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## 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: 8<sup>th</sup> floor, Hindustan Times Building, 18 & 20 Kasturba Gandhi Marg, New Delhi 110 001

Tel: +91 (11) 2370 8263, 2370 8264; Fax: +91 (11) 2376 6256, 2373 0251; Website: www.iifcl.org

Company Secretary and Compliance Officer: Mr. Abhirup Singh; Tel: +91 (11) 2345 0287; Fax: +91 (11) 2376 6256, 2373 0251; E-mail: [complianceofficer.taxfreebonds@iifcl.org](mailto:complianceofficer.taxfreebonds@iifcl.org)

**PUBLIC ISSUE BY INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED ("COMPANY" OR "ISSUER" OR "IIFCL") OF TAX FREE BONDS IN THE NATURE OF SECURED, REDEEMABLE, NON-CONVERTIBLE BONDS OF FACE VALUE OF ₹ 1,000 EACH, HAVING TAX BENEFITS UNDER SECTION 10(15)(iv)(h) OF THE INCOME TAX ACT, 1961, AS AMENDED ("BONDS"), UP TO ₹ 9,21,500 LAKHS\* ("ISSUE") FOR FISCAL 2013 ("SHELF LIMIT"). THE BONDS WILL BE ISSUED IN ONE OR MORE TRANCHE SUBJECT TO THE SHELF LIMIT. THIS TRANCHE ISSUE BY THE ISSUER IS OF BONDS AGGREGATING TO ₹ 1,50,000 LAKHS ("BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UP TO THE SHELF LIMIT (I.E. UP TO ₹ 9,21,500 LAKHS\*) ("TRANCHE - I ISSUE") AND IS BEING OFFERED BY WAY OF THIS PROSPECTUS TRANCHE - I CONTAINING, *INTER ALIA*, THE TERMS AND CONDITIONS OF THE TRANCHE - I ISSUE (THE "PROSPECTUS TRANCHE - I"), WHICH SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS DATED DECEMBER 10, 2012 ("SHELF PROSPECTUS") 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 - I 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. 46/2012.F.No.178/60/2012-(ITA.1) dated November 6, 2012 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 ₹ 78,500 lakhs on a private placement basis in two tranches, through information memoranda dated November 9, 2012 and November 16, 2012. There is no change in the Shelf Limit mentioned in the Draft Shelf Prospectus dated November 30, 2012 i.e., ₹ 9,21,500 lakhs. This Limit shall be applicable for raising further funds through public issue route and/or the private placement route, such that the aggregate amount raised through private placement route shall not exceed ₹ 2,50,000 lakhs i.e., up to 25% of the allocated limit for raising funds through Tax Free Bonds during Fiscal 2013, in terms of the Notification.

### GENERAL RISKS

Investors are advised to read the Risk Factors carefully before taking an investment decision in relation to the Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Specific attention is invited to "Risk Factors" and "Material Developments" in the Shelf Prospectus before making an investment in such Tranche - I Issue. This document has not been and will not be approved by any regulatory authority in India, including 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 the Issue which is material in the context of the Issue that the information contained in the Prospectus Tranche - I 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.

### CREDIT RATING

ICRA Limited has, by its letter no. D/RAT/2012-13/1-27/3 dated November 9, 2012, assigned a rating of [ICRA] 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. ICRA Limited has, by its letter no. D/RAT/2012-13/1-27/4 dated December 10, 2012, revalidated its credit rating. Further, Brickwork Rating India Private Limited has, by its letter no. BWR/BLR/RA/2012-13/0287 dated November 8, 2012, assigned a rating of BWR 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. Brickwork Rating India Private Limited has, by its letter no. BWR/BLR/RA/2012-13/0320 dated December 10, 2012, revalidated its credit rating. Further, Credit Analysis and Research Limited has, by its letter dated December 3, 2012, assigned a 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. 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 rationale for these ratings, see "Annexure B - Credit Rating" of the Shelf Prospectus.

### PUBLIC COMMENTS

The Draft Shelf Prospectus dated November 30, 2012 was filed with BSE Limited ("BSE"), the Designated Stock Exchange, pursuant to the SEBI Debt Regulations and was open for public comments for a period of seven Working Days, i.e., until 5 p.m. on December 7, 2012.

### LISTING

The Bonds are proposed to be listed on BSE, which has given its in-principle listing approval by letter No. DCS/SP/PI-BOND/19/12-13, dated December 7, 2012. The Designated Stock Exchange for the Issue is BSE.

### LEAD MANAGERS

<b>SBI CAPITAL MARKETS LIMITED</b> 202, Maker Tower E, Cuffe Parade Mumbai 400 005 Tel: +91 (22) 2217 8300 Fax: +91 (22) 2218 8332 Email: <a href="mailto:iifclbonds2012@sbicaps.com">iifclbonds2012@sbicaps.com</a> Investor Grievance Email: <a href="mailto:investor.relations@sbicaps.com">investor.relations@sbicaps.com</a> Website: <a href="http://www.sbicaps.com">www.sbicaps.com</a> Contact person: Ms. Rajalakshmi V./Mr. Nithin Kanuganti Compliance Officer: Mr. Bhaskar Chakraborty SEBI Registration No.: INM000003531	<b>A.K. CAPITAL SERVICES LIMITED</b> 30-39 Free Press House, 3 <sup>rd</sup> Floor, Free Press Journal Marg, 215, Nariman Point Mumbai 400 021 Tel: +91 (22) 6754 6500/ 6634 9300 Fax: +91 (22) 6610 0594 Email: <a href="mailto:iifclbonds@akgroup.co.in">iifclbonds@akgroup.co.in</a> Investor Grievance Email: <a href="mailto:investor.grievance@akgroup.co.in">investor.grievance@akgroup.co.in</a> Website: <a href="http://www.akcapindia.com">www.akcapindia.com</a> Contact Person: Ms. Anusha Bharadwaj/Mr. Yashesh Thakkar Compliance Officer: Mr. Vikas Agarwal SEBI Registration No.: INM000010411	<b>ENAM SECURITIES PRIVATE LIMITED#</b> 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: <a href="mailto:iifclbonds@enam.com">iifclbonds@enam.com</a> Investor Grievance Email: <a href="mailto:complaints@enam.com">complaints@enam.com</a> Website: <a href="http://www.enam.com">www.enam.com</a> Contact Person: Mr. Akash Aggarwal Compliance Officer: Mr. M. Natarajan SEBI Registration No.: INM000006856 #The merchant banking business of Enam Securities Private Limited has vested with Axis Capital Limited, which is in the process of completing the formalities of SEBI registration	<b>ICICI SECURITIES LIMITED</b> ICICI Centre, H.T. Parekh Marg Churchgate, Mumbai 400 020 Tel: +91 (22) 2288 2460/ 70 Fax: +91 (22) 2282 6580 Email: <a href="mailto:project.iifcl@icicisecurities.com">project.iifcl@icicisecurities.com</a> Investor Grievance Email: <a href="mailto:customercare@icicisecurities.com">customercare@icicisecurities.com</a> Website: <a href="http://www.icicisecurities.com">www.icicisecurities.com</a> Contact person: Mr. Mangesh Ghogle Compliance Officer: Mr. Subir Saha SEBI Registration No.: INM000011179	<b>KOTAK MAHINDRA CAPITAL COMPANY LIMITED</b> 1st Floor, Bakhtawar 229, Nariman Point, Mumbai 400 021 Tel: (+91 22) 6634 1100 Fax: (+91 22) 2284 0492 E-mail: <a href="mailto:project.iifcl@kotak.com">project.iifcl@kotak.com</a> Investor Grievance E-mail: <a href="mailto:kmccredressal@kotak.com">kmccredressal@kotak.com</a> Website: <a href="http://www.investmentbank.kotak.com">www.investmentbank.kotak.com</a> Contact Person: Mr. Ganesh Rane Compliance Officer: Mr. Ajay Vaidya SEBI Registration Number: INM000008704

