of one Bond thereafter. For the purpose of fulfilling the requirement of minimum application of 5 Bonds, an Applicant may choose to apply for 5 Bonds of the same Series or across different Series. Applicants may apply for one or more Series of Bonds Applied for in a single Application Form.
- (f) Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any of the other languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his official seal.
- (g) Applicants should hold a valid PAN allotted under the Income Tax Act and mention it in the Application Form.
- (h) Applicants must tick the relevant box for the ‘Category of Investor’ provided in the Application Form.
- (i) Applicants must tick the relevant box for the ‘Mode of Application’ provided in the Application Form, choosing either ASBA or Non-ASBA mechanism.
- (j) ASBA Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account.

- (k) Applications should be made by the Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta.
- (l) **No separate receipts will be issued for the Application Amount payable on submission of the Application Form.** However, the Lead Managers, Lead Brokers, Trading Members of the Stock Exchanges at centres mentioned in the Application Form or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an acknowledgement slip which will serve as the duplicate of the Application Form for the records of the Applicant.

The Company, the Members of the Syndicate, Trading Members of the Stock Exchanges at centres mentioned in the Application Form, Designated Branches of SCSBs, and the Registrar to the Issue will not be liable for errors in data entry due to submission of incomplete or illegible Application Forms.

The Company shall Allot Tranche III Series 1A/ Series 1B Bonds to all valid Applications where the Applicants have not indicated their choice of the relevant Series in the Application Form.

Applicant's Beneficiary Account and Bank Account Details

Applicants applying for Allotment in dematerialised form must mention their DP ID and Client ID in the Application Form, and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialised form is submitted in joint names, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. **In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialised form and entered into the electronic system of the Stock Exchanges do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialised form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialised form, whose beneficiary accounts are inactive, will be rejected.**

On the basis of the DP ID and Client ID provided by the Applicant in the Application Form for Allotment in dematerialised form and entered into the electronic system of the Stock Exchanges, the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on refund orders/sending refunds through electronic mode, Magnetic Ink Character Recognition ("MICR") Code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. **Failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants' sole risk, and neither the Company, the Members of the Syndicate, Trading Members of the Stock Exchanges, Escrow Collection Bank(s) at centres mentioned in the Application Form, SCSBs, Registrar to the Issue nor the Stock Exchanges will bear any responsibility or liability for the same.**

The Demographic Details would be used for correspondence with the Applicants including mailing of Allotment Advice and printing of bank particulars on refund orders or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders would be mailed at the address (in India) of the Applicant as per Demographic Details received from the Depositories. Delivery of refund orders/ Allotment Advice may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such event, the address and other details provided by the Applicant (other than ASBA Applicants and Applicants using Direct Online Applications through the online payment facility of the Stock Exchanges) in the Application Form would be used only to ensure dispatch of refund orders. In case of refunds through electronic modes detailed in the Shelf Prospectus, refunds may be delayed if bank particulars obtained from the DP are incorrect. **Any such delay will be at such Applicants' sole risk and neither the Company, the Members of the Syndicate, Trading Members of the Stock Exchanges, Escrow Collection Bank(s) at centres mentioned in the Application Form, SCSBs, Registrar to the Issue nor the Stock Exchanges will be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay, or to pay any interest for such delay.**

In case of Applications made under power of attorney, the Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on the refund order and mailing of refund orders/ Allotment Advice, the demographic details obtained from the Depository of the Applicant will be used. By signing the Application Form, the Applicant would be deemed to have authorised the Depositories to provide to the Registrar to the Issue, on request, the required Demographic Details available on their records. The Demographic Details provided by the Applicant in the Application Form would not be used for any purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of Bonds pursuant to this Tranche- III Issue will be made into the accounts of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.

Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.

PAN

Any Application Form without the PAN (or submitting the GIR number instead of the PAN) is liable to be rejected, irrespective of the amount of transaction. In accordance with SEBI circular dated April 27, 2007, the PAN would be the sole identification number for the participants transacting in the Indian securities market, irrespective of the amount of transaction. Therefore, the Applicant (in the case of Applications made in joint names, the first Applicant) should mention the PAN allotted under the Income Tax Act in the Application Form. For minor Applicants applying through the guardian, it is mandatory to mention the PAN of minor Applicant. However, Applications on behalf of the Central or State Government officials and officials appointed by the courts in terms of SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim may be exempt from the requirement to specify their PAN for transacting in the Indian securities market in terms of SEBI circular dated July 20, 2006. However, the exemption for the Central or State Government and the officials appointed by the courts and for Applicants residing in the State of Sikkim is subject to the DPs verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field, i.e., either Sikkim category or exempt category.

Joint Applications

Applications by Applicants applying for Allotment in dematerialised form can be in single or joint names (not exceeding three). If the Application Form is submitted in joint names, the Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. In case of Applications in joint names for Allotment of Bonds, the names of the Applicants should be the same and appearing in the same order as on the records of the DP. In case of Applications in joint names, any payments will be made out in favour of the first Applicant and any communications will be addressed to the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

Additional/Multiple Applications

For purposes of Allotment of Bonds in this Tranche- III Issue, Applications will be grouped based on the PAN, i.e., Applications under the same PAN will be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first applicant is one and the same.

An Applicant is allowed to make one or more Applications for the Bonds for the same or other Series of Bonds, subject to a minimum Application size as mentioned in the respective Tranche Prospectus. **Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid application and shall be rejected.** However, multiple Applications by the same individual Applicant aggregating to a value exceeding Rs. 10.00 lakh shall deem such individual Applicant to be a Category III Applicant and all such Applications shall be grouped in the Category III Portion, for the purpose of determining the basis of Allotment to such Applicant. Applications made by any person in individual capacity and in capacity as a Karta of an HUF and/or as second or third Applicant in case of Applications made in joint names will not be treated as a multiple Application. Moreover, a separate Application can be made in respect of each scheme of an MF; such Applications will not be treated as multiple Applications.

Dos:

1. Check if you are eligible to apply as per the terms of the Shelf Prospectus, Prospectus Tranche- III, Abridged Prospectus and applicable law.
2. Read all the instructions carefully and complete the Application Form in the prescribed form
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of Bonds pursuant to this Tranche- III Issue.
4. If the Application Form is submitted in joint names, the Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names.
5. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
6. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the

Application Form as “XYZ Hindu Undivided Family applying through *PQR*”, where *PQR* is the name of the Karta.

7. Ensure that the Application Forms (for non-ASBA Applicants) are submitted at the Collection Centres provided in the Application Forms, bearing the stamp of a Member of the Syndicate or a Trading Members of the Stock Exchange, as the case may be.
8. Ensure that the DP ID, Client ID and PAN mentioned in the Application Form are correct and match the details available in the Depository’s database, and that the beneficiary account is activated for Allotment/trading of Bonds in dematerialised form.
9. Ensure that you have been given a transaction registration slip (“**TRS**”) and an acknowledgment as proof of having accepted the Application Form.
10. Ensure that the name(s) provided in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the DP. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form.
11. Except in the case of ASBA Applications and Direct Online Applications using the online payment facility offered through the Stock Exchanges, Applicants are requested to write their names and Application serial number on the reverse of the instruments by which the payments are made.
12. Tick the relevant box for the ‘Category of Investor’ provided in the Application Form.
13. Tick the relevant box for the ‘Mode of Application’ provided in the Application Form, choosing either ASBA or Non-ASBA mechanism.
14. Tick the Series of Bonds in the Application Form that you wish to apply for.
15. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of the Bonds.
16. Ensure that the Application Forms are submitted to a Member of the Syndicate or Trading Member of a Stock Exchange, as the case may be, for Applications other than ASBA Applications/Direct Online Applications, before the closure of Application hours on the Issue Closing Date. For information on the Issue programme, see “**Terms of the Issue – Issue Period**” on page 50 of this Prospectus Tranche- III.
17. In case of revision of an Application during the Issue Period, ensure that you have first withdrawn your original Application and then submit a fresh Application.
18. Ensure that the Demographic Details including PAN are updated, true and correct in all respects.
19. Permanent Account Number: It shall be mandatory for subscribers to this Tranche- III Issue to furnish their Permanent Account Number and any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction.
20. Applicants (other than ASBA Applicants) are requested to write their names and Application Form number on the reverse of the instruments by which the payments are made.

Don’ts:

1. Do not apply if you are not competent to contract under the Indian Contract Act, 1872 or if you are otherwise ineligible to acquire Bonds under applicable law or your relevant constitutional documents or otherwise.
2. Do not apply such that the number of Bonds applied for exceeds the Shelf Limit/Issue size (including retention of oversubscription for the respective tranche), and/or investment limit applicable to you under applicable laws or regulations.
3. Do not make an Application for lower than the minimum Application size.
4. Do not send Application Forms by post; instead submit the same to a Member of the Syndicate, Trading Member of a Stock Exchange or Designated Branch of an SCSB, as the case may be. Applicants other than ASBA Applicants should not submit the Application Form directly to the Escrow Collection Bank(s).
5. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue. Do not submit the GIR number instead of the PAN.

6. Do not pay the Application Amount in cash, by money order or by postal order or by stock invest.
7. Do not submit the Application Forms without the full Application Amount for the number of Bonds applied for.
8. Do not submit Applications on plain paper or on incomplete or illegible Application Forms.
9. Do not submit an Application in case you are not eligible to acquire Bonds under applicable law or your relevant constitutional documents or otherwise.
10. Do not submit an Application that does not comply with the securities law of your respective jurisdiction.
11. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
12. Do not submit an Application to the Escrow Collection Bank(s), unless such Escrow Collection Bank is a Designated Branch of a SCSB where the ASBA Account is maintained, in case of ASBA Application.
13. Do not apply if you are a person ineligible to apply for Bonds under this Tranche- III Issue including Applications by Persons Resident Outside India, (inter-alia including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA);
14. Applicants other than ASBA Applicants should not submit the Application Form directly to the Escrow Collection Banks/ Bankers to the Issue, and the same will be rejected in such cases; and
15. Do not make an application of the Bonds on multiple copies taken of a single form.

Additional Instructions Specific to ASBA Applicants

Dos:

1. Check if you are eligible to apply under ASBA;
2. Ensure that you tick the ASBA option in the Application Form and provide correct details of your ASBA Account including bank account number/bank name and branch;
3. Ensure that your Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Members of the Syndicate or Trading Members of the Stock Exchanges at the Specified Cities, and not directly to the Escrow Collection Bank(s) (assuming that such bank is not an SCSB) or to the Company or the Registrar to the Issue;
4. Before submitting physical Application Form with the Member of the Syndicate at the Specified Cities ensure that the SCSB, whose name has been filled in the Application Form, has a branch in that centre.
5. In case of ASBA Applications through Syndicate ASBA, before submitting the physical Application Form to a Member of the Syndicate, at the Specified Cities or Trading Member of the Stock Exchanges, ensure that the SCSB where the ASBA Account, as specified in the Application Form, is maintained has named at least one branch in that specified city for the Members of the Syndicate or Trading Members of the Stock Exchanges, as the case may be, to deposit Application Forms (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>);
6. Ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder; and
7. Ensure that the ASBA Account holder has funds equal to the Application Amount in the ASBA Account before submitting the Application Form.
8. Ensure that you have correctly ticked, provided or checked the authorization box in the Application Form, or otherwise have provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form;
9. In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications; and
10. Ensure that you have received an acknowledgement from the Designated Branch or the Member of the Syndicate or Trading Member of the Stock Exchange, as the case may be for submission of the Application Form.

Don'ts:

1. Do not submit the Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts;
2. Do not submit the Application Form to the Members of the Syndicate or Trading Members of the Stock Exchanges, as the case may be, at a location other than the Specified Cities.
3. Do not send your physical Application Form by post; instead submit the same to a Designated Branch of an SCSB or Member of the Syndicate or Trading Members of the Stock Exchanges, as the case may be, at the Specified Cities; and
4. Do not submit more than five Application Forms per ASBA Account.

ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that specified city for the Members of the Syndicate or Trading Members of the Stock Exchanges, as the case may be, to deposit such Application Forms. A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>. See “-Rejection of Applications” on page 81 of this Prospectus Tranche- III for information on rejection of Applications.

For further instructions, Applicants are advised to read this Prospectus Tranche- III, Abridged Prospectus and Application Form.

ADDITIONAL INSTRUCTIONS FOR APPLICANTS SEEKING ALLOTMENT OF BONDS IN PHYSICAL FORM

Any Applicant who subscribes to the Bonds in physical form shall undertake the following steps:

- **Complete the Application Form in all respects, by providing all the information including PAN and Demographic Details. However, do not provide DP details in the Application Form.** The requirement for providing DP details shall be mandatory only for Applicants who wish to subscribe to the Bonds in dematerialised form.
- Provide the following documents with the Application Form:
 - (a) Self-attested copy of the PAN card or proof of identification in case of Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by Applicants residing in the State of Sikkim; and
 - (b) Self-attested copy of proof of residence. Any of the following documents shall be considered as a verifiable proof of residence:
 - ration card issued by the GoI; or
 - valid driving license issued by any transport authority of the Republic of India; or
 - electricity bill (not older than three months); or
 - landline telephone bill (not older than three months); or
 - valid passport issued by the GoI; or
 - voter's identity card issued by the GoI; or
 - passbook or latest bank statement issued by a bank operating in India; or
 - registered leave and license agreement or agreement for sale or rent agreement or flat maintenance bill.
 - AADHAR letter, issued by Unique Identification Authority of India, GoI.
 - (c) Self-attested copy of a cancelled cheque of the bank account to which the amounts pertaining to payment of refunds, interest and redemption, as applicable, should be credited. **In the absence of such cancelled cheque, the Company reserves the right to reject the Application or to consider the bank details given on the Application Form at its sole discretion. In such case the Company, the Lead Managers and the Registrar to the Issue shall not be liable for any delays/errors in payment of refund and/or interest.**

The Applicant shall be responsible for providing the above information accurately. Delays or failure in credit of the payments due to inaccurate details shall be at the sole risk of the Applicants and neither the Lead Managers nor the Company shall have any responsibility and undertake any liability for the same. Applications for Allotment of the Bonds in physical form, which are not accompanied with the above stated documents, may be rejected at the sole discretion of the Company.

In relation to the issuance of the Bonds in physical form, note the following:

1. An Applicant has the option to seek Allotment of Bonds in either dematerialised or physical mode. **No partial Application for the Bonds shall be permitted; any such partial Application is liable to be rejected.**
2. **Any Applicant who provides Depository Participant details in the Application Form shall be Allotted the Bonds in dematerialised form only, irrespective of whether such applicant has provided the details required for Allotment in physical form. Such Applicant shall not be Allotted Bonds in physical form.**
3. In case of Bonds issued in physical form, the Company will issue one certificate to the holders of the Bonds for the aggregate amount of the Bonds for each of the Series of Bonds that are applied for (each such certificate, a (“Consolidated Bond Certificate”).
4. The Company shall dispatch the Consolidated Bond Certificate to the (Indian) address of the Applicant provided in the Application Form, within the time and in the manner stipulated under the Companies Act, 1956 (to the extent applicable)/ Companies Act, 2013, as the case may be, read with the Company’s Articles of Association.

All terms and conditions disclosed in relation to the Bonds held in physical form pursuant to rematerialisation shall be applicable *mutatis mutandis* to the Bonds issued in physical form.

The Applicant shall be responsible for providing the above information and KYC documents accurately. Delay or failure in credit of payments or receipt of Allotment Advice or Bond certificates due to inaccurate or incomplete details shall be at the sole risk of the Applicants and the Lead Managers, the Company and the Registrar to the Issue shall have no responsibility and undertake no liability in this relation. In case of Applications for Allotment of Bonds in physical form, which are not accompanied with the aforesaid documents, Allotment of Bonds in physical form may be held in abeyance by the Registrar to the Issue, pending receipt of KYC documents.

PAYMENT INSTRUCTIONS

The entire Application Amount is payable at the time of submitting the Application Form. In case of ASBA Applicants, the entire Application Amount will be blocked in the ASBA Account. In case of Allotment of a lesser number of Bonds than applied for, the Company will refund the excess amount paid on Application to the Applicant (or the excess amount shall be unblocked in the ASBA Account, as the case may be).

Payment mechanism for Direct Online Applicants

Applicants making Direct Online Applications through the online platform must make payment using the online payment facility offered by the Stock Exchanges. Such online payments will be deposited in the Escrow Account(s) to be opened by the Company. See “- *Escrow Mechanism for Applicants other than ASBA Applicants*” on page 79 of this Prospectus Tranche- III.

Payment mechanism for ASBA Applicants

ASBA Applicants are required to specify the ASBA Account number in the Application Form. ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchanges at the Specified Cities will be uploaded onto the electronic platform of the Stock Exchanges and deposited with the relevant branch of the SCSB at the specified city named by such SCSB to accept such ASBA Applications from the Members of the Syndicate or Trading Members of the Stock Exchanges, as the case may be (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>). The relevant branch of the SCSB will perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB will block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the electronic platform. SCSBs may provide the electronic mode of Application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account. For ASBA Applications, the SCSBs, will block Application Amount only against/in a funded deposit account and ensure that clear demarcated funds are available for ASBA Applications and no lien shall be marked against credit limits/overdraft facility of account holders for ASBA Application, in accordance with SEBI circular CIR/CFD/DIL/12/2012 dated September 13, 2012.

ASBA Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Members of the Syndicate or Trading Members of the Stock Exchanges, as the case may be, at the Specified Cities or to the Designated Branches of SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

The Application Amount will remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount to the Public Issue Account(s), or until withdrawal/failure of this Tranche- III Issue or until withdrawal/rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Issue will send an appropriate request to the controlling branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount pertaining to Bonds allocable to the successful ASBA Applicants to the Public Issue Account(s). In case of withdrawal/failure of the Issue/refund, the blocked amount will be unblocked on receipt of such information from the Registrar to the Issue.

Escrow Mechanism for Applicants other than ASBA Applicants

We shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Applicants (except for ASBA Applicants) shall draw cheques or demand drafts. All Applicants would be required to pay the full Application Amount at the time of the submission of the Application Form. Cheques or demand drafts for the Application Amount received from Applicants would be deposited by the Members of the Syndicate and Trading Members, as the case may be, in the Escrow Accounts.

Each Applicant (except for ASBA Applicants) shall draw a cheque or demand draft for the Application Amount as per the following terms:

- a) The payment instruments from the resident Applicants shall be payable into the Escrow Account drawn in favour of "IIFCL Tax Free Bonds Escrow Account- Public Issue".
- b) Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and Applications accompanied by such cheques or bank drafts are liable to be rejected.
- c) The monies deposited in the Escrow Account will be held for the benefit of the Applicants until the Designated Date.
- d) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account, Non Resident Escrow Account as per the terms of the Escrow Agreement, Shelf Prospectus and this Prospectus Tranche – III into the Public Issue Account, Non Resident Public Issue Accounts. The Escrow Collection Banks shall also, upon receipt of instructions from the Lead Managers and the Registrar, transfer all amounts payable to Applicants, who have not been allotted Bonds to the Refund Accounts.

The Escrow Collection Bank(s) shall transfer the funds from the Escrow Account into the Public Issue Account(s), as per the terms of the Escrow Agreement and the Shelf Prospectus and Prospectus Tranche- III.

The Company will open Escrow Account(s) with each of the Escrow Collection Bank(s) in whose favour the Applicants (other than ASBA Applicants) will make out the cheque or demand draft in respect of their Application.

Cheques or demand drafts received for the full Application Amount from Applicants/payments received through the online payment facility offered by Stock Exchanges would be deposited in the Escrow Account(s). All cheques/bank drafts accompanying the Application should be crossed "A/c Payee only" and made payable to "IIFCL Tax Free Bonds Escrow Account- Public Issue".

Application Amounts paid through the online payment facility of the Stock Exchanges will also be deposited in the Escrow Account(s).

The Escrow Collection Bank(s) will maintain the monies in the Escrow Account(s) until documents for creation of security for the Bonds are executed. The Escrow Collection Bank(s) will not exercise any lien whatsoever over the monies deposited therein and will hold the monies therein in trust for the Applicants. On the Designated Date, the Escrow Collection Bank(s) will transfer the funds represented by Allotment of Bonds (other than in respect of Allotment to successful ASBA Applicants) from the Escrow Account(s), as per the terms of the Escrow Agreement, into the Public Issue Account(s), provided that the Company will have access to such funds only after receipt of final listing and trading approvals from the Stock Exchanges and execution of the Bond Trust Agreement and Security Documents. The balance amount after transfer to the Public Issue Account(s) will be transferred to the Refund Account. Payments of refund to the relevant Applicants will be made from the Refund Account as per the terms of the Escrow Agreement and the Prospectus Tranche- III.

Payment into Escrow Account

Each Applicant will draw a cheque or demand draft or remit the funds electronically through the mechanisms for the Application Amount as per the following terms:

- (a) All Applicants would be required to pay the full Application Amount for the number of Bonds applied for, at the time of the submission of the Application Form.
- (b) The Applicants will, with the submission of the Application Form, draw a cheque/demand draft for the full Application Amount in favour of the Escrow Account and submit the same to Escrow Collection Bank(s). **If the payment is not made favouring the Escrow Account with the Application Form, the Application is liable to be rejected. Application Forms accompanied by cash, stock invest, money order or postal order will not be accepted.**
- (c) The cheque/demand draft for payment into the Escrow Account should be drawn in favour of “IIFCL Tax Free Bonds Escrow Account- Public Issue”.
- (d) Payments should be made by cheque or demand draft drawn on any bank (including a cooperative bank) which is situated at and is a member of or sub-member of the bankers’ clearing house located at the centre where the Application Form is submitted. **Outstation cheques, post-dated cheques and cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and Applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/stock invest/money orders/postal orders will not be accepted. Cheques without the nine digit MICR code are liable to be rejected.**
- (e) Applicants are advised to provide the number of the Application Form on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Application Form.
- (f) The monies deposited in the Escrow Accounts will be held for the benefit of the Applicants (other than ASBA Applicants) till the Designated Date.
- (g) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement into the Public Issue Account(s) with the Bankers to the Issue and the refund amount shall be transferred to the Refund Account.

Payment by cash/stock invest/money order

Payment through cash/stock invest/money order will not be accepted in this Tranche- III Issue.

Online Applications

The Company may decide to offer an online Application facility for the Bonds, as and when permitted by applicable laws, subject to the terms and conditions prescribed.

SUBMISSION OF DULY COMPLETED APPLICATION FORMS

| Mode of Submission of Application Forms | To whom the Application Form has to be submitted |
|---|---|
| Direct Online Applications | Online submission through the online platform and online payment facility offered by the Stock Exchanges. |
| ASBA Applications | (i) If using physical Application Form, (a) to the Members of the Syndicate or Trading Members of the Stock Exchanges only at the Specified Cities (“ Syndicate ASBA ”), or (b) to the Designated Branches of SCSBs where the ASBA Account is maintained; or (ii) If using electronic/ online Application Form, to the SCSBs, electronically through internet banking facility, if available. |
| Non-ASBA Applications (other than Direct Online Applications) | The Members of the Syndicate or Trading Members of the Stock Exchanges. Note: Applications for Allotment in physical form can be made only by using non-ASBA Applications (other than Direct Online Applications). |

No separate receipts will be issued for the Application Amount payable on submission of Application Form. However, the Lead Managers/Lead Brokers/Trading Members of Stock Exchanges will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an acknowledgement slip which will serve as a duplicate Application Form for the records of the Applicant.

Syndicate ASBA Applicants must ensure that their ASBA Applications are submitted to the Members of the Syndicate or Trading Members of the Stock Exchanges only at the Specified Cities. ASBA Applications submitted to the Members of the

Syndicate or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Members of the Syndicate or Trading Members of the Stock Exchanges, as the case may be, to deposit ASBA Applications. A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>. For information on the Issue programme and timings for submission of Application Forms, see “*Terms of the Issue – Issue Period*” on page 50 of this Prospectus Tranche- III.

Applicants other than ASBA Applicants are advised not to submit Application Forms directly to Escrow Collection Bank(s); and the same are liable to be rejected and the Applicants will not be entitled to any compensation whatsoever.

Submission of Direct Online Applications

Please refer “– *Submission of Direct Online Applications*” on page 72 of this Prospectus Tranche- III.

Submission of ASBA Applications

Please refer “– *Submission of ASBA Applications*” on page 70 of this Prospectus Tranche- III.

Submission of Non-ASBA Applications (other than Direct Online Applications)

Please refer “– *Submission of Non-ASBA Applications (other than Direct Online Applications)*” on page 71 of this Prospectus Tranche- III.

Submission of Non- ASBA Applications for Allotment of the Bonds in physical form

Please refer “– *Submission of Non-ASBA Applications for Allotment of Bonds in the physical form*” on page 70 of this Prospectus Tranche- III.

REJECTION OF APPLICATIONS

The Company reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof. Applications would be liable to be rejected on one or more technical grounds, including but not restricted to the following:

- Applications where a registered address in India is not provided for the Applicant.
- Applications by persons who are not eligible to acquire Bonds of the Company in terms of applicable laws, rules, regulations, guidelines and approvals, including Applications by persons not competent to contract under the Indian Contract Act, 1872 (including a minor without a guardian name) and Applications by OCBs.
- In case of partnership firms, Bonds may be registered in the names of the individual partners and no firm as such will be entitled to apply. However, a limited liability partnership firm can apply in its own name.
- In case of Applications under power of attorney or by corporates, trusts, societies, etc., relevant documents are not submitted.
- Applications accompanied by Stockinvest/money order/postal order/cash.
- Applications for an amount below the minimum Application size. However, our Company may allot Bonds up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder.
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations and applicable law.
- Applications without payment of the entire Application Amount. However, the Company may Allot Bonds up to the value of Application Amounts paid, if such Application Amounts exceed the minimum Application size prescribed hereunder.
- Application Amount paid not tallying with the number of Bonds applied for. However, the Company may Allot Bonds up to the value of Application Amounts paid, if such Application Amounts exceed the minimum Application size prescribed hereunder.
- Applications for a number of Bonds which is not in a multiple of one. However, the Company may allot Bonds upto lower integer if such Application Amount exceeds one Bond.
- Submission of more than five ASBA Applications per ASBA Account.
- PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by Applicants residing in the State of Sikkim, provided such claims have been verified by the DPs.
- GIR number furnished instead of PAN.
- DP ID, Client ID and bank account not mentioned in the Application Form, in case of Allotment in dematerialised form.
- ASBA Applications not having details of the ASBA Account to be blocked.
- Authorisation to the SCSB for blocking funds in the ASBA Account not provided.

- Signature of sole and/or joint Applicants missing. In case of joint Applicants, the Application Forms not being signed by each of the joint Applicants (in the same sequence as they appear in the records of the Depository).
- ASBA Application Forms not signed by the ASBA Account holder, if the ASBA Account holder is different from the Applicant.
- Application Forms submitted to the Members of the Syndicate or Trading Members of the Stock Exchanges does not bear the stamp of the relevant Member of the Syndicate or Trading Member of the Stock Exchanges, as the case may be. ASBA Applications submitted directly to the Designated Branches of SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or Member of the Syndicate or Trading Members of the Stock Exchanges, as the case may be.
- In case of Allotment in dematerialised form, no corresponding record is available with the Depositories that matches three parameters, namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database.
- With respect to ASBA Applications, inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds.
- Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
- Applications not uploaded on the terminals of the Stock Exchanges.
- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchanges, as applicable.
- Applications by Applicants whose beneficiary accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010.
- ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchanges at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and ASBA Applications submitted directly to an Escrow Collection Bank (assuming that such bank is not a SCSB), to the Company or the Registrar to the Issue.
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form, Shelf Prospectus and this Prospectus Tranche – III and as per the instructions in the Application Form, Shelf Prospectus and this Prospectus Tranche- III.
- Application Form accompanied with more than one payment instructions/ cheque.
- Date of Birth for first/sole Applicant for persons applying for Allotment of Bonds in physical form not mentioned in the Application Form.
- SCSB making an ASBA application (a) through an ASBA Account maintained with its own self or (b) through an ASBA account maintained through a different SCSB not in its own name, or (c) through an ASBA Account maintained through a different SCSB in its own name, which ASBA Account is not utilised for the purpose of applying in public issue.
- With respect to non-ASBA Applicants, Applications where clear funds are not available in Applicants Accounts as per final certificates from Escrow Collection Bank(s).
- Applications by persons/entities who have been debarred from accessing the capital markets by SEBI.
- Where PAN details in the Application Form and as entered into the electronic platform of the stock exchange(s), are not as per the records of the Depositories.
- In case of Applicants applying for the Bonds in physical form, if the address of the Applicant is not provided in the Application Form.

ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Members of the Syndicate or Trading Members of the Stock Exchanges, as the case may be, to deposit ASBA Applications (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

For information on certain procedures to be carried out by the Registrar to the Issue for finalisation of the Basis of Allotment, see “- *Information for Applicants*” on page 84 of this Prospectus Tranche- III. For information on payment of refunds, see “*Terms of the Issue - Payment of Refunds*” on page 55 of this Prospectus Tranche- III.

ELECTRONIC REGISTRATION OF APPLICATIONS

(a) The Members of the Syndicate, Trading Members of the Stock Exchanges and Designated Branches of SCSBs, as the case may be, will register Applications using the online facilities of the Stock Exchanges. There will be at least one online connection in each city where Applications are being accepted. Direct Online Applications will be registered by Applicants using the online platform offered by the Stock Exchanges. **The Company, the Members of the Syndicate, Trading Members of the Stock Exchanges, Escrow Collection Bank(s) and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to: (i) Applications accepted by the SCSBs, (ii) Applications uploaded by the SCSBs, (iii) Applications accepted but not uploaded within the time permitted by the Stock Exchanges by the SCSBs, (iv) Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, (v) Applications accepted by the Trading Members of the Stock Exchanges, or (v) any Online Direct Applications.**

(b) In case of apparent data entry error by the Lead Managers, Members of the Syndicate, Trading Members of the Stock Exchanges, Escrow Collection Bank(s) or Designated Branches of SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.