### REGISTRAR TO THE ISSUE



#### KARVY COMPUTERSHARE PRIVATE LIMITED

Plot No. 17 to 24, Vithal Rao Nagar, Madhapur, Hyderabad 500 081  
Tel: +91 (40) 4465 5000; Toll Free No.: 1-800-3454001; Fax: +91 (40) 2343 1551; E-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com); Investor Grievance Email: [iifclbonds@karvy.com](mailto:iifclbonds@karvy.com); Website: [karisma.karvy.com](http://karisma.karvy.com); Contact Person: Mr. M. Murali Krishna; SEBI Registration Number: INR000000221



#### 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) 2659 3333; Fax: +91 (22) 2653 3297; Email: [subhash.jha@ilfsindia.com](mailto:subhash.jha@ilfsindia.com); Investor Grievance Email: [investorgrievanceitcl@ilfsindia.com](mailto:investorgrievanceitcl@ilfsindia.com); Website: [www.itclindia.com](http://www.itclindia.com); Contact Person: Mr. Subhash Jha; SEBI Registration No.: IND000000452

### ISSUE OPENS ON

December 26, 2012

### ISSUE PROGRAMME

### ISSUE CLOSES ON\*\*

January 11, 2013

\*\*The Issue shall open for subscription from 10 a.m. to 5 p.m. during the period indicated above with an option for early closure (subject to the Issue being open for a minimum of three Working Days), as may be decided by the Board of Directors of the Company or a duly constituted committee thereof (the "Board of Directors") in accordance with applicable law. In the event of early closure, the Company shall ensure that public notice of such early closure is published on or before such early date of closure, through advertisement(s) in a leading national daily newspaper.

IL&FS Trust Company Limited has by its letter dated November 29, 2012 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 Issue.

A copy of the Prospectus Tranche - I shall be filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana, in terms of section 56 and section 60 of the Companies Act along with the requisite endorsed/certified copies of all requisite documents. For more information, see "Material Contracts and Documents for Inspection" on page 66.

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**SECTION I - GENERAL  
DEFINITIONS AND ABBREVIATIONS**

The Prospectus Tranche - I 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**

<b>Term</b>	<b>Description</b>
“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 <sup>th</sup> 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 and Associate Companies
Articles/ Articles of Association/AoA	Articles of Association of the Company
Associate Company(ies)	DMICDC and IWRFC
Board/ Board of Directors	Board of Directors of the Company or a duly constituted committee thereof
DMICDC	Delhi Mumbai Industrial Corridor Development Corporation Limited
Equity Shares	Equity Shares of the Company of face value ₹ 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 <sup>th</sup> 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	P.R. Mehra & Co., statutory auditors of the Company
Subsidiaries	IIFC (UK), IPL and IAMCL

**Issue Related Terms**

<b>Term</b>	<b>Description</b>
A.K. Capital	A.K. Capital Services Limited
Allotment/ Allot/ Allotted	Issue and allotment of Bonds to successful Applicants pursuant to the 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 the Issue
Applicant	A person who applies for issuance of Bonds, pursuant to the terms of the Prospectus Tranche - I and Application Form.
Application	An application to subscribe to the Bonds offered pursuant to the Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under the Shelf Prospectus and respective Tranche Prospectus(es)
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 the Shelf Prospectus and respective Tranche Prospectus(es)
Application Supported by Blocked Amount/ASBA/ ASBA Application	The application (whether physical or electronic) used by an investor to make an application authorising the SCSB to block the amount payable on application in a specified bank account
ASBA Account	An account maintained with a SCSB which will be blocked by such SCSB to the extent of the Application Amount mentioned in the Application Form made in ASBA mode
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 “Terms of the Issue” on page 33
Base Issue Size	₹ 1,50,000 lakhs
Basis of Allotment	The basis on which the Bonds will be allotted to successful Applicants under the Issue and which is described in “Terms of the Issue – Basis of Allotment” on page 35
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 (in case of bonds held in physical form)
Bonds	Tax free bonds in the nature of secured redeemable non-convertible bonds of the Company of face

Term	Description
	value of ₹ 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 Prospectus Tranche - I
Bond Trust Agreement	Trust agreement dated November 29, 2012 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, which expression will include its successor(s) as trustee
Category I (QIBs)	Public financial institutions specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, Alternative Investment 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 ₹ 250 million, pension funds with a minimum corpus of ₹ 250 million, 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
Category II (Domestic Corporates)	Companies within the meaning of section 3 of the Companies Act and bodies corporate registered under the 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 Kartas) who have applied for Bonds for an amount more than ₹ 10,00,000 in the Issue
Category IV (Retail Individual Investors)	Individual investors (including HUFs applying through their Kartas) who have applied for Bonds for an amount less than or equal to ₹ 10,00,000 in the Issue
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, Brickworks and CARE
Deemed Date of Allotment	The Deemed Date of Allotment will be the date on which the Board of Directors has approved the Allotment of Bonds for each Tranche Issue or any such date as may be determined by the Board of Directors. All benefits under the Bonds including payment of coupon rate (as specified in the Prospectus Tranche - I) will accrue to the Bondholders from the Deemed Date of Allotment. Actual Allotment may occur on a date other than the Deemed Date of Allotment
Designated Branches	Such branches of the SCSBs which shall collect the Application Form used by ASBA Applicants, a list of which is available at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> 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) to the Public Issue Account or the Refund Account, as appropriate, following which the Board shall Allot the Bonds to successful Applicants, provided that Application Amounts received will be kept in the Escrow Account(s) up to this date and the Company will have access to such funds only after creation of adequate security for the Bonds
Designated Stock Exchange	BSE
Draft Shelf Prospectus	The draft shelf prospectus dated November 30, 2012 filed by the Company with the Designated Stock Exchange for the purpose of seeking public comments, in accordance with the SEBI Debt Regulations
Enam Securities	Enam Securities Private Limited
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s), in whose favour Applicants will issue cheques or drafts in respect of the Application Amount when submitting an Application
Escrow Agreement	Agreement dated December 7, 2012 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
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.
ICICI Securities	ICICI Securities Limited
Interest Payment Date	The date, which is the day falling one year from the Deemed Date of Allotment, in case of the first coupon payment and the same date every year, until the Redemption Date for subsequent interest payments.
Issue	<p>Public issue of the tax free bonds in the nature of secured redeemable non-convertible bonds of the Company of face value of ₹ 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 relevant Tranche Prospectus, for an amount up to ₹ 9,21,500 lakhs*</p> <p>This Tranche - I Issue by the Issuer is of Bonds aggregating to ₹ 1,50,000 lakhs with an option to retain oversubscription up to the Shelf Limit (i.e., up to ₹ 9,21,500 lakhs*) (“<b>Tranche – I Issue</b>”) and is being offered by way of the Prospectus Tranche – I containing, <i>inter alia</i>, the terms and conditions of Tranche – I Issue (the “<b>Prospectus Tranche – I</b>”), which should be read together with the Shelf Prospectus dated December 10, 2012 filed with the RoC, the Designated Stock Exchange and SEBI. The Shelf Prospectus together with the Prospectus Tranche – I constitutes the “<b>Prospectus</b>”.</p> <p><i>*In terms of the Notification, the Company has raised ₹ 78,500 lakhs on a private placement basis in two tranches, through information memoranda dated November 9, 2012 and November 16, 2012. There is no change in the Shelf Limit mentioned in the Draft Shelf Prospectus dated November 30, 2012 i.e., ₹ 9,21,500 lakhs. This Limit shall be applicable for raising further funds through public issue route and/or the private placement route, such that the aggregate amount raised through private placement route shall not exceed ₹ 2,50,000 lakhs i.e., up to 25% of the allocated limit for</i></p>

<b>Term</b>	<b>Description</b>
	<i>raising funds through Tax Free Bonds during Fiscal 2013, in terms of the Notification.</i>
Issue Agreement	The agreement entered into on November 29, 2012, between the Company and the Lead Managers
Issue Period	The period between the Tranche Issue Opening Date and the Tranche Issue Closing Date inclusive of both days, during which a prospective investor may submit their Application Forms, being a minimum of three Working Days
Kotak	Kotak Mahindra Capital Company Limited
Lead Broker(s)	SBICAP Securities Limited, A.K. Stockmart Private Limited, Axis Capital Limited, ICICI Securities Limited, Kotak Securities Limited, India Infoline Limited, LKP Securities Limited, SMC Global Securities Limited, Karvy Stock Broking Limited, JM Financial Services Private Limited, Edelweiss Broking Limited, IFCI Financial Services Limited, RR Equity Brokers Private Limited and Trust Financial Consultancy Services Private Limited.
Lead Broker MoU	Memorandum of Understanding dated December 6, 2012, between the Company and the Lead Brokers
Lead Managers	SBI Capital Markets Limited, A.K. Capital Services Limited, Enam Securities Private Limited, ICICI Securities Limited and Kotak Mahindra Capital Company Limited
Market Lot	One Bond
Notification	Notification No. 46/2012.F.No.178/60/2012-(ITA.1) dated November 6, 2012 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 the Issue
Prospectus	The Shelf Prospectus together with the Prospectus Tranche – I
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 Amount is due and payable
Redemption Amount/Maturity Amount	Repayment of the face value amount of Bonds plus any interest that may have accrued on Redemption Date
Redemption Date/Maturity Date	10 years from the Deemed Date of Allotment for Tranche - I Series 1 Bonds, 15 years from the Deemed Date of Allotment for Tranche - I Series 2 Bonds and 20 years from the Deemed Date of Allotment for Tranche - I Series 3 Bonds
Refund Account	Account opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made
Refund Bank	State Bank of India and IDBI Bank Limited
Register of Bondholders	Register of Bondholders maintained by the Issuer in accordance with the Companies Act and as detailed in “ <i>Terms of the Issue – Rights of Bondholders</i> ” on page 40
Registrar Agreement	Agreement dated November 29, 2012 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	In relation to each tranche issue, this shall be the Shelf Limit less the aggregate amount of Bonds Allotted under all previous Tranche Issue(s) and private placement route, if any
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 1 Bonds	Tranche - I Series 1
Series 2 Bonds	Tranche - I Series 2
Series 3 Bonds	Tranche - I Series 3
Shelf Limit	The aggregate limit of the Issue being ₹ 9,21,500 lakhs to be issued as per the Shelf Prospectus, through one or more tranches. In case if the Company raises funds through private placements, the Shelf Limit for the Issue shall be reduced by such amount raised.
Shelf Prospectus	The Shelf Prospectus dated December 10, 2012 filed with the RoC, the 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	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
Stock Exchanges	BSE and National Stock Exchange of India Limited
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
Tranche – I Issue	Issue of the Bonds aggregating to ₹ 1,50,000 lakhs with an option to retain oversubscription up to

Term	Description
	the Shelf Limit (i.e., up to ₹ 9,21,500 lakhs).
Tranche Issue Closing Date	January 11, 2013
Tranche Issue Opening Date	December 26, 2012
Tranche Prospectus/ Prospectus Tranche - I	This Prospectus Tranche – I dated December 10, 2012, filed with the RoC, the Designated Stock Exchange and SEBI, pursuant to the provisions of the 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
Transaction Registration Slip/TRS	The acknowledgement or document issued by any of the Members of the Syndicate, SCSBs or Trading Members of the Stock Exchanges, as the case may be, to an Applicant upon demand as proof of registration of Application for Bonds
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
AD	Authorised Dealer
ADB	Asian Development Bank
AGM	Annual General Meeting
Alternative Investment Funds or AIFs	Alternative Investment Funds (as defined under the SEBI AIF Regulations) registered with SEBI
AMC	Asset management company
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
Brickworks	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
Competition Act	Competition Act, 2002
CRISIL	CRISIL Limited
CSR	Corporate Social Responsibility
Debt Listing Agreement	The debt listing agreement entered into by the Company with BSE and National Stock Exchange of India Limited
Depository(ies)	CDSL and NSDL
Depositories Act	Depositories Act, 1996
DP/ Depository Participant	Depository Participant, as defined under the Depositories Act, 1996
DRR	Debenture Redemption Reserve
DTC	Direct Tax Code
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999
FEMA 20	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FIMMDA	Fixed Income Money Market and Derivative Association of India
Financial Year/ Fiscal/ FY	Period of 12 months ended March 31 of that particular year
Fitch India	India Ratings and Research Private Limited
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	Insurance Regulatory and Development Authority
Income Tax Act	Income Tax Act, 1961
India	Republic of India
Indian GAAP	Generally accepted accounting principles followed in India
LIBOR	London Inter-Bank Offer Rate
LIC	Life Insurance Corporation of India
LLP Act	Limited Liability Partnership Act, 2008
MF	Mutual Fund
MoF	Ministry of Finance, GoI