(c) The Stock Exchanges will offer an electronic facility for registering Applications, which will be available during the Issue Period on the terminals of the Lead Brokers and sub-Brokers, Trading Members of the Stock Exchanges and the SCSBs. The Members of the Syndicate and Trading Members of the Stock Exchanges can also set up facilities for offline electronic registration of Applications subject to the condition that they will subsequently upload the offline data file into the online facilities for Applications on a regular basis, and before the expiry of the allocated time on the Issue Closing Date. On the Issue Closing Date, the Members of the Syndicate, Trading Members of the Stock Exchanges and Designated Branches of SCSBs will upload Applications until such time as may be permitted by the Stock Exchanges. This information will be available with the Members of the Syndicate, Trading Members of the Stock Exchanges and Designated Branches of SCSBs on a regular basis. **A high inflow of Applications on the Issue Closing Date may lead to some Applications received on such day not being uploaded; such Applications will not be considered for allocation. Applicants are therefore advised to submit their Applications well in advance of the closing time of acceptance of Applications on the Issue Closing Date.** For further information on the Issue programme, see “*Terms of the Issue – Issue Period*” on page 52 of this Prospectus Tranche- III.

(d) At the time of registering each Application, other than ASBA Applications and Direct Online Applications, the Members of the Syndicate or Trading Members of the Stock Exchanges will enter the requisite details of the Applicants in the online system including:

- Application Form number
- PAN of the sole/first Applicant
- Investor category and sub-category
- DP ID
- Client ID
- Series of Bonds applied for
- Number of Bonds Applied for in each Series of Bond
- Price per Bond
- Application amount
- Cheque number

(e) With respect to ASBA Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches will enter the requisite details of the Applicants in the online system including:

- Application Form number
- PAN of the sole/first Applicant
- Investor category and sub-category
- DP ID
- Client ID
- Series of Bonds applied for
- Number of Bonds Applied for in each Series of Bond
- Price per Bond
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Application amount

(f) With respect to ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchanges at the Specified Cities, at the time of registering each Application, the requisite details of the Applicants will be entered in the online system including:

- Application Form number
- PAN of the sole/first Applicant
- Investor category and sub-category
- DP ID
- Client ID
- Series of Bonds applied for
- Number of Bonds Applied for in each Series of Bond
- Price per Bond
- Bank code for the SCSB where the ASBA Account is maintained
- Location of Specified City
- Bank account number
- Application amount

(g) A system generated acknowledgement slip will be issued to the Applicant as a proof of the registration of each Application. **It is the Applicant's responsibility to obtain the acknowledgement slip stamped with date and time from the Members of the Syndicate, Trading Members of the Stock Exchanges and Designated Branches of the SCSBs, as the case may be. Registration of the Application by the Members of the Syndicate, Trading Members of the Stock Exchanges and Designated Branches of SCSBs, as the case may be, does not guarantee that Bonds will be allocated/Allotted by the Company. The acknowledgement slip will be non-negotiable and by itself will not create any obligation of any kind.**

(h) Applications can be rejected on the technical grounds listed on page 83 of this Prospectus Tranche- III or if all required information is not provided or the Application Form is incomplete in any respect.

(i) The permission granted by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company and/or the Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company, the management or any scheme or project of the Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Shelf Prospectus; nor does it warrant that the Bonds will be listed or will continue to be listed on the Stock Exchanges.

(j) Only Applications that are uploaded on the online system of the Stock Exchanges will be considered for allocation/Allotment. The Members of the Syndicate, Trading Members of the Stock Exchanges and Designated Branches of SCSBs will capture all data relevant for the purposes of finalising the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchanges. In order that the data so captured does not match with the Depository details, the Members of the Syndicate, Trading Members of the Stock Exchanges and Designated Branches of SCSBs will have up to one Working Day after the Issue Closing Date to modify/verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

BASIS OF ALLOTMENT

Please refer "*Terms of the Issue – Basis of Allotment*" on page 53 of this Prospectus Tranche- III.

PAYMENT OF REFUNDS

Please refer "*Terms of the Issue – Payment of Refunds*" on page 53 of this Prospectus Tranche- III.

ALLOTMENT OF BONDS AND ISSUANCE OF ALLOTMENT ADVICE

The Company reserves, in its absolute and unqualified discretion and without assigning any reason therefor, the right to reject any Application in whole or in part. The unutilised portion of the Application Amount(s) will be refunded to the Applicant by an account payee cheque/demand draft. In case the cheque payable at par facility is not available, the Company reserves the right to adopt any other suitable mode of payment.

The Company will use best efforts to ensure that all steps for completion of the necessary formalities for Allotment, listing and commencement of trading at the Stock Exchanges where the Bonds are proposed to be listed are taken within 12 Working Days of the Issue Closing Date. The Company will ensure dispatch of Allotment Advice/refund orders within 12 Working Days of the Issue Closing Date and/or issue instructions for credit of Bonds to the respective beneficiary accounts with DPs for successful Applicants who have been Allotted Bonds in dematerialised form within 12 Working Days of the Issue Closing Date. Allotment Advice for successful Applicants who have been Allotted Bonds in dematerialised form will be mailed to their addresses (in India) as per the Demographic Details received from the Depositories.

The Company will credit the Allotted Bonds to the respective beneficiary accounts/dispatch the Allotment Advice/refund orders, as the case may be, by speed/registered post at the Applicant's sole risk within 12 Working Days of the Issue Closing Date. The Company and every officer in default will be liable to pay interest at applicable rate for delay beyond 8 days from the time the Company becomes liable to repay any amount on account of refund, as may be prescribed under the Companies Act, 1956 (to the extent applicable)/ Companies Act, 2013, as the case may be.

The Company will provide adequate funds required for dispatch of refund orders and Allotment Advice, as applicable, to the Registrar to the Issue.

OTHER INFORMATION

Information for Applicants

In case of ASBA Applications submitted to the SCSBs, in terms of SEBI circular dated April 22, 2010, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchanges and all SCSBs, and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical

rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, the Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected.

In case of ASBA Applicants submitted to the Members of the Syndicate and Trading Members of the Stock Exchanges at the Specified Cities, the Basis of Allotment will be based on the validation by the Registrar to the Issue of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of SEBI circular dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, the Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such ASBA Application as rejected.

In case of non-ASBA Applications and Direct Online Applications, the Basis of Allotment will be based on the validation by the Registrar to the Issue of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the Escrow Collection Bank(s) with the electronic details in terms of SEBI circular dated April 22, 2010 and SEBI circular dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, the Company, in consultation with the Designated Stock Exchange, the Lead Managers, the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such Applications as rejected.

Based on the information provided by the Depositories, the Company will have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of Applications for a higher number of Bonds than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

Withdrawal of Applications during the Issue Period

Withdrawal of Direct Online Applications

Direct Online Applications may be withdrawn in accordance with the procedure prescribed by the Stock Exchanges.

Withdrawal of ASBA Applications

ASBA Applicants may withdraw their ASBA Applications during the Issue Period by submitting a request to a Member of the Syndicate, Trading Member of the Stock Exchanges or a Designated Branch of an SCSB, as the case may be, through whom the ASBA Application had been placed. In case of ASBA Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchanges at the Specified Cities, on receipt of the request for withdrawal from the ASBA Applicant, the relevant Member of the Syndicate or Trading Member of the Stock Exchanges, as the case may be, will do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic platform of the Stock Exchanges. In case of ASBA Applications submitted directly to the Designated Branch of the SCSB, on receipt of the request for withdrawal from the ASBA Applicant, the relevant Designated Branch will do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic platform of the Stock Exchanges and unblocking funds in the ASBA Account directly.

Withdrawal of Non-ASBA Applications (other than Direct Online Applications)

Non-ASBA Applicants can withdraw their Applications during the Issue Period by submitting a request for the same to the Member of the Syndicate or Trading Member of the Stock Exchanges, as the case may be, through whom the Application had been made. On receipt of the request for withdrawal from the Applicant, the relevant Member of the Syndicate or Trading Member of the Stock Exchanges, as the case may be, will do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic platform of the Stock Exchanges.

Withdrawal of Applications after the Issue Period

In case an Applicant wishes to withdraw the Application after the Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalisation of Allotment. The Registrar to the Issue will delete the withdrawn Application from the electronic file provided by the Stock Exchanges and issue instruction to the SCSB for unblocking the ASBA Account (in case of ASBA Applications).

Revision of Applications

Applicants may revise/modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchanges, by submitting a written request to a Member of the Syndicate/Trading Member of the Stock Exchanges/Designated Branch of an SCSB, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. **Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on the Issue Closing Date.**

Depository Arrangements for Applicants Applying for Allotment in Dematerialised Form

The Company has made depository arrangements with NSDL and CDSL for issue and holding of the Bonds in dematerialised form. Tripartite Agreements have been executed between the Company, the Registrar to the Issue and both the Depositories. As per the Depositories Act, Bonds issued by us can be held in a dematerialised form. In this context:

- i. The Company has entered into Tripartite Agreements dated January 20, 2009 with the Registrar to the Issue and NSDL and dated January 20, 2009 with the Registrar to the Issue and CDSL, respectively for offering depository option to the Applicants.
- ii. An Applicant must have at least one beneficiary account with any of the DPs of NSDL or CDSL prior to making the Application.
- iii. The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
- iv. Bonds Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
- v. Applications can be in single or joint names (not exceeding three names). If the Application Form is submitted in joint names, the Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names.
- vi. Non-transferable Allotment Advice/refund orders will be directly sent to the Applicant by the Registrar to the Issue.
- vii. It may be noted that Bonds in electronic form can be traded only on Stock Exchanges having electronic connectivity with NSDL or CDSL. BSE and NSE have connectivity with NSDL and CDSL.
- viii. Interest or other benefits with respect to Bonds held in dematerialised form will be paid to those Bondholders whose names appear on the list of beneficial owners provided by the Depositories to us as on Record Date. In case of those Bonds for which the beneficial owner is not identified by the Depository as on the Record Date/book closure date, the Company would keep in abeyance the payment of interest or other benefits, until such time that the beneficial owner is identified by the Depository and conveyed to the Company, whereon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.
- ix. Trading of the Bonds on the floor of the Stock Exchanges will be in dematerialised form only.

See “- *Instructions for completing the Application Form - Applicant's Beneficiary Account and Bank Account Details*” on page 73 of this Prospectus Tranche- III.

The Bonds will cease to trade from the Record Date prior to the Maturity Date.

Trading of Bonds on the floor of the Stock Exchanges will be in dematerialised form only in multiples of one Bond.

Allottees will have the option to re-materialise the Bonds Allotted in the Tranche- III Issue as per the Companies Act and the Depositories Act.

Interest in case of Delay

The Company undertakes to pay interest in connection with any delay in Allotment, dematerialised credit and refunds, beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under applicable statutory and/or regulatory requirements.

Impersonation

Please refer “*Terms of the Issue – Impersonation*” on page 61 of this Prospectus Tranche- III.

Pre-closure/ Extension

The Company, in consultation with the Lead Managers, reserves the right to close this Tranche- III Issue at any time prior to the Issue Closing Date. In the event of such early closure or extension of the subscription list of this Tranche- III Issue, the Company shall ensure that public notice of such early closure/extension is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in a leading national daily newspaper. The Company will Allot Bonds with respect to the Applications received at/until the time of such pre-closure in accordance with the Basis of Allotment as described in “- *Basis of Allotment*” on page 51 of this Prospectus Tranche- III.

Filing of the Prospectus Tranche- III with the RoC

A copy of this Prospectus Tranche- III will be filed with the RoC, in terms of the applicable provisions of the Companies Act, 1956 and the Companies Act, 2013.

Communications

Communications in connection with Applications made in this Tranche- III Issue should be addressed to the Registrar to the Issue, quoting all relevant details including the full name of the sole/first Applicant, Application Form number, Applicant's DP ID, Client ID and PAN, number of Bonds applied for, date of the Application Form, name and address of the Member of the Syndicate, Trading Member of the Stock Exchanges or Designated Branch of the SCSB, as the case may be, where the Application was submitted, and cheque/draft number and issuing bank thereof, or with respect to ASBA Applications, the ASBA Account number in which an amount equivalent to the Application Amount was blocked.

Applicants may contact the Compliance Officer and/or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, refunds, interest on Application Amount or credit of Bonds in the respective beneficiary accounts, as the case may be.

Grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB. Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchange.

SECTION IV – OTHER INFORMATION
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Shelf Prospectus) which are or may be deemed material have been entered or are to be entered into by the Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Registered Office and Corporate Office of the Company situated at 8th floor, Hindustan Times House, 18 & 20 Kasturba Gandhi Marg, New Delhi 110 001, from 10.00 a.m. to 4.00 p.m., from the date of this Prospectus Tranche- III until the date of closure of the Issue.

MATERIAL CONTRACTS

1. Agreement dated September 3, 2013 between the Company and the Lead Managers.
2. Agreement dated September 3, 2013 between the Company and the Registrar to the Issue.
3. Bond Trust Agreement dated September 4, 2013 between the Company and the Bond Trustee for the Bondholders.
4. Memorandum of Understanding dated September 20, 2013 between the Company and the Lead Brokers.
5. Escrow Agreement dated September 20, 2013, as amended vide First Addendum to the Escrow Agreement dated November 25, 2013 and Second Addendum to the Escrow Agreement dated February 7, 2014 between the Company, the Lead Managers, the Registrar to the Issue and the Escrow Collection Bank(s).
6. Tripartite Agreement dated January 20, 2009 between CDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated January 20, 2009 between NSDL, the Company and the Registrar to the Issue.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of the Company, as amended to date.
2. Board resolution dated September 2, 2013, approving the Issue and related matters including authorised signatories.
3. Shareholders' resolution dated August 5, 2009, under section 293 (1) (d) of the Companies Act on the borrowing limit.
4. Letters dated August 30, 2013, September 25, 2013, November 22, 2013 and February 4, 2014 by ICRA assigning credit rating of ICRA AAA (Stable) to the Bonds.
5. Letters dated August 7, 2013, September 16, 2013, November 20, 2013 and January 31, 2014, by Brickwork assigning credit rating of BWR AAA (Stable) to the Bonds.
6. Letters dated August 16, 2013, September 16, 2013, November 20, 2013 and January 31, 2014 by CARE assigning credit rating of CARE AAA to the Bonds.
7. Letters dated August 21, 2013, September 24, 2013, November 21, 2013 and January 31, 2014 by IRRPL assigning credit rating of IND AAA (Stable) to the Bonds.
8. Consents of each of the Directors, Chief Financial Officer, Company Secretary, Compliance Officer, Lead Managers, Legal Advisors to the Issue, Registrar to the Issue, Bankers to the Issue including Refund Banks, Lead Brokers, Bankers to the Company, the Bond Trustee for the Bonds, and the Credit Rating Agencies to include their names in the Prospectus, in their respective capacities.
9. Consent of the Auditors, for inclusion of the report on the financial statements including the annexure and notes thereto, in the form and context in which they appear in the Prospectus, and their statement on tax benefits mentioned herein.
10. The statement of tax benefit report dated September 3, 2013, prepared by the Auditors.
11. Auditor's report dated September 2, 2013 on Unconsolidated Financial Information and Consolidated Financial Information, prepared in accordance with the accounting standards generally accepted in India for Fiscal 2013, 2012, 2011, 2010 and 2009.
12. Auditor's report dated October 29, 2013 on Unconsolidated Financial Information and October 29, 2013 on Consolidated Financial Information, prepared in accordance with the accounting standards generally accepted in India for six months period ended September 30, 2013.
13. Notification (No. 61/2013.F.No.178/37/2013-(ITA.1)) dated August 8, 2013 issued by Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India.
14. Annual Reports of the Company for the last five Fiscals.
15. In-principle listing approval from BSE, through letter no. DCS/SP/PI-BOND/04/13-14 dated September 13, 2013.
16. Due Diligence Certificate dated September 28, 2013 filed by the Lead Managers with SEBI in relation to Shelf Prospectus and Prospectus Tranche- I.
17. Due Diligence Certificate dated November 28, 2013 filed by the Lead Managers with SEBI in relation to Prospectus Tranche- II.
18. Due Diligence Certificate dated February 11, 2014 filed by the Lead Managers with SEBI in relation to Prospectus Tranche- III.
19. SEBI Letter bearing no. IMD/DOF-1/BM/VA/OW/23169/2013 dated September 12, 2013 to the Lead Managers on allotment in the Issue on a date- priority basis.

Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the Bondholders, in the interest of the Company in compliance with applicable laws.

STOCK MARKET DATA OF OUR DEBENTURES

The stock market data for the non-convertible debentures issued by the Company listed on the BSE and/or NSE are set forth below. Stock market data for each class of issued debentures has been given separately for each of the said stock exchanges below. The non-convertible debentures for which data is not stated below have not been traded on the respective stock exchange(s) for the period concerned.

1. *The stock market data for the non-convertible debentures recorded on BSE and NSE (as applicable) during the last three years and the high and low prices are as follows:*

NSE

- (i) Non-convertible tax-free 6.85% bonds (ISIN INE787H09038), redeemable at par on January 22, 2014:

| Period | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|--------------------------------------|------------|-------------------|-----------|------------------|
| February 1, 2013 to January 31, 2014 | 100.05 | August 23, 2013 | 98.69 | July 25, 2013 |
| February 1, 2012 to January 31, 2013 | 100.05 | November 22, 2012 | 97.75 | June 11, 2012 |
| February 1, 2011 to January 31, 2012 | 100.00 | March 03, 2011 | 98.30 | January 12, 2012 |

Source: NSE

- (ii) Non-convertible tax-free 6.85% bonds (ISIN INE787H09046), redeemable at par on March 20, 2014:

| Period | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|--------------------------------------|------------|-------------------|-----------|-------------------|
| February 1, 2013 to January 31, 2014 | 99.39 | June 10, 2013 | 98.79 | February 08, 2013 |
| February 1, 2012 to January 31, 2013 | 99.05 | December 28, 2012 | 97.39 | May 09, 2012 |
| February 1, 2011 to January 31, 2012 | 98.83 | July 22, 2011 | 98.25 | December 02, 2011 |

Source: NSE

- (iii) Non-convertible taxable 8.55% bonds (ISIN INE787H09095), redeemable at par on November 3, 2024:

| Period | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|---------------------------------------|------------|------------------|-----------|------------------|
| February 1, 2013 to January 31, 2014* | - | - | - | - |
| February 1, 2012 to January 31, 2013 | 97.38 | January 04, 2013 | 97.38 | January 04, 2013 |
| February 1, 2011 to January 31, 2012* | - | - | - | - |

Source: NSE

* No trades in the period

BSE

- (i) Non-convertible tax-free 6.85% bonds (ISIN INE787H09038), redeemable at par on January 22, 2014:

| Period | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|---------------------------------------|------------|-------------------|-----------|----------------|
| February 1, 2013 to January 31, 2014 | 100465.80 | April 15, 2013 | 97001.00 | June 04, 2013 |
| February 1, 2012 to January 31, 2013 | 105190.00 | November 22, 2012 | 99815.98 | April 10, 2012 |
| February 1, 2011 to January 31, 2012* | - | - | - | - |

Source: BSE

- (ii) Non-convertible tax-free 6.85% bonds (ISIN INE787H09046), redeemable at par on March 20, 2014:

| Period | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|--------------------------------------|------------|-------------------|-----------|-------------------|
| February 1, 2013 to January 31, 2014 | 102530.00 | August 14, 2013 | 99134.10 | April 08, 2013 |
| February 1, 2012 to January 31, 2013 | 106000.00 | February 10, 2012 | 99200.00 | August 31, 2012 |
| February 1, 2011 to January 31, 2012 | 102591.20 | November 29, 2011 | 102591.20 | November 29, 2011 |

Source: BSE

(iii) Non-convertible tax-free 7.19% bonds (ISIN INE787H07131), redeemable at par on January 22, 2023:

| Period | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|---------------------------------------|------------|-------------------|-----------|------------------|
| February 1, 2013 to January 31, 2014 | 1100.00 | February 28, 2013 | 908.00 | January 23, 2014 |
| February 1, 2012 to January 31, 2013 | 999.90 | January 29, 2013 | 982.00 | January 28, 2013 |
| February 1, 2011 to January 31, 2012* | - | - | - | - |

Source: BSE

* No trades in the period

(iv) Non-convertible tax-free 7.36% bonds (ISIN INE787H07149), redeemable at par on January 22, 2028:

| Period | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|---------------------------------------|------------|--------------|-----------|------------------|
| February 1, 2013 to January 31, 2014 | 1131.10 | May 09, 2013 | 862.00 | January 14, 2014 |
| February 1, 2012 to January 31, 2013* | - | - | - | - |
| February 1, 2011 to January 31, 2012* | - | - | - | - |

Source: BSE

* No trades in the period

(v) Non-convertible tax-free 7.40% bonds (ISIN INE787H07156), redeemable at par on January 22, 2033:

| Period | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|---------------------------------------|------------|------------------|-----------|------------------|
| February 1, 2013 to January 31, 2014 | 1055.95 | July 04, 2013 | 871.50 | January 17, 2014 |
| February 1, 2012 to January 31, 2013 | 1015.00 | January 25, 2013 | 1000.00 | January 25, 2013 |
| February 1, 2011 to January 31, 2012* | - | - | - | - |

Source: BSE

* No trades in the period

(vi) Non-convertible tax-free 6.86% bonds (ISIN INE787H07164), redeemable at par on March 26, 2023:

| Period | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|---------------------------------------|------------|------------------|-----------|-------------------|
| February 1, 2013 to January 31, 2014 | 1073.80 | October 10, 2013 | 835.08 | November 27, 2013 |
| February 1, 2012 to January 31, 2013* | - | - | - | - |
| February 1, 2011 to January 31, 2012* | - | - | - | - |

Source: BSE

* No trades in the period

(vii) Non-convertible tax-free 7.02% bonds (ISIN INE787H07172), redeemable at par on March 26, 2028:

| Period | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|---------------------------------------|------------|-----------------|-----------|-----------------|
| February 1, 2013 to January 31, 2014 | 1000.00 | August 26, 2013 | 901.54 | August 23, 2013 |
| February 1, 2012 to January 31, 2013* | - | - | - | - |
| February 1, 2011 to January 31, 2012* | - | - | - | - |

Source: BSE

* No trades in the period

(viii) Non-convertible tax-free 7.08% bonds (ISIN INE787H07180), redeemable at par on March 26, 2033:

| Period | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|---------------------------------------|------------|-------------------|-----------|-------------------|
| February 1, 2013 to January 31, 2014 | 1193.90 | December 13, 2013 | 836.00 | December 13, 2013 |
| February 1, 2012 to January 31, 2013* | - | - | - | - |
| February 1, 2011 to January 31, 2012* | - | - | - | - |

Source: BSE

* No trades in the period

(ix) Non-convertible tax-free 8.66% bonds (ISIN INE787H07370), redeemable at par on January 22, 2034:

| Period | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|---------------------------------------|------------|------------------|-----------|------------------|
| February 1, 2013 to January 31, 2014 | 1109.00 | January 27, 2014 | 990.25 | January 29, 2014 |
| February 1, 2012 to January 31, 2013* | - | - | - | - |
| February 1, 2011 to January 31, 2012* | - | - | - | - |

Source: BSE

* No trades in the period

(x) Non-convertible tax-free 8.48% bonds (ISIN INE787H07362), redeemable at par on January 22, 2034:

| Period | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|---------------------------------------|------------|------------------|-----------|------------------|
| February 1, 2013 to January 31, 2014 | 967.50 | January 29, 2014 | 967.50 | January 29, 2014 |
| February 1, 2012 to January 31, 2013* | - | - | - | - |
| February 1, 2011 to January 31, 2012* | - | - | - | - |

Source: BSE

* No trades in the period

(xi) Non-convertible tax-free 8.41% bonds (ISIN INE787H07354), redeemable at par on January 22, 2024:

| Period | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|---------------------------------------|------------|------------------|-----------|------------------|
| February 1, 2013 to January 31, 2014 | 1000.00 | January 29, 2014 | 960.25 | January 29, 2014 |
| February 1, 2012 to January 31, 2013* | - | - | - | - |
| February 1, 2011 to January 31, 2012* | - | - | - | - |

Source: BSE

* No trades in the period

(xii) Non-convertible tax-free 8.75% bonds (ISIN INE787H07313), redeemable at par on November 12, 2033:

| Period | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|---------------------------------------|------------|------------------|-----------|---|
| February 1, 2013 to January 31, 2014 | 1030.00 | January 22, 2014 | 980.00 | December 03, 2013 and December 26, 2013 |
| February 1, 2012 to January 31, 2013* | - | - | - | - |
| February 1, 2011 to January 31, 2012* | - | - | - | - |

Source: BSE

* No trades in the period

(xiii) Non-convertible tax-free 8.50% bonds (ISIN INE787H07305), redeemable at par on November 12, 2033:

| Period | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|---------------------------------------|------------|------------------|-----------|------------------|
| February 1, 2013 to January 31, 2014 | 1009.00 | January 21, 2014 | 1009.00 | January 21, 2014 |
| February 1, 2012 to January 31, 2013* | - | - | - | - |
| February 1, 2011 to January 31, 2012* | - | - | - | - |

Source: BSE

* No trades in the period

(xiv) Non-convertible tax-free 8.63% bonds (ISIN INE787H07297), redeemable at par on November 12, 2028:

| Period | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|---------------------------------------|------------|-------------------|-----------|-------------------|
| February 1, 2013 to January 31, 2014 | 1149.00 | December 24, 2013 | 975.05 | December 30, 2013 |
| February 1, 2012 to January 31, 2013* | - | - | - | - |
| February 1, 2011 to January 31, 2012* | - | - | - | - |

Source: BSE

* No trades in the period

(xv) Non-convertible tax-free 8.26% bonds (ISIN INE787H07271), redeemable at par on November 12, 2023:

| Period | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|---------------------------------------|------------|-------------------|-----------|------------------|
| February 1, 2013 to January 31, 2014 | 1094.99 | December 10, 2013 | 855.00 | January 06, 2014 |
| February 1, 2012 to January 31, 2013* | - | - | - | - |
| February 1, 2011 to January 31, 2012* | - | - | - | - |

Source: BSE

* No trades in the period

2. The monthly high and low prices of debentures traded on BSE and NSE (as applicable) during the last six months are as follows:

NSE

(i) Non-convertible tax-free 6.85% bonds (ISIN INE787H09038), redeemable at par on January 22, 2014:

| Month, Year | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|-----------------|------------|-------------------|-----------|-------------------|
| January 2014* | - | - | - | - |
| December 2013 | 99.33 | December 02, 2013 | 99.33 | December 02, 2013 |
| November 2013 | 99.51 | November 13, 2013 | 99.35 | November 7, 2013 |
| October 2013* | - | - | - | - |
| September 2013* | - | - | - | - |
| August 2013 | 100.05 | August 23, 2013 | 99.42 | August 13, 2013 |

Source: NSE

* No trades in the period

BSE

(i) Non-convertible tax-free 6.85% bonds (ISIN INE787H09046), redeemable at par on March 20, 2014:

| Month, Year | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|-----------------|------------|-----------------|-----------|-----------------|
| January 2014* | - | - | - | - |
| December 2013* | - | - | - | - |
| November 2013* | - | - | - | - |
| October 2013* | - | - | - | - |
| September 2013* | - | - | - | - |
| August 2013 | 102530.00 | August 14, 2013 | 102530.00 | August 14, 2013 |

Source: BSE

* No trades in the period

(ii) Non-convertible tax-free 7.19% bonds (ISIN INE787H07131), redeemable at par on January 22, 2023:

| Month, Year | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|----------------|------------|---|-----------|--------------------|
| January 2014 | 971.00 | January 08, 2014 | 908.00 | January 23, 2014 |
| December 2013 | 960.50 | December 03, 2013 | 950.50 | December 12, 2013 |
| November 2013 | 980.00 | November 25, 2013 and November 28, 2013 | 950.00 | November 11, 2013 |
| October 2013 | 984.58 | October 08, 2013 | 930.50 | October 10, 2013 |
| September 2013 | 989.84 | September 05, 2013 | 925.00 | September 20, 2013 |
| August 2013 | 1050.00 | August 01, 2013 | 970.00 | August 29, 2013 |

Source: BSE

* No trades in the period

(iii) Non-convertible tax-free 7.36% bonds (ISIN INE787H07149), redeemable at par on January 22, 2028:

| Month, Year | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|----------------|------------|--------------------|-----------|--|
| January 2014 | 966.99 | January 08, 2014 | 862.00 | January 14, 2014 |
| December 2013 | 975.00 | December 06, 2013 | 912.00 | October 12, 2013 |
| November 2013 | 979.99 | November 29, 2013 | 928.00 | November 29, 2013 |
| October 2013 | 949.00 | October 07, 2013 | 925.00 | October 18, 2013 & October 21, 2013 |
| September 2013 | 950.00 | September 06, 2013 | 910.00 | September 03, 2013 |
| August 2013 | 1050.00 | August 01, 2013 | 932.00 | August 28, 2013 |

Source: BSE

* No trades in the period

(iv) Non-convertible tax-free 7.40% bonds (ISIN INE787H07156), redeemable at par on January 22, 2033:

| Month, Year | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|----------------|------------|--------------------|-----------|--|
| January 2014 | 980.00 | January 31, 2014 | 871.50 | January 17, 2014 |
| December 2013 | 985.00 | December 09, 2013 | 947.00 | December 20, 2013 |
| November 2013 | 963.00 | November 29, 2013 | 920.00 | November 29, 2013 |
| October 2013 | 965.00 | October 01, 2013 | 920.00 | October 20, 2013 & October 21, 2013 |
| September 2013 | 990.00 | September 05, 2013 | 932.00 | September 10, 2013 |
| August 2013 | 1031.00 | August 02, 2013 | 925.50 | August 30, 2013 |

Source: BSE

* No trades in the period

(v) Non-convertible tax-free 6.86% bonds (ISIN INE787H07164), redeemable at par on March 26, 2023:

| Month, Year | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|----------------|------------|--------------------|-----------|--------------------|
| January 2014 | 973.97 | January 07, 2014 | 950.00 | January 31, 2014 |
| December 2013* | - | - | - | - |
| November 2013 | 1043.00 | November 18, 2013 | 835.08 | November 27, 2013 |
| October 2013 | 1073.80 | October 10, 2013 | 901.25 | October 23, 2013 |
| September 2013 | 1049.80 | September 27, 2013 | 915.60 | September 27, 2013 |
| August 2013 | 1050.00 | August 20, 2013 | 915.00 | August 19, 2013 |