<b>Term/Abbreviation</b>	<b>Description/ Full Form</b>
MCA	Ministry of Corporate Affairs, GoI
MICR	Magnetic Ink Character Recognition
NBFC	Non Banking Finance Company, as defined under applicable RBI guidelines
NBFC-IFC	Non Banking Finance Company – Infrastructure Company, as defined under applicable RBI Guidelines
NBFC-IFC Notification	Notification (No. DNBS.213/CGM(ASR)-2010), dated February 12, 2010 issued by RBI
NBFC Prudential Norms	Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction, 2007
NECS	National Electronic Clearing System
NEFT	National Electronic Fund Transfer
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
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
₹ or Rs. or Rupees or Indian Rupees	Lawful currency of India
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI Debt Regulations	SEBI (Issue and Listing of Debt Securities) Regulations, 2008
SEBI Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Fund) Regulations, 1996
Securities Act	United States Securities Act, 1933
Trusts Act	Indian Trusts Act, 1882
UAN	Unique application number
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

<b>Term/Abbreviation</b>	<b>Description/ Full Form</b>
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
Yield	Ratio of interest income to the daily average of interest earning assets

Notwithstanding the foregoing, terms in the sections titled “*Main Provisions of the Articles of Association*”, “*Statement of Tax Benefits*”, “*Regulations and Policies*” in the Shelf Prospectus, respectively, and “*Annexure A - Financial Information*” in the Shelf Prospectus, 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 the Prospectus Tranche - I to “India” are to the Republic of India and its territories and possessions.

### Financial Data

Unless stated otherwise, the financial data in the Prospectus Tranche - I is derived from (i) our unconsolidated financial information, prepared in accordance with accounting standards generally accepted in India and the Companies Act for the six months period ended September 30, 2012, Fiscal 2012, 2011, 2010, 2009 and 2008; and/or (ii) our consolidated financial information, prepared in accordance with accounting standards generally accepted in India and the Companies Act for the six months period ended September 30, 2012, Fiscal 2012, 2011, 2010, 2009 and 2008. In the Prospectus Tranche - I, 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 audits for the years ended March 31, 2008 and March 31, 2009 were conducted by Gupta Nanda & Co., Chartered Accountants, and for the years ended March 31, 2010, March 31, 2011 and March 31, 2012 and the six months period ended September 30, 2012, were conducted by the Statutory Auditors.

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 the Prospectus Tranche – I 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 the Prospectus Tranche - I should accordingly be limited.

### Currency and Unit of Presentation

In the Prospectus Tranche - I, 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 the Prospectus Tranche - I 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 the Prospectus Tranche - I 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 the Prospectus Tranche - I 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 September 30, 2012, March 31, 2012, 2011, 2010, 2009 and 2008 are provided below:

Currency	Exchange Rate into ₹ as at September 30, 2012	Exchange Rate into ₹ as at March 31, 2012	Exchange Rate into ₹ as at March 31, 2011	Exchange Rate into ₹ as at March 31, 2010	Exchange Rate into ₹ as at March 31, 2009	Exchange Rate into ₹ as at March 31, 2008
1 US\$	52.697	51.16	44.65	45.14	50.95	39.97
1 €	68.1485	68.34	63.24	60.56	67.48	63.09

Source: RBI Reference Rates

## FORWARD LOOKING STATEMENTS

Certain statements contained in the Prospectus Tranche - I 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 the Prospectus Tranche - I 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;
- other factors discussed in the Shelf Prospectus, including under "*Risk Factors*" on page 8 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 56 and 87, respectively, of the Shelf Prospectus. The forward-looking statements contained in the Prospectus Tranche - I 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 is a summary of the terms of the Bonds. This section should be read in conjunction with, and is qualified in its entirety by, more detailed information in “*Terms of the Issue*” on page 33.

<b>COMMON TERMS FOR ALL SERIES OF THE BONDS</b>				
<b>Issuer</b>	India Infrastructure Finance Company Limited			
<b>Issue of Bonds</b>	<p>Public issue of the tax free bonds in the nature of secured redeemable non-convertible bonds of the Company of face value of ₹ 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 relevant Tranche Prospectus, for an amount up to ₹ 9,21,500 lakhs*. The Bonds will be issued in one or more tranches subject to the Shelf Limit.</p> <p>This Tranche - I Issue by the Issuer is of Bonds aggregating to ₹ 1,50,000 lakhs with an option to retain oversubscription up to the Shelf Limit (i.e., up to ₹ 9,21,500 lakhs*) and is being offered by way of the Prospectus Tranche – I containing, <i>inter alia</i>, the terms and conditions of Tranche – I Issue, which should be read together with the Shelf Prospectus dated December 10, 2012 filed with the RoC, the Designated Stock Exchange and SEBI.</p> <p><i>* In terms of the Notification, the Company has raised ₹78,500 lakhs on a private placement basis in two tranches, through information memoranda dated November 9, 2012 and November 16, 2012. There is no change in the Shelf Limit mentioned in the Draft Shelf Prospectus dated November 30, 2012 i.e., ₹ 9,21,500 lakhs. This Limit shall be applicable for raising further funds through public issue route and/or the private placement route, such that the aggregate amount raised through private placement route shall not exceed ₹ 2,50,000 lakhs i.e., up to 25% of the allocated limit for raising funds through Tax Free Bonds during Fiscal 2013, in terms of the Notification.</i></p>			
<b>Face Value (₹)</b>	₹ 1,000			
<b>Issue Price (₹)</b>	₹ 1,000			
<b>Nature of Bonds</b>	Secured			
<b>Mode of Issue</b>	Public issue			
<b>Pay-in Date</b>	Application Date. Full amount with the Application Form, except ASBA Applications. See “ <i>Issue Procedure – Payment Instructions</i> ” on page 57.			
<b>Who can apply</b>	<p><b>Category I (“Qualified Institutional Buyers”) (“QIBs”)**</b></p> <ul style="list-style-type: none"> <li>• Public financial institutions specified in Section 4A of the Companies Act,</li> <li>• Scheduled commercial banks,</li> <li>• Mutual funds registered with SEBI,</li> <li>• Alternative Investment Fund registered with SEBI,</li> <li>• Multilateral and bilateral development financial institutions,</li> <li>• State industrial development corporations,</li> <li>• Insurance companies registered with the Insurance Regulatory and Development Authority,</li> <li>• Provident funds with a minimum corpus of ₹ 250 million,</li> <li>• Pension funds with a minimum corpus of ₹ 250 million,</li> <li>• 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,</li> <li>• Insurance funds set up and managed by the army, navy, or air force of the Union of India and</li> </ul>	<p><b>Category II (“Domestic Corporates”)**</b></p> <p>Companies within the meaning of section 3 of the Companies Act and bodies corporate registered under the applicable laws in India and authorised to invest in Bonds</p>	<p><b>Category III (“High Networth Individuals”) (“HNIs”)</b></p> <p>The following investors applying for an amount aggregating to more than ₹ 10 lakhs across all Series of Bonds in this Tranche –I Issue</p> <p>Resident Individual Investors Hindu Undivided Families applying through the Karta</p>	<p><b>Category IV (“Retail Individual Investors”) (“RIIs”)*</b></p> <p>The following investors applying for an amount aggregating up to and including ₹ 10 lakhs across all Series of Bonds in this Tranche –I Issue</p> <p>Resident Individual Investors Hindu Undivided Families through the Karta</p>

COMMON TERMS FOR ALL SERIES OF THE BONDS	
	<ul style="list-style-type: none"> <li>Insurance funds set up and managed by the Department of Posts, India.</li> </ul>
<b>Credit Ratings</b>	ICRA has, by its letter no. D/RAT/2012-13/I-27/3 dated November 9, 2012, assigned a rating of [ICRA] 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. ICRA has, by its letter no. D/RAT/2012-13/I-27/4 dated December 10, 2012, revalidated its credit rating. Further, Brickworks has, by its letter no. BWR/BLR/RA/2012-13/0287 dated November 8, 2012, assigned a rating of BWR 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. Brickworks has, by its letter no. BWR/BLR/RA/2012-13/0320 dated December 10, 2012, revalidated its credit rating. Further, Credit Analysis and Research Limited has, by its letter dated December 3, 2012, assigned a 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. For details, see “ <i>Annexure B -Credit Rating</i> ” of the Shelf Prospectus.
<b>Security</b>	<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 Issue proceeds will be kept in separate Escrow Account(s) and the Company will have recourse to such funds only after creation of Security for the Bonds.
<b>Security Cover</b>	One time of the total outstanding Bonds
<b>Nature of Indebtedness and Ranking/ Seniority</b>	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.
<b>Put/Call Option</b>	There is no put/call option for the Bonds
<b>Listing</b>	BSE. For more information, see “ <i>Terms of the Issue – Listing</i> ” on page 43.
<b>Bond Trustee</b>	IL&FS Trust Company Limited (in its capacity as the “ <b>Bond Trustee</b> ”, which expression will include its successor(s) as trustee)
<b>Depositories</b>	Central Depository Services (India) Limited (“ <b>CDSL</b> ”) and National Securities Depository Limited (“ <b>NSDL</b> ”)
<b>Registrar</b>	Karvy Computershare Private Limited
<b>Modes of Payment/Settlement Mode</b>	<ol style="list-style-type: none"> <li>1. Direct Credit;</li> <li>2. National Electronic Clearing System (“<b>NECS</b>”);</li> <li>3. Real Time Gross Settlement (“<b>RTGS</b>”);</li> <li>4. National Electronic Fund Transfer (“<b>NEFT</b>”); and</li> <li>5. Demand Draft/Cheque/Pay order</li> </ol> <p>For more information, see “<i>Terms of the Issue – Manner &amp; Modes of Payment of Interest/Redemption</i>” on page 39.</p>
<b>Issuance</b>	In dematerialised form and physical form, at the option of the Applicant***
<b>Trading</b>	In dematerialised form only***
<b>Market Lot / Trading Lot</b>	One Bond
<b>Deemed Date of Allotment</b>	The Deemed Date of Allotment will be the date on which the Board of Directors has approved the Allotment of Bonds for each Tranche Issue or any such date as may be determined by the Board of Directors. All benefits under the Bonds including payment of coupon rate (as specified in the Prospectus Tranche - I) will accrue to the Bondholders from the Deemed Date of Allotment. Actual Allotment may occur on a date other than the Deemed Date of Allotment.
<b>Record Date</b>	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.
<b>Lead Managers</b>	SBI Capital Markets Limited, A.K. Capital Services Limited, Enam Securities Private Limited, ICICI Securities Limited and Kotak Mahindra Capital Company Limited
<b>Objects of the Issue and Utilisation of Proceeds</b>	See “ <i>Objects of the Issue</i> ” on page 20.
<b>Working Day Convention/ Day Count</b>	<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, Coupon 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</p> <p><b>Day Count Convention</b></p> <p>Actual/actual, i.e., coupon rate will be computed on a 365 days-a-year basis on the principal outstanding on the Bonds. Where the coupon period (start date to end date) includes February 29, coupon rate will be computed on 366 days-a-year basis, on the principal outstanding on the Bonds.</p> <p><b>Effect of holidays on payments</b></p> <p>If the date of payment of coupon rate or principal or redemption or any date specified does not fall on a Working Day, the succeeding Working Day will be considered as the effective date. Coupon rate and principal or other amounts, if any, will be paid on the succeeding Working Day. In case the date of payment of coupon rate falls on a holiday, the payment will be made on the next Working Day, without any interest for the period overdue. In case the date of redemption falls on a holiday, the payment will be made on the next Working Day along with interest for the period overdue.</p>
<b>Transaction</b>	Documents/undertakings/agreements entered into or to be entered into by the Company with Lead Managers

<b>COMMON TERMS FOR ALL SERIES OF THE BONDS</b>													
<b>Documents</b>	and/or other intermediaries for the purpose of this Issue, including but not limited to the following: - <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Bond Trust Agreement</td> <td>Trust Agreement dated November 29, 2012 between the Bond Trustee and the Company</td> </tr> <tr> <td>Escrow Agreement</td> <td>Agreement dated December 7, 2012 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</td> </tr> <tr> <td>Issue Agreement</td> <td>The agreement entered into on November 29, 2012, between the Company and the Lead Managers</td> </tr> <tr> <td>Lead Broker MoU</td> <td>Memorandum of Understanding dated December 6, 2012, between the Company and the Lead Brokers</td> </tr> <tr> <td>Registrar Agreement</td> <td>Agreement dated November 29, 2012 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 November 29, 2012 between the Bond Trustee and the Company	Escrow Agreement	Agreement dated December 7, 2012 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	Issue Agreement	The agreement entered into on November 29, 2012, between the Company and the Lead Managers	Lead Broker MoU	Memorandum of Understanding dated December 6, 2012, between the Company and the Lead Brokers	Registrar Agreement	Agreement dated November 29, 2012 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 November 29, 2012 between the Bond Trustee and the Company												
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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												
<b>Tranche Issue Opening Date</b>	December 26, 2012												
<b>Tranche Issue Closing Date</b>	January 11, 2013 The Issue shall open for subscription from 10 a.m. to 5 p.m. during the period indicated above with an option for early closure (subject to the Issue being open for a minimum of three Working Days), as may be decided by the Board of Directors in accordance with applicable law. In the event of early closure, the Company shall ensure that public notice of such early closure is published on or before such early date of closure, through advertisement(s) in a leading national daily newspaper.												
<b>Default Interest Rate</b>	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.												
<b>Redemption Premium/Discount</b>	Not applicable												
<b>Interest on Application Money</b>	See “ <i>Terms of the Issue-Interest on Application and Refund Money</i> ” on page 37.												
<b>Option to retain oversubscription</b>	Tranche - I Issue by the Issuer is of Bonds aggregating to ₹ 1,50,000 lakhs with an option to retain oversubscription of ₹ 7,71,500 lakhs, i.e., up to the Shelf Limit												
<b>Step up/step down Coupon Rate</b>	Additional coupon rate of 0.50% to be paid to original Allottees under Category IV Portion. In case the Bonds held by the original Allottees under Category IV Portion are sold/transferred (except in case of transfer of Bonds to legal heirs in the event of death of the original Allottee), the coupon rate shall stand revised to the coupon rate applicable for Allottees falling under Category I, II and III Portions.												
<b>Conditions precedent/subsequent to disbursement</b>	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 43.												
<b>Event of Default</b>	See “ <i>Terms of the Issue</i> ” on page 33.												
<b>Cross Default</b>	Not applicable												
<b>Roles and Responsibilities of Bond Trustee</b>	As provided in the Bond Trust Agreement dated November 29, 2012 (“ <b>Bond Trust Agreement</b> ”) entered into between the Company and the Bond Trustee. See “ <i>Terms of the Issue- Bond Trustee</i> ” on page 42.												
<b>Discount at which Bond is issued and the effective yield as a result of such discount</b>	Not applicable												
<b>Governing Law</b>	Laws of the Republic of India												
<b>Jurisdiction</b>	The courts of New Delhi will have exclusive jurisdiction for the purposes of the Issue.												