Source: BSE

* No trades in the period

(vi) Non-convertible tax-free 7.02% bonds (ISIN INE787H07172), redeemable at par on March 26, 2028:

| Month, Year | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|-----------------|------------|------------------|-----------|------------------|
| January 2014 | 980.00 | January 31, 2014 | 980.00 | January 31, 2014 |
| December 2013* | - | - | - | - |
| November 2013* | - | - | - | - |
| October 2013* | - | - | - | - |
| September 2013* | - | - | - | - |
| August 2013 | 1000.00 | August 26, 2013 | 901.54 | August 23, 2013 |

Source: BSE

* No trades in the period

(vii) Non-convertible tax-free 7.08% bonds (ISIN INE787H07180), redeemable at par on March 26, 2033:

| Month, Year | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|----------------|------------|--|-----------|--------------------|
| January 2014 | 955.13 | January 20, 2014 & January 21, 2014 | 940.00 | January 31, 2014 |
| December 2013 | 1193.90 | December 13, 2013 | 836.00 | December 13, 2013 |
| November 2013 | 1011.00 | May 07, 2013 | 861.00 | November 05, 2013 |
| October 2013 | 1049.99 | October 08, 2013 | 845.75 | October 23, 2013 |
| September 2013 | 999.99 | September 10, 2013 | 875.00 | September 11, 2013 |
| August 2013 | 1024.99 | August 23, 2013 | 951.30 | August 02, 2013 |

Source: BSE

* No trades in the period

(viii) Non-convertible tax-free 8.66% bonds (ISIN INE787H07370), redeemable at par on January 22, 2034:

| Month, Year | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|-----------------|------------|------------------|-----------|------------------|
| January 2014 | 1109.00 | January 27, 2014 | 990.25 | January 29, 2014 |
| December 2013* | - | - | - | - |
| November 2013* | - | - | - | - |
| October 2013* | - | - | - | - |
| September 2013* | - | - | - | - |
| August 2013* | - | - | - | - |

Source: BSE

* No trades in the period

(ix) Non-convertible tax-free 8.48% bonds (ISIN INE787H07362), redeemable at par on January 22, 2034:

| Month, Year | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|-----------------|------------|------------------|-----------|------------------|
| January 2014 | 967.50 | January 29, 2014 | 967.50 | January 29, 2014 |
| December 2013* | - | - | - | - |
| November 2013* | - | - | - | - |
| October 2013* | - | - | - | - |
| September 2013* | - | - | - | - |
| August 2013* | - | - | - | - |

Source: BSE

* No trades in the period

(x) Non-convertible tax-free 8.41% bonds (ISIN INE787H07354), redeemable at par on January 22, 2024:

| Month, Year | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|-----------------|------------|------------------|-----------|------------------|
| January 2014 | 1000.00 | January 29, 2014 | 960.25 | January 29, 2014 |
| December 2013* | - | - | - | - |
| November 2013* | - | - | - | - |
| October 2013* | - | - | - | - |
| September 2013* | - | - | - | - |
| August 2013* | - | - | - | - |

Source: BSE

* No trades in the period

(xi) Non-convertible tax-free 8.75% bonds (ISIN INE787H07313), redeemable at par on November 12, 2033:

| Month, Year | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|-----------------|------------|-------------------|-----------|---|
| January 2014 | 1030.00 | January 22, 2014 | 991.00 | January 13, 2014 |
| December 2013 | 1008.00 | December 31, 2013 | 980.00 | December 03, 2013 and December 26, 2013 |
| November 2013 | 1016.05 | November 18, 2013 | 990.00 | November 28, 2013 |
| October 2013* | - | - | - | - |
| September 2013* | - | - | - | - |
| August 2013* | - | - | - | - |

Source: BSE

* No trades in the period

(xii) Non-convertible tax-free 8.50% bonds (ISIN INE787H07305), redeemable at par on November 12, 2033:

| Month, Year | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|-----------------|------------|------------------|-----------|------------------|
| January 2014 | 1009.00 | January 21, 2014 | 1009.00 | January 21, 2014 |
| December 2013* | - | - | - | - |
| November 2013* | - | - | - | - |
| October 2013* | - | - | - | - |
| September 2013* | - | - | - | - |
| August 2013* | - | - | - | - |

Source: BSE

* No trades in the period

(xiii) Non-convertible tax-free 8.63% bonds (ISIN INE787H07297), redeemable at par on November 12, 2028:

| Month, Year | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|-----------------|------------|-------------------|-----------|-------------------|
| January 2014 | 1000.00 | January 17, 2014 | 981.00 | January 14, 2014 |
| December 2013 | 1149.00 | December 24, 2013 | 975.05 | December 30, 2013 |
| November 2013* | - | - | - | - |
| October 2013* | - | - | - | - |
| September 2013* | - | - | - | - |
| August 2013* | - | - | - | - |

Source: BSE

* No trades in the period

(xiv) Non-convertible tax-free 8.26% bonds (ISIN INE787H07271), redeemable at par on November 12, 2023:

| Month, Year | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|-----------------|------------|-------------------|-----------|-------------------|
| January 2014 | 1049.99 | January 06, 2014 | 855.00 | January 06, 2014 |
| December 2013 | 1094.99 | December 10, 2013 | 911.01 | December 04, 2013 |
| November 2013* | - | - | - | - |
| October 2013* | - | - | - | - |
| September 2013* | - | - | - | - |
| August 2013* | - | - | - | - |

Source: BSE

* No trades in the period

DECLARATION

We, the undersigned Directors of the Company, certify that all applicable legal requirements in connection with this Tranche- III Issue, including under the provisions of the Companies Act, the SEBI Debt Regulations, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines issued thereunder, as the case may be, and all applicable guidelines issued by GoI and any other competent authority in this behalf, have been duly complied with and that no statement made in this Prospectus Tranche- III contravenes the provisions of Companies Act, the SEBI Debt Regulations, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines issued thereunder, as the case may be and any other applicable legal requirements.

We further certify that this Prospectus Tranche- III, which is to be read with the Shelf Prospectus, does not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that all statements in this Prospectus Tranche- III are true and correct.

Signed by the Board of Directors

1. Mr. Santosh Balachandran Nayar
Chairman and Managing Director

2. Mr. Rajiv Takru
Government Nominee Director

3. Mr. Ravi Mital
Government Nominee Director

4. Ms. Sharmila Chavaly
Government Nominee Director

5. Mr. K.R. Kamath
Scheduled Commercial Banks Nominee Director

6. Mr. Hari Santosh Kumar
Part-Time Non-Official Director

7. Prof. V. Venkata Ramana
Part-Time Non-Official Director

8. Mr. Vinod Kumar Bhasin
Part-Time Non-Official Director

Place: New Delhi
Date: 11th February, 2014

ANNEXURE A
SHELF PROSPECTUS DATED SEPTEMBER 28, 2013

ANNEXURE B
CREDIT RATING (REVALIDATION LETTERS)



Ref: D/RAT/2013-14/I-27/7

4th February 2014

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 18000 crore Long-term Tax free/ Taxable Bonds Programme of IIFCL (Details in Annexure)

Please refer to your rating revalidation request dated November 20, 2013 requesting ICRA to issue a revalidate the ratings assigned to the captioned bond programmes.

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 letters dated November 22, 2013, September 25, 2013, August 30, 2013, August 16, 2013 and August 22, 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 letters Ref: D/RAT/2013-14/I-27/4 dated August 30, 2013, Ref : D/RAT/2013-14/I-27/2 dated August 16, 2013 and Ref: D/RAT/2012-13/I-27/3 dated August 22, 2013.

With kind regards,
For ICRA Limited

Vibha Batra
Senior Vice President

Supreeta Nijjar
Assistant Vice President



Annexure

| Amount | Rating |
|--|-------------------|
| Rs 11000 crore Tax Free/Taxable Bonds Programme | [ICRA]AAA(stable) |
| Rs 7000 crore Tax Free/Taxable Bonds Programme | [ICRA]AAA(stable) |



India Infrastructure Finance Company Limited

Analytical Contacts:

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Relationship

Contact:

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Website

www.icraratings.com
www.icra.in

Rating

ICRA has assigned the rating of [ICRA]AAA (pronounced ICRA triple A) with a 'stable' outlook to the Rs. 7000 crore Tax Free/Taxable bond programme of India Infrastructure Finance Company Limited (IIFCL)†. ICRA also has rating of [ICRA]AAA(stable) outstanding on the Rs 11000 crore Long Term Tax free/taxable bonds programme of IIFCL. ICRA also has rating of [ICRA]AAA(SO)(stable) (pronounced ICRA triple A structured obligation with a stable outlook) on the Rs. 12100 crore Government of India Guaranteed bonds programme of IIFCL.

(Please refer Annexure 1 for Instruments Details)

Key Financial Indicators'

| | Mar-13 | Mar-12 | Mar-11 |
|--|----------|--------|--------|
| Equity Capital | 2,900 | 2,500 | 2,000 |
| Net Worth | 4,858 | 3,668 | 2,582 |
| Total Borrowings | 29,493 | 23,674 | 21,054 |
| Loans Outstanding | 24,152 | 18,565 | 14,482 |
| Total Assets | 35,207 | 27,927 | 24,234 |
| Total Income | 3,454 | 2,545 | 1,952 |
| Profit Before Tax (PBT) | 1,514.30 | 865.99 | 446.53 |
| Profit After Tax (PAT) | 1,046.99 | 585.83 | 295.80 |
| Interest Income/ Average Total Assets | 10.30% | 9.69% | 8.30% |
| Average Cost of Interest Bearing Funds | 6.92% | 7.04% | 7.38% |
| Operating Expenses/ Average Total Assets | 0.09% | 0.11% | 0.08% |
| PAT/Average Total Assets (%) | 3.32% | 2.25% | 1.31% |
| PAT/Average Net worth | 24.56% | 18.75% | 12.67% |
| Dividend/ PAT | 24.55% | 0.00% | 0.00% |
| Total Debt/Net worth (Times) | 6.19 | 6.56 | 8.30 |
| | | | |
| Gross NPA% | 0.98% | 0.00% | 0.00% |
| Net NPA % | 0.88% | 0.00% | 0.00% |
| Net NPA as % of Net worth | 4.38% | 0.00% | 0.00% |

Note – Amount in Rs. crore

† For complete rating scale and definitions, please refer ICRA's website www.icra.in or other ICRA Rating Publications.

Credit Strengths

- Sovereign ownership (100% owned by GoI) and strategically important to GoI as a facilitator of infrastructure financing.
- Access to regular government equity infusions and funding support in the form of GoI guaranteed bonds/funds, permission to raise low cost tax free bonds and ECB borrowings.
- Comfortable liquidity profile emanating from long tenure borrowings of IIFCL.
- Large expected fund requirement in infrastructure sector along with good competitive positioning of IIFCL provides adequate growth opportunities to the company.
- Adequate profitability led by low cost of funding and lower operating expenses as a result of lean organisation structure

Credit Concerns

- Higher portfolio vulnerability due to various concerns in IIFCL's main area of operations – Power & Road sector financing. The risk is mitigated to some extent with GoI support to IIFCL and IIFCL's cautious approach while taking fresh exposures and incremental focus on relatively safer take out financing and refinance
- Though reported Gross NPA% were low at 0.98% as on March 31, 2013, standard restructured assets were – around 12% of total advances
- Higher credit concentration risk primarily because of IIFCL's presence into infrastructure financing.
- IIFCL's limited track record of providing funds to infrastructure sector.
- Lack of regulatory oversight, IIFCL is awaiting registration as an NBFC-IFC, although monitored by Ministry of Finance (MoF); prudential norms prescribed by RBI for income recognition, asset classification and provisioning, as applicable to NBFCs.

Rating Rationale

ICRA's rating of [ICRA]AAA (Stable) is underpinned by IIFCL's sovereign ownership (100% ownership by GoI) and the strategic role the company plays as a facilitator of infrastructure development in the country. IIFCL enjoys benefits from the GoI in the form of regular capital infusions, guarantees on a large part of its borrowings (close to 72% as on March 13), permission to raise low cost tax free bonds and strong government representation on its board. Furthermore, RBI has provided a line of credit of USD 5 billion out of India's foreign currency reserve to IIFCL (UK), a subsidiary of IIFCL for on-lending to infrastructure projects in India.

As on March 31, 2013, the company's total loan book was Rs. 24,152 crore, out of which direct lending to projects accounted for 72% of the total loan book, followed by refinancing exposures of 18% and take-out financing and other loans of 10%. The company's exposures to direct lending are largely deployed in the power, road and other infrastructure sectors. The refinancing book of the company includes loans given to highly rated financial institutions – Power Finance Corporation, Rural Electrification Corporation and Infrastructure Development Finance Corporation, while the takeout financing includes operational exposures taken over by the company from other financial institutions. Although IIFCL's direct lending is for Public Private Partnership¹ (PPP) projects, some of the existing exposures are likely to face shortfalls in meeting the debt repayments because of issues being faced by the power and road sector. Some of the pertinent issues in the power sector include Power Purchase Agreements (PPAs) which offer fine tariffs with limited flexibility to pass on cost increases, fuel related issues, uncompetitive cost structures and high counterparty risks. Road sector issues include significant delays in project implementation resulting in cost overruns and loss of revenue, and weakened financial risk profile of project developers as well uncertainties / underperformance on traffic projections. Given the stress being faced by these sectors, there has been an increase in Gross NPA% of IIFCL from nil as on March 31, 2012 to 0.98% in Mar-13. The proportion of restructured advances as a proportion of overall portfolio also increased to 12% as on March 31, 2013. ICRA has taken note of the steps initiated to mitigate the risks arising out of these

¹ project based on a contract or concession agreement, between a Government or a statutory entity on the one side and a Private Sector Company on the other-side, for delivering an infrastructure service on payment of user charges

concerns and the management's more cautious approach while taking fresh exposures. Further, ICRA takes comfort from the fact that incremental growth in IIFCL's portfolio will largely come from relatively safer refinance and take-out finance books, with the share of direct lending limited to 20%. ICRA ratings factor strong support from the GoI, should the need arise.

The rating also factors in IIFCL's comfortable liquidity profile on the back of its ability to mobilize longer tenured funding sources and strong financial flexibility. As on March 31, 2013 the gearing level of the company was at a moderate level of 6.2 times; the company has been receiving regular equity infusions from the government, with an infusion of Rs. 400 crore in 2012-13 (Rs. 500 crore in 2011-12), and ICRA expects the company to maintain its capital structure at a prudent level.

Net Interest Margins for the company improved from 3.5% in 2011-12 to 4.3% in 2012-13 supported by an increase in lending yields and the competitive cost of funds (6.9% in 2012-13). The cost of funds for the company is likely to remain lower than peers owing to its access to long term funding at competitive rates given the government guarantees on a large proportion of its existing borrowings. Further, the permission to raise long term funds through low cost tax free bonds will support IIFCL's ability to keep its funding cost at competitive levels. As a result, interest spreads for the company are expected to remain at a healthy level (3.6% in 2012-13).