*\*\* With respect to the provisions of Section 372A(3) of Companies Act, it may be noted that the RBI has through its circular (Circular No. UBD.BPD.(PCB).Cir.No.40/16.11.00/2011-12) dated June 5, 2012 revised the Bank Rate from 9.5% to 9.0% w.e.f. April 17, 2012. Coupon rate on the Bonds has been determined in pursuant of the Notification. Companies other than banking companies, insurance companies and other companies as mentioned in Section 372A(3) of the Companies Act may however seek independent opinion from their legal counsels about the eligibility to make an application for the Bonds.*

*\*\*\*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, 1996 (“**Depositories Act**”), the Company, at the request of the Investors who wish to hold the Bonds in physical form will fulfil such request. However, trading in Bonds shall be compulsorily in dematerialized form.*

#### **SPECIFIC TERMS FOR EACH SERIES OF BONDS**

Options	Series of Bonds*		
	Tranche - I Series 1	Tranche - I Series 2	Tranche - I Series 3
<b>Tenor</b>	10 years	15 years	20 years

Options	Series of Bonds*		
	Tranche - I Series 1	Tranche - I Series 2	Tranche - I Series 3
<b>Minimum Application</b>	Five Bonds (₹ 5,000) (individually or collectively, across Series)		
<b>In multiples of</b>	One Bond (₹ 1,000)		
<b>Maturity / Redemption Date</b>	10 years from the Deemed Date of Allotment	15 years from the Deemed Date of Allotment	20 years from the Deemed Date of Allotment
<b>Redemption Amount (₹/Bond)</b>	Repayment of the Face Value plus any interest that may have accrued at the Redemption Date		
<b>Coupon Type</b>	Fixed Coupon Rate		
<b>Coupon Payment Date</b>	The date, which is the day falling one year from the Deemed Date of Allotment, in case of the first coupon payment and the same date every year, until the Redemption Date for subsequent interest payments.		
<b>Coupon Reset Process</b>	Not applicable		
<b>Frequency of Coupon Payment</b>	Annual	Annual	Annual
<b>Coupon Rate (%) p.a. for Category I, II, III and IV</b>	7.19%	7.36%	7.40%
<b>Additional Coupon Rate (%) for Category IV**</b>	Additional coupon rate of 0.50% to be paid to original Allottees under Category IV Portion.		
<b>Aggregate Coupon Rate (%) for Category IV</b>	7.69%	7.86%	7.90%
<b>Annualized Yield (%) for Category I, II and III</b>	7.19%	7.36%	7.40%
<b>Annualized Yield (%) for Category IV**</b>	7.69%	7.86%	7.90%

*The Company shall Allot Tranche - I Series 3, to all valid applications, wherein the Applicants have not indicated their choice of the relevant Series.*

*\*\* In case the Bonds held by the original Allottees under Category IV Portion are sold/transferred (except in case of transfer of Bonds to legal heirs in the event of death of the original Allottee), the coupon rate shall stand revised to the coupon rate applicable for Allottees falling under Category I, II and III Portions.*

IL&FS Trust Company Limited has by its letter dated November 29, 2012 given its consent for its appointment as Bond Trustee to the Issue and for its name to be included in the Prospectus Tranche – I and in all the subsequent periodical communications sent to the holders of the Bonds issued pursuant to this Issue.

A copy of the Prospectus Tranche - I shall be filed with the RoC, in terms of section 56 and section 60 of the Companies Act, along with the requisite endorsed/certified copies of all requisite documents. For more information, see “**Material Contracts and Documents for Inspection**” on page 66.

## 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.

### Registered Office and Corporate Office

8<sup>th</sup> 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 71 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  
4<sup>th</sup> Floor, IFCI Tower  
61, Nehru Place  
New Delhi 110 019  
Tel: +91 (11) 2623 5704  
Fax: +91 (11) 2623 5702

### Company Secretary and Compliance Officer

Mr. Abhirup Singh  
Company Secretary and Compliance Officer  
8<sup>th</sup> 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](mailto:complianceofficer.taxfreebonds@iifcl.org)

### Chief Financial Officer

Mr. Rajeev Mukhija  
8<sup>th</sup> Floor, Hindustan Times House  
18 & 20 Kasturba Gandhi Marg  
New Delhi 110 001  
Email: [rajiv@iifcl.org](mailto: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 the 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 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: iifclbonds2012@sbicaps.com  
Investor Grievance Email: investor.relations@sbicaps.com  
Website: www.sbicaps.com  
Contact Person: Ms. Rajalakshmi V./Mr. Nithin Kanuganti  
Compliance Officer: Mr. Bhaskar Chakraborty  
SEBI Registration No.: INM000003531

#### **A. K. Capital Services Limited**

30-39 Free Press House, 3<sup>rd</sup> Floor, Free Press Journal Marg, 215, Nariman Point  
Mumbai 400 021  
Tel: +91 (22) 6754 6500/ 6634 9300  
Fax: +91 (22) 6610 0594  
Email: iifcltbonds@akgroup.co.in  
Investor Grievance Email: investor.grievance@akgroup.co.in  
Website: www.akcapindia.com  
Contact Person: Ms. Anusha Bharadwaj/Mr. Yashesh Thakkar  
Compliance Officer: Mr. Vikas Agarwal  
SEBI Registration No.: INM000010411

#### **Enam Securities Private 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@enam.com  
Investor Grievance Email: complaints@enam.com  
Website: www.enam.com  
Contact Person: Mr. Akash Aggarwal  
Compliance Officer: Mr. M. Natarajan  
SEBI Registration No.: INM000006856

*\*The merchant banking business of Enam Securities Private Limited has vested with Axis Capital Limited, which is in the process of completing the formalities of SEBI registration*

#### **ICICI Securities Limited**

ICICI Centre, H.T. Parekh Marg, Churchgate Mumbai 400 020  
Tel: +91 (22) 2288 2460/ 70  
Fax: +91 (22) 2282 6580  
Email: project.iifcl@icicisecurities.com  
Investor Grievance Email: customercare@icicisecurities.com  
Website: www.icicisecurities.com  
Contact Person: Mr. Mangesh Ghogle  
Compliance Officer: Mr. Subir Saha  
SEBI Registration No.: INM000011179

#### **Kotak Mahindra Capital Company Limited**

1st Floor, Bakhtawar  
229, Nariman Point, Mumbai 400 021  
Tel: (+91 22) 6634 1100  
Fax: (+91 22) 2284 0492  
E-mail: project.iifcl@kotak.com  
Investor Grievance E-mail: kmccredressal@kotak.com  
Website: www.investmentbank.kotak.com  
Contact Person: Mr. Ganesh Rane  
Compliance Officer: Mr. Ajay Vaidya  
SEBI Registration Number: INM000008704

### Lead Brokers

#### **SBICAP Securities Limited**

191, Maker Tower F, Cuffe Parade, Mumbai 400 005  
Tel: +91 (22) 4227 3300  
Fax: +91 (22) 4227 3390  
E-mail: archana.dedhia@sbicapsec.com  
Investor Grievance Email: complaints@sbicapsec.com  
Website: www.sbicapsec.com  
Contact Person: Ms. Archana Dedhia  
SEBI Registration Number: BSE INB11053031 - NSE INB231052938

#### **A.K. Stockmart Private Limited**

30-39, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai 400 021  
Tel: +91 (22) 6634 9300  
Fax: +91 (22) 6754 4666  
E-mail: ankit@akgroup.co.in  
Investor Grievance Email: stockmart@akgroup.co.in  
Website: www.akcapindia.com  
Contact Person: Mr. Ankit Gupta  
SEBI Registration Number: INB231269532/ INB011269538

#### **Axis Capital Limited**

1<sup>st</sup> 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.enam.com

#### **ICICI Securities Limited**

ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020  
Tel: +91 (22) 2288 2460  
Fax: +91 (22) 2282 6580  
E-mail: [project.iifcl@icicisecurities.com](mailto:project.iifcl@icicisecurities.com)  
Investor Grievance Email: [customercare@icicisecurities.com](mailto:customercare@icicisecurities.com)  
Website: www.icicisecurities.com  
Contact Person: Mr. Mitesh Shah

Contact Person: Mr. Akash Aggarwal  
SEBI Registration Number: BSE INB011387330 - NSE  
INB231387235

**Kotak Securities Limited**

Nirlon House, 3<sup>rd</sup> Floor,  
Dr. Annie Besant Road,  
Worli,  
Mumbai 400 025  
Tel: +91 (22) 6740 9431  
Fax: +91 (22) 6661 7041  
E-mail: sanjeeb.das@kotak.com  
Investor Grievance Email: ipo.redressal@kotak.com  
Website: www.kotak.com  
Contact Person: Sanjeeb Kumar Das  
SEBI Registration Number: BSE INB010808153/ INF011133230 –  
NSE INB230808130/ INF230808130 – OTC INB200808136

**LKP Securities Limited**

(For Retail Investors)  
Bank of Maharashtra Building,  
45/47 B.S. Marg,  
Mumbai 400 001  
Tel: +91 (22) 2266 0171  
Fax: +91 (22) 2269 4480  
E-mail: dinesh\_waghela@lkpsec.com  
Investor Grievance Email: dinesh\_waghela@lkpsec.com  
Contact Person: Mr. Dinesh K. Waghela  
(For Institutional Investors)  
203, Embassy Centre,  
Nariman Point,  
Mumbai 400 021  
Tel: +91 (22) 6654 8580, 6630 6892  
Fax: +91 (22) 2284 2415  
Email: wdm@lkpsec.com  
Investor Grievance Email: wdm@lkpsec.com  
Contact Person: Mr. Anish P. Parekh  
Website: www.lkpsec.com  
SEBI Registration Number: BSE INB010675433 – NSE  
INB230720030

**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  
E-mail: ramapriyanpb@karvy.com  
Investor Grievance Email: ksblredressal@karvy.com  
Website: www.karvy.com  
Contact Person: Mr. P.B. Ramapriyan  
SEBI Registration Number: INB230770138

**Edelweiss Broking Limited**

Edelweiss House, Off CST Road,  
Kalina, Mumbai 400 098  
Tel: +91 (22) 6747 1341  
Fax: +91 (22) 6747 1347  
E-mail: amit.dalvi@edelcap.com  
Investor Grievance Email: helpdesk@edelweiss.in  
Website: www.edelweisspartners.com  
Contact Person: Mr. Amit Dalvi  
SEBI Registration Number: BSE INB/ INF011311637 – NSE INB/  
INF/ INE231311631

**RR Equity Brokers Private Limited**

47, M.M. Road,  
Rani Jhansi Marg,  
Jhandewalan,

SEBI Registration Number: BSE INB011286854 – NSE  
INB230773037

**India Infoline Limited**

IIFL House, Sun Infotech Park,  
3<sup>rd</sup> Floor, Road No.16V, Plot B-23,  
MIDC, Thane Industrial Area,  
Wagle Estate,  
Thane (West) 400 604  
Tel: +91 9167997558, 8898073617  
Fax: +91 (22) 4914 2122  
E-mail: ncd@indiainfoline.com  
Investor Grievance Email: [cs@indiainfoline.com](mailto:cs@indiainfoline.com)  
Website: www.indiainfoline.com  
Contact Person: Mr. Anwar Ahmed  
SEBI Registration Number: NSE INB231097537/ BSE  
INB011097533

**SMC Global Securities Limited**

17, Netaji Subhash Marg,  
Daryaganj, New Delhi 110 002  
Tel: +91 98186 20470 / 98100 59041  
Fax: +91 (11) 2326 3297  
E-mail: [mkg@smcindiaonline.com](mailto:mkg@smcindiaonline.com),  
[neerajkhanna@smcindiaonline.com](mailto:neerajkhanna@smcindiaonline.com)  
Investor Grievance Email: [iifcltaxfree@smcindiaonline.com](mailto:iifcltaxfree@smcindiaonline.com)  
Website: [www.smctradeonline.com](http://www.smctradeonline.com)  
Contact Person: Mr. Mahesh Gupta, Mr. Neeraj Khanna  
SEBI Registration Number: INB230771431

**JM Financial Services Private Limited**

Apeejay House, 3<sup>rd</sup> Floor,  
Dinshaw Vachha Road,  
Churchgate,  
Mumbai 400 020  
Tel: +91 (22) 3021 3500, 2266 5577, 2266 5578, 2266 5579, 2266  
5580  
Fax: +91 (22) 2266 5902  
E-mail: rohit.singh@jmfl.com  
Investor Grievance Email: [deepak.vaidya@jmfl.com](mailto:deepak.vaidya@jmfl.com),  
[tn.kumar@jmfl.com](mailto:tn.kumar@jmfl.com)  
Website: [Jmfinancialservices.in](http://Jmfinancialservices.in)  
Contact Person: Mr. Rohit Singh  
SEBI Registration Number: BSE INB011054831/ INF011054831 –  
NSE INB231054835/ INE231054835

**IFCI Financial Services Limited**

Earnest House, 7<sup>th</sup> – 9<sup>th</sup> Floor,  
194, NCPA Marg,  
Nariman Point,  
Mumbai 400 021  
Tel: +91 (22) 4333 5111, 4333 5181  
Fax: +91 (22) 4333 5100  
E-mail: santanu@ifinltd.in  
Investor Grievance Email: [fpdresearch@ifinltd.in](mailto:fpdresearch@ifinltd.in)  
Website: [www.ifinonline.com](http://www.ifinonline.com)  
Contact Person: Mr. Santanu Ray  
SEBI Registration Number: MB/ INM000010247