IIFCL's un-hedged foreign currency borrowings account for around 26% of its net worth as on March 31, 2013, which exposes it to foreign currency fluctuations. ICRA has taken note of the large depreciation in the value of the rupee in the current financial year against the dollar and euro (decline of close to 18% against the USD and 24% against the Euro between April 1 and August 22, 2013), which is likely to impact the earnings of IIFCL to the extent of 0.66% (as % of ATA at PBT level given the exchange rates as on August 22, 2013) as the company completely provides for changes in un-hedged foreign currency borrowings through its profit and loss account. While a large part of IIFCL's foreign currency liabilities are falling due for repayments only after 2019-20, which would keep potential crystallization of losses low over the short term, the ability of the company to manage its foreign currency risks would have a critical bearing over its future earnings profile. Overall low operating expenses are likely to support the profitability profile, provided the company is able to keep its credit costs under control given the stress faced by some of its exposures.

About India Infrastructure Finance Company Limited

India Infrastructure Finance Company Limited (IIFCL) was incorporated on January 5, 2006, under the Companies Act 1956, as a wholly government owned company. IIFCL is a dedicated institution purported to assume an apex role for financing and development of infrastructure projects in the country. IIFCL's policy role and operating conditions are spelt out in the Scheme for Financing of Infrastructure through India Infrastructure Finance Co. Ltd. (SIFTI). The Ministry of Finance administers this government-approved scheme. As per the decision of the Union Cabinet taken in October 2011 to bring IIFCL under the regulatory oversight of RBI by registering it as a Non-Banking Finance Company- Infrastructure Finance Company (NBFC-IFC), IIFCL has voluntarily adopted prudential norms prescribed by RBI for income recognition, asset classification and provisioning as applicable to NBFCs w.e.f FY 2012. IIFCL reported a PAT of Rs 1047 crore on a total asset base of Rs. 35,206 crore in FY2013 vis-à-vis PAT of Rs. 586 crore on a total asset base of Rs 27932 crore in FY2012. IIFCL reported Gross NPA% of 0.98% as on March 31, 2013

Summary Rating Rationale

| Parameters | Overall Comments |
|--------------------------|---|
| A Business Risk | |
| 1 Business Mix | IIFCL has a total portfolio of Rs 24,152 crore outstanding as on March 31, 2013, out of which direct lending to projects accounted for 72% of total loan book, followed by refinancing exposures of 18% and Take-out financing and other loans of 10%. The company's exposures to direct lending are largely deployed in the Power, Road and other infrastructure sectors. The refinancing book of the company include loans given to highly rated financial institutions – Power Finance Corporation, Rural Electrification Corporation and Infrastructure Development Finance Corporation, while the takeout financing includes operational exposures taken over by the company from other financial institutions. Further, around 1/4th of total projects funded by IIFCL were operational and remaining 3/4th were under implementation stage as on March 31, 2013. Although IIFCL's direct lending is based for Public Private Partnership ² (PPP) projects, the portfolio vulnerability remains high because of various issues impacting IIFCLs borrowers financial and credit profile. Some of the pertinent issues in power sector include PPAs which offer fine tariffs with limited flexibility to pass on cost increases, fuel related issues, uncompetitive cost structures and high counterparty risk; as for road sector issues include significant delays in project implementation resulting in cost overruns and loss of revenue, weakened financial risk profile of project developers as well uncertainties / underperformance on traffic projections. ICRA has taken note of the steps initiated to mitigate the risks arising out of these concerns and management's more cautious approach while taking fresh exposures. Further, company is planning to incrementally grow its portfolio through relatively safer refinance and take out finance book, with incremental share of direct lending limited to 20%. ICRA ratings factor strong support from GOI, should the need arise. |
| 2 Management and Systems | IIFCL has a strong and experienced Board of Directors (BoD), consists of eight members including representatives from Ministry of Finance and Planning Commission. IIFCL is at present monitored by Ministry of Finance. IIFCL has applied for an NBFC- IFC license, and its application is pending with RBI at present, therefore there is lack of regulatory oversight. Nevertheless, IIFCL follows prudential norms prescribed by RBI for income recognition, asset classification and provisioning, as applicable to |
| 3 Operating Environment | At present companies operating in infrastructure and infrastructure financing sector are facing challenging operating environment, The potential slow down in GDP growth and industrial production, coupled with the sector specific problems gripping the infrastructure sector in power and roads sector have moderated the outlook for the sector. Operating environment in the power sector over the past few years has been weighed on by the weak financial health of state distribution companies, which in-turn increased counter party risks for generating companies (including private sector players). However in order to alleviate the concern over the financial health of state power utilities the government has initiated a series of measures including the announcement of the Financial Restructuring Plan (FRP) for State Distribution Companies, the Appellate Tribunal of Electricity (APTEL) recommendations on timely tariff finalization by SERCs, the revision/ proposed revision in power sale tariffs by several states in 2013-14 etc. Timely implementation of such measures should facilitate an improvement in the financial health of state power utilities. |

² project based on a contract or concession agreement, between a Government or a statutory entity on the one side and a Private Sector Company on the other-side, for delivering an infrastructure service on payment of user charges

With respect to issues with respect to fuel availability constraints, disputed/competitive power sale tariffs and environmental & land acquisition issues which have in the past raise concerns over viability and project implementation for several private sector generating companies ICRA has taken note of the positive development with the approval by CCEA in June 2013 on fuel supply mechanism allowing pass-through of cost of imported coal (to the extent of shortfall in domestic coal linkage). Further in line with CCEA's recommendations, key provisions pertaining to fuel supply commitment by CIL in the New Coal Distribution Policy (NCDP) have also been recently amended by Ministry of Coal, GoI. With this, IPPs who have contracted competitively bid PPAs based on domestic coal linkage would now be in a position to pass-through the additional cost to their respective off-takers, through a tariff adjustment under 'change in law'.

As for road sector issues include significant delays in project implementation resulting in cost overruns and loss of revenue, weakened financial risk profile of project developers as well uncertainties / underperformance on traffic projections.

B Financial Risk

1 Profitability

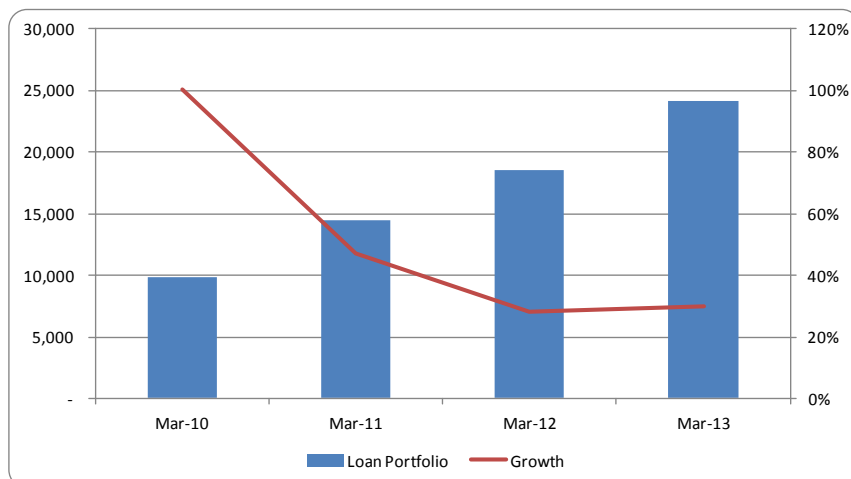
Net Interest Margins for the company improved from 3.5% in 2011-12 to 4.4% in 2012-13 supported by increase in lending yields and competitive cost of funds (6.9% in 2012-13). Cost of funds for the company is likely to remain lower than peers owing to its access to long term funding at competitive rates given the government guarantees on a large proportion of its existing borrowings. Further, permission to raise long term funds through low cost tax free bonds will further support IIFCL's ability to keep its funding cost at competitive levels. As a result, interest spreads for the company are expected to remain at a healthy level (3.6% in 2012-13). IIFCL's un-hedged foreign currency borrowings account for around 26% of its net worth as on March 31, 2013, which exposes it to foreign currency fluctuations. ICRA has taken note of the large depreciation in the value of the rupee in the current financial year against the dollar and euro (decline of close to 18% against the USD and 24% against the Euro between April 1 and August 22, 2013), which is likely to impact the earnings of IIFCL to the extent of 0.66% (as % of ATA at PBT level given the exchange rates as on August 22, 2013) as the company completely provides for changes in un-hedged foreign currency borrowings through its profit and loss account. While a large part of IIFCLs foreign currency liabilities are falling due for repayments only after 2019-20, which would keep potential crystallization of losses low over the short term, the ability of the company to manage its foreign currency risks would have a critical bearing over its future earnings profile. Going forward, the share of take out finance is likely to go up in the overall portfolio mix. Further the refinance portfolio is likely to get repriced at higher rates , which is likely to improve the overall yield on the portfolio. However, Borrowing Costs for IIFCL are likely to increase at a faster pace as the company would have to refinance a large proportion of borrowings raised earlier at the present prevailing interest rates, which would lead to some compression in interest spreads. Overall low operating expenses are likely to support the profitability profile, provided the company is able to keep its credit costs under control given the stress faced by some of its exposures.

| | |
|-------------------------|---|
| 2 Liquidity and Funding | IIFCL has a diversified and strong funding profile with access to low cost funds like Tax free bonds, infrastructure bonds, and loans from multilateral agencies in its overall borrowing profile. Further, as on March 31 2013, more than 72% of total borrowings of IIFCL were guaranteed by Gol which is resulting in low cost of funds as well as good liquidity profile as these funds are raised for long tenure. IIFC's liquidity profile is expected to remain comfortable despite being into long tenure infrastructure financing primarily |
| 3. Capitalisation | IIFCL is a wholly owned subsidiary of Gol and has got regular equity infusions from Rs 400 crore in 2012-13 (Rs 500 crore 2011-12). As on March 31, 2013 the gearing level of the company was at a moderate level of 6.2 times; going forward also the company is expected to maintain its capital structure at a prudent level. At the same time IIFCL's internal capital generation has also been good led by its adequate profitability accretion to reserves as % of average net worth was 19 % in 2012-13 (19% in 2011-12) |
| 4 Asset Quality | IIFCL's Gross NPAs increased from 0% as on March 31, 2012 to 0.98% as on March 31, 2013 on account of slippages in few exposures in the road and power sector. Nevertheless, IIFCL's portfolio is not seasoned and large proportion of IIFCL's exposures are under implementation stage thus repayment track record of those projects is yet to established. Additionally, though IIFCL's gross NPAs remain low, but restructured advances were high at around 12% of total advances as on March 31, 2013, Given the large loan ticket size IIFCLs asset quality and solvency indicators could get lumpy in case of slippages in a few accounts and ability of the company to demonstrate collections from its direct lending portfolio would be an important rating consideration. |

CREDIT PERSPECTIVE

Large expected investment in infrastructure sector provides adequate growth opportunities

Chart 1: Loan Portfolio of IIFCL



IIFCL's credit portfolio has grown at a CAGR of 35% over last three years on the back of strong funding requirements of the infrastructure sector as well as IIFCL's good competitive positioning led by its lower cost of funds. Going forward also, sizeable expected investment in infrastructure sector is expected to provide adequate growth opportunities to IIFCL.

Source: IIFCL, ICRA Research . Portfolio in Rs. crore

| | Mar-13 | % of total | Mar-12 | % of total |
|--------------------|--------|------------|--------|------------|
| Direct | 17,270 | 72% | 13,661 | 74% |
| Refinancing Scheme | 4,418 | 18% | 4,168 | 23% |
| Takeout | 2,464 | 10% | 629 | 3% |
| Total | 24,152 | | 18,458 | |

Amounts in Rs. crore

As on March 31, 2013, IIFCL's total credit portfolio was Rs 24,152 crore of which 18% was in the form of refinancing loans to better credit profile borrowers (such as PFC, REC and IDFC) and is subject to low credit risk, around 10% was in the form of take-out financing where funding is provided to operational projects thus risk remain relatively low while remaining 72% of loan book is in the form of direct loan to project companies, around 3/4th of which are under implementation stage. IIFCL's exposures in direct lending are largely deployed in the Power, Road and other infrastructure sectors. Although IIFCL's direct lending is based on Public Private Partnership³ (PPP) projects, some of the existing exposures are likely to face shortfalls in meeting the debt repayments because of impending issues inherent in infrastructure projects. Further, as IIFCL started operations few years before it has limited track record of providing finance to infrastructure projects. Further, given the nature of its business, concentration risk is likely to remain high for IIFCL though the same could decline to some extent with growth in portfolio going forward. Further, the Board of IIFCL and IIFC(UK) have approved for expansion of the definition of infrastructure sectors in line with the Harmonised List of Infrastructure to include new sectors like Oil pipeline and storage facility, Water sanitation, Irrigation (dams, channels, embankments), Water Treatment Plants, Inland Waterways, Telecommunication Towers, Hospitals, Cold storage, post-harvest storage/agricultural infrastructure etc; and the company is planning to incrementally grow its portfolio through relatively safer refinance and take out finance book, with incremental share of direct lending limited to 20%.

³ project based on a contract or concession agreement, between a Government or a statutory entity on the one side and a Private Sector Company on the other-side, for delivering an infrastructure service on payment of user charges

Portfolio vulnerability high; reported asset quality benefited as sizeable part of book is under construction/moratorium

| | Mar-13 | Mar-12 | Mar-11 |
|-------------------|--------|--------|--------|
| Gross NPA% | 0.98% | 0.00% | 0.00% |
| Net NPA% | 0.88% | 0.00% | 0.00% |
| Net NPA/Net Worth | 4.38% | 0.00% | 0.00% |

Though IIFCLs reported Gross NPA% increased from nil as on March 31, 2012 to 0.98% as on March 31, 2013, they were low, as IIFCLs portfolio is not seasoned and large proportion of IIFCL's exposures are under implementation stage thus repayment track record of those projects is yet to established. Additionally, though IIFCL's gross NPAs remain low, but restructured advances were high at around 12% of total advances as on March 31, 2013, Given the large loan ticket size IIFCLs asset quality and solvency indicators could get lumpy in case of slippages in a few accounts and ability of the company to demonstrate collections from its direct lending portfolio would be an important rating consideration.

Further, the vulnerability of IIFCL's portfolio in direct lending remains high, As for loans to power sector, vulnerability is arising due to concern on fuel availability, tariff mismatch/lack of PPAs with distribution entities and higher counter party risk arising due to weak financials of state power utilities. As for concerns related to counter party credit risk, ICRA has noted the progress on implementation of the financial restructuring package (FRP) of short term liabilities on the books of distribution utilities in the states of Uttar Pradesh, Rajasthan, Haryana and Tamil Nadu. With the implementation of FRP in place, overall cash flow/liquidity profile for the utilities is likely to improve over the next 2-3 years. However, the extent to which these utilities will adhere to the stipulated mandatory conditionalities, especially in terms of ensuring the timeliness and adequacy for subsidy release from state governments, timely filing of tariff/FPPCA petitions to allow a tariff hike as well as efforts toward efficiency improvements, will remain extremely critical, in ICRA's view. As for the concerns on tariff mismatch, the Central Electricity Regulatory Commission (CERC) in May 2013 issued a statutory advice to the Ministry of Power (MoP), Government of India regarding the impact on tariff of the concluded PPAs due to issues over domestic coal availability, in which it has acknowledged the concerns over the cost impact towards IPPs, especially those which have entered into competitively bid PPAs based on entirely domestic coal linkage, and have now become vulnerable due to dependence on costlier imported coal sources with the continuing domestic coal shortfall. Subsequent to the statutory advice by the CERC to MoP, the Cabinet Committee on Economic Affairs (CCEA) in June 2013 has approved the mechanism of coal supply which allows the "pass-through of cost for imported coal to the extent of shortfall in domestic coal linkage" for power producers. Also recently on July 26, 2013, key provisions pertaining to fuel supply commitment by CIL in the New Coal Distribution Policy (NCDP) have been amended² by Ministry of Coal, GoI. Also, Ministry of Power has issued advisory notification on July 31, 2013 to CERC/SERCs for taking a note of the amendment in NCDP so as to consider the requests from IPPs on case to case basis and take immediate steps for the implementation. This is a positive step for the power sector, in ICRA's view, as IPPs who have contracted into competitively bid PPAs based on domestic coal linkage would now be in a position to pass-through the additional cost to their respective off-takers, through a tariff adjustment under 'change in law'. While individual IPP/developers would need to approach the appropriate commission (i.e. either SERC for IPP having intra-state operations or CERC for IPP having inter-state operations of IPP) for seeking tariff compensation, the final decisions by the individual SERCs for such IPPs remains to be seen, given that the risk of any opposition by state owned distribution utilities against such tariff hike/compensation requests cannot be ruled out.

As for road sector, issues include significant delays in project implementation resulting in cost overruns and loss of revenue, weakened financial risk profile of project developers as well uncertainties / underperformance on traffic projections. ICRA has taken note of the steps initiated to mitigate the risks

arising out of these concerns and management's more cautious approach while taking fresh exposures. ICRA ratings factor strong support from GOI, should the need arise. Such support has been demonstrated in the past through consistent equity infusions and significant guarantees extended by GOI for the borrowings of IIFCL.

Comfortable capitalisation, track record of GoI capital infusion and good internal capital generation support capitalisation profile

IIFCL is a wholly owned subsidiary of GoI and has got regular equity infusions from Rs 400 crore in 2012-13 (Rs 500 crore 2011-12). IIFCL's net worth increased from Rs.2,086 crore as on Mar-10 to Rs.4898 crore as on March 31, 2013. The increase in net worth is supported by regular capital infusion by GoI as well as IIFCL's good internal capital generation. IIFCL's internal capital generation has been led by its good profitability; accretion to reserves as % of average net worth was 19 % in 2012-13 and 2011-12. As on March 31, 2013 the gearing level of the company was at a moderate level of 6.2 times; and ICRA expects the company to maintain its capital structure at a prudent levels going forward as well.

Table-1: IIFCL's capitalisation profile

| | Mar-13 | Mar-12 | Mar-11 |
|--|--------|--------|--------|
| Net worth | 4,858 | 3,668 | 2,582 |
| Total borrowings | 29,493 | 23,674 | 21,054 |
| Gearing (including interest accrued but not due) (times) | 6.19 | 6.56 | 8.30 |

Amounts in Rs. Crore
Source: IIFCL. ICRA Research

Diversified resources profile and comfortable liquidity profile

IIFCL has a diversified and strong funding profile with access to low cost funds like Tax free bonds, infrastructure bonds, and loans from multilateral agencies in its overall borrowing profile. IIFCL's cost of funds has been in the range of 7-7.5% during last two-three years which is lower than some of the leading players in infrastructure financing segment.

Table-2: IIFCL's borrowing profile:

| | Mar-13 | % | Mar-12 | % |
|-------------------------------------|--------|------|--------|------|
| Infrastructure bonds | 4,860 | 14% | 91 | 0% |
| Govt Guaranteed Bonds | 14,372 | 41% | 14100 | 60% |
| LIC | 1,950 | 6% | 1000 | 4% |
| National Small Savings Schemes Fund | 1,500 | 4% | 1500 | 6% |
| Banks | 1,484 | 4% | 2744 | 12% |
| Total Domestic Borrowings | | | | |
| Foreign currency borrowings | 5,327 | 15% | 4239 | 18% |
| ADB | 5,038 | | 3961 | |
| IBRD (World Bank) | 105 | | 104 | |
| KFW | 184 | | 175 | |
| Total borrowings | 29,493 | 100% | 2,3674 | 100% |

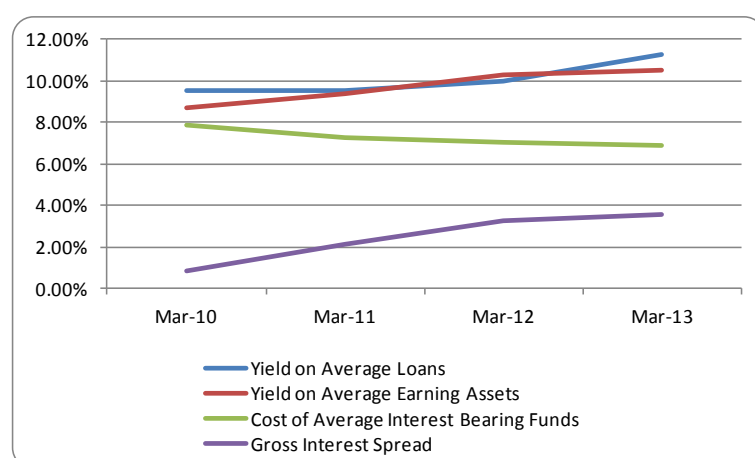
| | Mar-13 | % | Mar-12 | % |
|--|--------|---|--------|---|
| Net worth | 4,858 | | 3,668 | |
| GEARING including interest accrued <i>BUT NOT DUE</i> (TIMES) | 6.19 | | 6.56 | |
| Cost of funds | 6.90% | | 7.02% | |
| Government Guaranteed Borrowings / Total Borrowings | 72% | | 82% | |

Note; Amounts in Rs. Crore. Source: IIFCL Annual Report 2013

Around 15% of its total borrowers were raised in foreign currency from multilateral agencies as on March 31, 2013. Further around 72% of total borrowings of IIFCL as on March 31, 2013 were guaranteed by Gol leading to low cost of funding as well as good liquidity profile as these funds are raised for long tenure. As for incremental borrowing profile in 2013-14, IIFCL is expected to borrow mostly from tax-free bonds issue⁴; therefore its cost of funds is likely to remain competitive going forward as well. However, IIFCL is exposed to foreign currency fluctuations as Un-hedged foreign currency borrowings of IIFCL accounted for around 26% of its net worth as on March 31, 2013. ICRA has taken note of the large depreciation in the value of the rupee in the current financial year against the dollar and euro (decline of close to 18% against the USD and 24% against the Euro between April 1 and August 22, 2013), which is likely to impact the earnings of IIFCL to the extent of 0.66% (as % of ATA at PBT level given the exchange rates as on August 22, 2013) as the company completely provides for changes in unhedged foreign currency borrowings through its Profit and Loss account. While a large part of IIFCLs foreign currency liabilities are falling due for repayments only after 2019-20, which would keep potential crystallization of losses low over the short term, going forward ability of the company to manage its foreign currency risks would have a critical bearing over its future earnings profile. Overall low operating expenses are likely to support the profitability profile provided the company is able to keep its credit costs under control given the stress faced by some of its exposures.

IIFCL's liquidity profile is expected to be comfortable despite being into long tenure infrastructure financing, primarily supported by its longer tenor borrowings and sizeable cash and bank balance of Rs 9778 crore as on March 31, 2013.

Profitability supported by competitive cost of funds and low operating expenses



⁴ IIFCL is allowed to raise tax-free bonds of Rs 10,000 crore in Union Budget of 2012-13

IIFCL has good profitability profile led by adequate lending yields and relatively low funding cost. IIFCL's lending spreads improved from 3.23% in FY 2011 to 3.56% in FY 2013 on account of increase in share of higher yielding loan book. %

| | Mar-10 | Mar-11 | Mar-12 | Mar-13 |
|--------------------------|--------|--------|--------|--------|
| Net Interest Margins/ATA | -0.02% | 1.73% | 3.54% | 4.37% |
| Other Income/ATA | 1.36% | 0.33% | 0.07% | 0.65% |
| Operating Expenses/ATA | 0.06% | 0.08% | 0.11% | 0.09% |
| Operating Profit/ATA | 1.28% | 1.98% | 3.50% | 4.92% |
| Provisions/ATA | 0.00% | 0.01% | 0.18% | 0.12% |
| PBT/ATA | 1.28% | 1.97% | 3.32% | 4.80% |
| PAT/ATA | 0.83% | 1.31% | 2.25% | 3.32% |
| PAT/Net Worth | 8.73% | 12.67% | 18.75% | 24.56% |

GOOD NET INTEREST MARGINS SUPPORT BY LOW FUNDING COSTS, LOW OPERATING EXPENSES AND CREDIT provisioning have supported IIFCL's profitability indicators ; overall profitability was good at 3.32% in FY2013 .Profit for FY 2012-13 included onetime dividend from IIFCL, UK of Rs 166 crore excluding that PBT/ATA would be 4.27%. Going forward, the share of take out finance is likely to go up in the overall portfolio mix. Further the refinance portfolio is likely to get repriced at higher rates , which is likely to improve the overall yield on the portfolio. However, Borrowing Costs for IIFCL are likely to increase at a faster pace as the company would have to refinance a large proportion of borrowings raised earlier at the present prevailing interest rates, which would lead to some compression in interest spreads. Overall low operating expenses are likely to support the profitability profile, provided the company is able to keep its credit costs under control given the stress faced by some of its exposures.

Company Profile: India Infrastructure Finance Company Limited

Company Profile

| | |
|------------------------------|--|
| Constitution | Public Limited Company |
| Status | Government Company |
| Registered Office | 8 th Floor, HT House, 18 & 20 Kasturba Gandhi Marg New Delhi – 110001 |
| Share Capital (Mar-13) | Rs. 2,900 crore |
| Net worth(Mar-13) | Rs. 4898 crore |
| Balance Sheet size (Mar-13) | Rs. 35201 crore |
| Chairman & Managing Director | Mr. Harsh Bhanwala (acting) |
| Auditors | M/s P R Mehra & Co |

Source: IIFCL

Shareholding Pattern as of March 31, 2013

| | |
|---------------------------|------|
| Government of India (Gol) | 100% |
| Total | 100% |

Source: IIFCL

Board of Directors

| | |
|--------------------------|--|
| Dr. Harsh Kumar Bhanwala | Executive Director / Chairman and Managing Director (Officiating) |
| Mr Rajiv Takru | Secretary Dept. of Financial Services, Ministry of Finance, Government of India ,Govt. Nominee Director |
| Mr Ravi Mital | Advisor (Infra), Planning Commission Govt. Nominee Director |
| Ms. Sharmila Chavaly | Joint Secretary (Infrastructure & Investment Division) ,Department of Economic Affairs , Government of India |
| Mr. K.R.Kamath | SCBs Nominee Director, CMD, Punjab National Bank |
| Prof. G Raghuram | Part-Time Non-Official Director |
| Mr. H S Kumar | Part-Time Non-Official Director |
| Prof. V Venkata Ramana | Part-Time Non-Official Director |

Source: IIFCL

Portfolio Mix (Rs crore)

| | Mar-13 | Jun-12 |
|-------------------------------|--------------|---------------|
| Direct lending | 17270 | 14,627 |
| Refinancing | 4418 | 4,168 |
| Take-out financing | 2464 | 1,154 |
| Total Credit Portfolio | 24152 | 19,949 |

Source: IIFCL, ICRA Research

Annexure 1: Rating Details

| Instrument | Amount | Rating | Rating Action |
|--|-----------------|----------------------------|----------------------|
| Long Term Tax Free/Taxable bonds programme | Rs 7000 crore | [ICRA]AAA(stable) | Assigned |
| Long term Tax free / Taxable bonds programme | Rs 11,000 crore | [ICRA] AAA (Stable) | |
| Gol Guaranteed Bonds/Debt | Rs 1,000 crore | [ICRA] AAA(SO) (Stable) | |
| Gol Guaranteed tax free bonds | Rs 10,000 crore | [ICRA] AAA(SO) (Stable) | |
| Gol Guaranteed Bonds/Debt | Rs 200 crore | [ICRA] AAA(SO) (Stable) | |
| Gol Guaranteed Bonds/Debt | Rs 200 crore | [ICRA] AAA(SO) (Stable) | |
| Gol Guaranteed Bonds/Debt | Rs 500 crore | [ICRA] AAA(SO) (Stable) | |
| Gol Guaranteed Bonds/Debt | Rs 200 crore | [ICRA] AAA(SO) (Stable) | |

Annexure 2: Key financials

| PROFIT & LOSS ACCOUNT | Mar-13 | Mar-12 | Mar-11 | Mar-10 |
|--|--------------|------------|------------|------------|
| Interest Income | 3,250 | 2,526 | 1,878 | 1,327 |
| Borrowing Expenses | 1,872 | 1,602 | 1,486 | 1,331 |
| Net Interest Income | 1,378 | 924 | 392 | (4) |
| Non Interest Income | 204 | 18 | 74 | 253 |
| Operating Income | 1,582 | 942 | 466 | 249 |
| Operating expenses | 28 | 30 | 18 | 11 |
| Operating Profits | 1,554 | 913 | 448 | 237 |
| Provisions | 39 | 47 | 1 | - |
| Income from Securitisation / Assignment | - | - | - | - |
| Net profit on sale of securities and investments | - | - | - | - |
| Profit Before Tax and extraordinary items | 1,514 | 866 | 447 | 237 |
| Extraordinary Items | | | | |
| Profit Before Tax (PBT) | 1,514 | 866 | 447 | 237 |
| Tax | 467 | 280 | 151 | 84 |
| Profit After Tax (PAT) | 1,047 | 586 | 296 | 154 |
| Equity dividend | 257 | - | - | - |
| Accretion to reserves | 790 | 586 | 296 | 154 |
| | | | | |
| SUMMARY ASSETS | | | | |
| Loan Assets (Incl optionally convertible debentures) | 24,152 | 18,565 | 14,482 | 9,856 |
| Investments | 546 | 543 | 2,270 | 5,510 |
| Cash & Bank Balances | 9,779 | 8,179 | 7,038 | 5,487 |
| Collaterals for Securitisaion | | | | |
| Advance Tax paid | - | - | 136 | 74 |
| Other Current Assets | 729 | 640 | 306 | 116 |
| Net Fixed Assets | 1 | 1 | 1 | 1 |
| Deferred Tax Asset | - | - | - | - |
| Total Assets | 35,207 | 27,927 | 24,234 | 21,045 |
| | | | | |
| SUMMARY LIABILITIES | | | | |
| Equity Share Capital | 2,900 | 2,500 | 2,000 | 1,800 |
| Reserves | 1,958 | 1,168 | 582 | 286 |
| Net Worth | 4,858 | 3,668 | 2,582 | 2,086 |
| Total Borrowings | 29,493 | 23,674 | 21,054 | 18,474 |
| Interest Accrued but not due | 558 | 400 | 373 | 348 |
| Provisions for Tax | 10 | 2 | 133 | 73 |
| Other Current Liabilities | 158 | 122 | 66 | 55 |
| Deferred Tax Liability | 130 | 62 | 26 | 8 |
| Total Liabilities | 35,207 | 27,927 | 24,234 | 21,045 |

| Growth Rates | Mar-13 | Mar-12 | Mar-11 | Mar-10 |
|--|--------|--------|--------|---------|
| PROFIT & LOSS ACCOUNT | | | | |
| Interest Income | 29% | 34% | 42% | 135% |
| Borrowing Expenses | 17% | 8% | 12% | 184% |
| Net Interest Income | 49% | 135% | 10171% | -104% |
| Non Interest Income | 1015% | -75% | -71% | 300% |
| Operating Income | 68% | 102% | 87% | 56% |
| Operating expenses | -4% | 64% | 60% | -30% |
| Operating Profits | 70% | 104% | 89% | 66% |
| Provisions | -16% | 3191% | | |
| Profit Before Tax and extraordinary items | 75% | 94% | 88% | 58% |
| Profit Before Tax (PBT) | 75% | 94% | 88% | 58% |
| Tax | 67% | 86% | 80% | 68% |
| Profit After Tax (PAT) | 79% | 98% | 92% | 53% |
| Accretion to reserves | 35% | 98% | 92% | 53% |
| | | | | |
| | | | | |
| SUMMARY ASSETS | | | | |
| Loan Assets (Incl optionally convertible debentures) | 30% | 28% | 47% | 101% |
| Investments - unquoted equity shares | 1% | -76% | -59% | 472% |
| Cash & Bank Balances | 20% | 16% | 28% | -45% |
| Other Current Assets | 14% | 109% | 165% | -32% |
| Net Fixed Assets | 10% | 24% | -11% | -29% |
| Total Assets | 26% | 15% | 15% | 31% |
| | | | | |
| SUMMARY LIABILITIES | | | | |
| Equity Share Capital | 16% | 25% | 11% | 80% |
| Reserves | 68% | 101% | 103% | -34% |
| Net Worth | 32% | 42% | 24% | 46% |
| Total Borrowings (incl. Pref. Shares) | 25% | 12% | 14% | 28% |
| Interest Accrued but not due | 40% | 7% | 7% | #DIV/0! |
| Provisions for Tax | 511% | -99% | 83% | 27% |
| Other Current Liabilities | 30% | 86% | 20% | -73% |
| Deferred Tax Liability | 110% | 141% | 210% | 248% |
| Total Liabilities | 26% | 15% | 15% | 31% |

| Common Size Statements | Mar-13 | Mar-12 | Mar-11 | Mar-10 |
|--|--------|--------|--------|--------|
| PROFIT & LOSS ACCOUNT (% of Operating Income) | | | | |
| Net Interest Income | 87% | 98% | 84% | -2% |
| Non Interest Income | 13% | 2% | 16% | 102% |
| Operating Income | 100% | 100% | 100% | 100% |
| Operating expenses (excluding Royalty) | 2% | 3% | 4% | 5% |
| Operating Profits | 98% | 97% | 96% | 95% |
| Provisions including NPA provisions | 2% | 5% | 0% | 0% |
| Upfront Recognition of Income from Securitisation / Assignment | 0% | 0% | 0% | 0% |
| Profit Before Royalty and Tax (PBRT) | 96% | 92% | 96% | 95% |
| Royalty | 0% | 0% | 0% | 0% |
| Profit Before Tax (PBT) | 96% | 92% | 96% | 95% |
| Tax | 30% | 30% | 32% | 34% |
| Profit After Tax (PAT) | 66% | 62% | 63% | 62% |
| Equity dividend | 16% | 0% | 0% | 0% |
| Accretion to reserves | 50% | 62% | 63% | 62% |
| | | | | |
| SUMMARY ASSETS (% of Total Assets) | | | | |
| Loan Assets (Incl optionally convertible debentures) | 69% | 66% | 60% | 47% |
| Investments - Strategic | 2% | 2% | 9% | 26% |
| Investments - Short Term Surpluses | 28% | 29% | 29% | 26% |
| Cash & Bank Balances | 0% | 0% | 0% | 0% |
| Collaterals for Securitisaion | 0% | 0% | 1% | 0% |
| Advance Tax paid | 2% | 2% | 1% | 1% |
| Other Current Assets | 0% | 0% | 0% | 0% |
| Net Fixed Assets | 0% | 0% | 0% | 0% |
| Total Assets | 100% | 100% | 100% | 100% |
| | | | | |
| SUMMARY LIABILITIES (% of Total Assets) | | | | |
| Equity Share Capital | 8% | 9% | 8% | 9% |
| Reserves | 6% | 4% | 2% | 1% |
| Net Worth | 14% | 13% | 11% | 10% |
| Total Borrowings (incl. Pref. Shares) | 84% | 85% | 87% | 88% |
| Interest Accrued but not due | 2% | 1% | 2% | 2% |
| Provisions for Tax | 0% | 0% | 1% | 0% |
| Other Current Liabilities | 0% | 0% | 0% | 0% |
| Deferred Tax Liability | 0% | 0% | 0% | 0% |
| Total Liabilities | 100% | 100% | 100% | 100% |

| Key Financial ratios | Mar-13 | Mar-12 | Mar-11 | Mar-10 |
|--|--------|--------|--------|---------|
| PROFITABILITY RATIOS | | | | |
| Yield on Advances | 11.3% | 10.0% | 9.5% | 9.5% |
| Yield on Earning Assets | 10.5% | 10.3% | 10.1% | 8.7% |
| Cost of funds | 6.9% | 7.0% | 7.4% | 8.0% |
| Lending Spreads | 4.3% | 3.0% | 2.2% | 1.5% |
| Gross Interest Spreads | 3.6% | 3.2% | 2.7% | 0.7% |
| Net Interest Margins (NIMs) | 4.4% | 3.5% | 1.7% | 0.0% |
| Operating expenses/ Average Assets Deployed | 0.1% | 0.1% | 0.1% | 0.1% |
| PAT/ Average Assets Deployed | 3.3% | 2.2% | 1.3% | 0.8% |
| Dividend / Profit After Tax | 24.5% | 0.0% | 0.0% | 0.0% |
| Profit After Tax / Average Net worth | 24.6% | 18.7% | 12.7% | 8.7% |
| | | | | |
| | | | | |
| EFFICIENCY RATIOS | | | | |
| Fee Based Income/Operating Expenses | 718.6% | 61.6% | 406.7% | 2226.7% |
| Cost to Income Ratio | 1.8% | 3.1% | 3.9% | 4.6% |
| | | | | |
| CAPITALISATION RATIOS | | | | |
| Net Worth/ Total Assets | 13.8% | 13.1% | 10.7% | 9.9% |
| Total Debt (including interest accrued but not due) / Net worth | 6.2 | 6.6 | 8.3 | 9.0 |
| Net NPA/Networth | 4.4% | 0.0% | 0.0% | 0.0% |
| Gross NPA/Gross Advances | 1.0% | 0.0% | 0.0% | 0.0% |
| Net NPA/Net Advances | 0.9% | 0.0% | 0.0% | 0.0% |

| Common Size Statements | Mar-13 | Mar-12 | Mar-11 | Mar-10 |
|--|--------|--------|--------|--------|
| PROFIT & LOSS ACCOUNT (% of Operating Income) | | | | |
| Net Interest Income | 87% | 98% | 58% | 9% |
| Non Interest Income | 13% | 2% | 42% | 91% |
| Operating Income | 100% | 100% | 100% | 100% |
| Operating expenses (excluding Royalty) | 2% | 4% | 8% | 19% |
| Operating Profits | 98% | 96% | 92% | 81% |
| Provisions including NPA provisions | 2% | 5% | 0% | 0% |
| Upfront Recognition of Income from Securitisation / Assignment | 0% | 0% | 0% | 0% |
| Profit Before Royalty and Tax (PBRT) | 95% | 91% | 92% | 118% |
| Royalty | 0% | 0% | 0% | 0% |
| Profit Before Tax (PBT) | 95% | 91% | 92% | 118% |
| Tax | 29% | 30% | 31% | 42% |
| Profit After Tax (PAT) | 66% | 62% | 61% | 76% |
| Equity dividend | 16% | 0% | 0% | 0% |
| Accretion to reserves | 50% | 62% | 61% | 76% |
| | | | | |
| SUMMARY ASSETS (% of Total Assets) | | | | |
| Loan Assets (Incl optionally convertible debentures) | 69% | 66% | 60% | 47% |
| Investments - Strategic | 2% | 2% | 9% | 26% |
| Investments - Short Term Surpluses | 28% | 29% | 29% | 26% |
| Cash & Bank Balances | 0% | 0% | 0% | 0% |
| Collaterals for Securitisation | 0% | 0% | 1% | 0% |
| Advance Tax paid | 2% | 2% | 1% | 1% |
| Other Current Assets | 0% | 0% | 0% | 0% |
| Net Fixed Assets | 0% | 0% | 0% | 0% |
| Total Assets | 100% | 100% | 100% | 100% |
| | | | | |
| SUMMARY LIABILITIES (% of Total Assets) | | | | |
| Equity Share Capital | 8% | 9% | 8% | 9% |
| Reserves | 6% | 4% | 2% | 1% |
| Net Worth | 14% | 13% | 11% | 10% |
| Total Borrowings (incl. Pref. Shares) | 84% | 85% | 87% | 88% |
| Interest Accrued but not due | 2% | 1% | 2% | 2% |
| Provisions for Tax | 0% | 0% | 1% | 0% |
| Other Current Liabilities | 0% | 0% | 0% | 0% |
| Deferred Tax Liability | 0% | 0% | 0% | 0% |
| Total Liabilities | 100% | 100% | 100% | 100% |

| Key Financial ratios | Mar-13 | Mar-12 | Mar-11 | Mar-10 |
|---|--------|--------|--------|--------|
| PROFITABILITY RATIOS | | | | |
| Yield on Advances | 11.3% | 10.0% | 9.5% | 9.5% |
| Yield on Earning Assets | 10.5% | 10.3% | 9.4% | 8.7% |
| Cost of funds | 6.9% | 7.0% | 7.3% | 7.9% |
| Lending Spreads | 4.4% | 3.0% | 2.3% | 1.6% |
| Gross Interest Spreads | 3.6% | 3.2% | 2.1% | 0.8% |
| Net Interest Margins (NIMs) | 4.4% | 3.6% | 1.2% | 0.1% |
| Operating expenses/ Average Assets Deployed | 0.1% | 0.1% | 0.2% | 0.2% |
| PAT/ Average Assets Deployed | 3.3% | 2.2% | 1.3% | 0.8% |
| Dividend / Profit After Tax | 24.5% | 0.0% | 0.0% | 0.0% |
| Profit After Tax / Average Net worth | 24.6% | 18.7% | 12.7% | 8.7% |
| | | | | |
| | | | | |
| EFFICIENCY RATIOS | | | | |
| Fee Based Income/Operating Expenses | 601.2% | 53.2% | 534.7% | 476.4% |
| Cost to Income Ratio | 2.1% | 3.6% | 7.9% | 19.1% |
| | | | | |
| CAPITALISATION RATIOS | | | | |
| Net Worth/ Total Assets | 13.8% | 13.1% | 10.7% | 9.9% |
| Total Debt (including interest accrued but not due) / Net worth | 6.2 | 6.6 | 8.3 | 9.0 |
| Net NPA/Networth | 4.4% | 0.0% | 0.0% | 0.0% |
| Capital to Risk Weighted Assets Ratio | 0.0% | | | |
| Tier I Capital to Risk Weighted Assets Ratio | | | | |
| | | | | |
| ASSET QUALITY | | | | |
| Gross NPA/Gross Advances | 1.0% | 0.0% | 0.0% | 0.0% |
| Net NPA/Net Advances | 0.9% | 0.0% | 0.0% | 0.0% |



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BWR/BNG/RL/2013-14/NS/0307
January 31, 2014

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

Dear Sir,

Sub: Validation of rating- Rating of proposed long term taxable and tax free bonds issue of **India Infrastructure Finance Company Ltd. (IIFCL)** amounting to ₹ 18,000 Crores

Ref: Your e-mail dated January 30, 2014

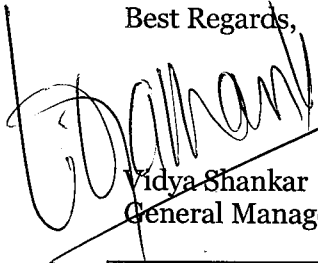
We refer to your e-mail of January 30, 2014 instant. We advise that your Company's proposed long term taxable and tax free bonds issue amounting to ₹ 18,000 Crores carries the rating of **BWR AAA (Pronounced BWR Triple A) (Outlook: Stable)** communicated to you vide our letter BWR/BNG/RL/2013-14/NS/0132 dated August 07, 2013. We note that your Company has raised ₹ 11,117.524 Crores out of the above rated issue and the current unutilized amount is ₹ 6,882.476 Crores. The Rating is valid up to August 06, 2014.

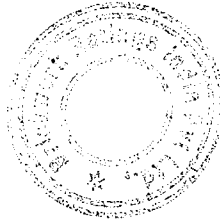
Instruments with **BWR AAA** rating are considered to have the **highest degree of safety** regarding timely servicing of financial obligations. Such instruments carry **lowest credit risk**.

Please note that all terms and conditions of our rating letter BWR/BNG/RL/2013-14/NS/0132 dated August 07, 2013 remain unchanged.

Please note to furnish complete details of borrowings under the above issue, as and when is completed.

Best Regards,


Vidya Shankar
General Manager - Ratings



Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

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Celebrating Two Decades of Analytical Excellence

Mr. S.B. Nayar,
Chairman & Managing Director
India Infrastructure Finance Company Ltd.
8th Floor, HT House,
K.G Marg,
New Delhi – 110 001

January 31, 2014

Confidential

Dear Sir,

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

Please refer our letter dated August 16, 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. It has been decided to reaffirm 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.

CREDIT ANALYSIS & RESEARCH LTD.

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 for latest update on the outstanding rating.
9. CARE ratings are not recommendations to buy, sell, or hold any securities.

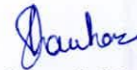
If you need any clarification, you are welcome to approach us in this regard.

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.

Annexure
Rating Symbols and Definitions for Long /Medium Term Debt Instruments

| Symbols | Rating Definition |
|-----------------|--|
| CARE AAA | 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. |
| CARE AA | Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. |
| CARE A | Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. |
| CARE BBB | Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk. |
| CARE BB | Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations. |
| CARE B | Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations. |
| CARE C | Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations. |
| CARE D | Instruments with this rating are in default or are expected to be in default soon. |

Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE AA to CARE C. The modifiers reflect the comparative standing within the category.

India Infrastructure Finance Company Limited (IIFCL)
Hindustan Times Building,
18 & 20, Kasturba Gandhi Marg,
New Delhi – 110001

January 31, 2014

Kind Attn: Mr. S.B. Nayar, Chairman and Managing Director

Dear Sir,

Re: Rating of IIFCL's bonds

India Ratings (see definition below) communicates the following ratings:-

'IND AAA' long-term rating of IIFCL's INR141bn domestic bonds (partly taxable and partly tax-free) to be issued in FY14.

IIFCL has issued INR71.76bn tax-free bonds under this issuance plan as of January 31, 2014.

The Outlook on IIFCL's 'IND AAA' long-term issuer rating is Stable.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action

commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

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It is important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "**India Ratings**" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact us at +91 22 4000 1700.

Sincerely,

India Ratings


Sandeep Singh
Senior Director


Ehsan Syed
Director