**Trust Financial Consultancy Services Private Limited**

1101, Naman Centre,  
G Block, Bandra Kurla Complex,  
Bandra (East),

New Delhi 110 055  
Tel: +91 (11) 2350 8473  
Fax: +91 (11) 2363 6745  
E-mail: manishagrawal@rrfcl.com  
Investor Grievance Email: investors@rrfcl.com  
Website: [www.rrfcl.com](http://www.rrfcl.com), [www.rrfinance.com](http://www.rrfinance.com)  
Contact Person: Mr. Manish Agrawal  
SEBI Registration Number: BSE INB011219632 – NSE  
INB231219636

Mumbai 400 051  
Tel: +91 (22) 4084 5000  
Fax: +91 (22) 4084 5003, 4084 5007, 4084 5066  
E-mail: pranav.inamdar@trustgroup.co.in  
Investor Grievance Email: grievances@trustgroup.co.in  
Website: [www.trustgroup.co.in](http://www.trustgroup.co.in)  
Contact Person: Mr. Pranav Inamdar  
SEBI Registration Number: BSE INB011198737 – NSE  
INB231198731

## **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) 2659 3333  
Fax: +91 (22) 2653 3297  
Email: [subhash.jha@ilfsindia.com](mailto:subhash.jha@ilfsindia.com)  
Investor Grievance Email: [investorgrievanceitcl@ilfsindia.com](mailto:investorgrievanceitcl@ilfsindia.com)  
Website: [www.itclindia.com](http://www.itclindia.com)  
Contact Person: Mr. Subhash Jha  
SEBI Registration No.: IND000000452

IL&FS Trust Company Limited has by its letter dated November 29, 2012 given its consent for its appointment as Bond Trustee to the Issue and for its name to be included in the Draft Shelf Prospectus, the 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, Vithal Rao Nagar, Madhapur  
Hyderabad 500 081  
Tel: +91 (40) 4465 5000  
Toll Free No.: 1-800-3454001  
Fax: +91 (40) 2343 1551  
E-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)  
Investor Grievance Email: [iifclbonds@karvy.com](mailto:iifclbonds@karvy.com)  
Website: [karisma.karvy.com](http://karisma.karvy.com)  
Contact Person: Mr. M. Murali Krishna  
SEBI Registration Number: INR000000221

## **Statutory Auditors**

### ***P.R. Mehra & Co.***

Chartered Accountants  
56, Darya Ganj  
New Delhi 110 002  
Tel: +91 (11) 4315 6156  
Email: [a.malhotra56@gmail.com](mailto:a.malhotra56@gmail.com), [prmdg@sify.com](mailto:prmdg@sify.com)  
Firm Registration No.: 000051N

P.R. Mehra & Co. were appointed as the Statutory Auditors by the Comptroller and Auditor General of India through a letter dated August 31, 2009.

## **Escrow Collection Banks/ Bankers to the Issue**

### ***State Bank of India\****

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

### ***Kotak Mahindra Bank Limited***

Kotak Towers, Cash Management Services,  
6<sup>th</sup> 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](mailto:prashant.sawant@kotak.com)  
Website: [www.kotak.com](http://www.kotak.com)

SEBI Registration Number: INBI00000038

**Axis Bank Limited\*\***

K-12, Green Park Main,  
New Delhi 110 016  
Tel: +91(11) 4658 3008, 98994 78300, 98183 33691, 99115 91303  
Fax: +91 (11) 4350 6565  
E-mail: [jatin.chowdhary@axisbank.com](mailto:jatin.chowdhary@axisbank.com),  
[greenpark.branchhead@axisbank.com](mailto:greenpark.branchhead@axisbank.com), [amit.mishra@axisbank.com](mailto:amit.mishra@axisbank.com),  
[ashish.dhall@axisbank.com](mailto:ashish.dhall@axisbank.com)  
Website: [www.axisbank.com](http://www.axisbank.com)  
Contact Person: Mr. Jatin Chowdhary, Mr. Navaljot Singh, Mr.  
Amit Mishra, Mr. Ashish Dhall  
SEBI Registration Number: INBI00000017

**ICICI Bank Limited\*\*\***

Capital Market Division,  
30, Mumbai Samachar Marg,  
Fort, Mumbai 400 001  
Tel: +91 (22) 6631 0322, 6631 0312  
Fax: +91 (22) 2261 1138  
E-mail: [viral.bharani@icicibank.com](mailto:viral.bharani@icicibank.com)  
Website: [www.icicibank.com](http://www.icicibank.com)  
Contact Person: Mr. Viral Bharani  
SEBI Registration Number: INBI00000004

**Yes Bank Limited**

23<sup>rd</sup> Floor, India Bulls Financial Centre,  
Senapati Bapat Marg, Elphinstone Road,  
Mumbai 400  
Tel: +91 (22) 3347 7224  
Fax: +91 (22) 2421 4504  
E-mail: [dlbtiservices@yesbank.in](mailto:dlbtiservices@yesbank.in)  
Website: [www.yesbank.in](http://www.yesbank.in)  
Contact Person: Mr. Mahesh Shirali  
SEBI Registration Number: INBI000000935

**Punjab National Bank\*\*\*\***

Capital Market Services Branch,  
5 Sansad Marg,  
New Delhi 110 001  
Tel: +91 (11) 2373 7533, 2373 7535, 2373 7531  
Fax: +91 (11) 2373 7528  
E-mail: [bo4552@pnb.co.in](mailto:bo4552@pnb.co.in)  
Website: [www.pnb.india.in](http://www.pnb.india.in)  
Contact Person: Mr. B.K. Mahan (Senior Manager), Mr. N.K.  
Sharma (Manager)  
SEBI Registration Number: INBI00000084

\* The SEBI registration of State Bank of India was valid up to November 30, 2012. An application for grant of permanent registration has been made by State Bank of India on October 13, 2012, to SEBI, before the expiry of the period of the certificate. The approval from SEBI is currently awaited. No communication has been received by State Bank of India from SEBI rejecting the said application.

\*\*The SEBI registration of Axis Bank Limited was valid up to November 15, 2012. An application for grant of permanent registration has been made by Axis Bank Limited on August 09, 2012, to SEBI, three months before the expiry of the period of the certificate as required under Regulation 7A of the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended. The approval from SEBI is currently awaited. No communication has been received by Axis Bank Limited from SEBI rejecting the said application.

\*\*\* The SEBI registration of ICICI Bank Limited was valid up to October 31, 2012. An application for grant of permanent registration has been made by ICICI Bank Limited on July 12, 2012, to SEBI, three months before the expiry of the period of the certificate as required under Regulation 7A of the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended. The approval from SEBI is currently awaited. No communication has been received by ICICI Bank Limited from SEBI rejecting the said application.

\*\*\*\* The SEBI registration of Punjab National Bank was valid up to November 30, 2012. An application for grant of permanent registration has been made by Punjab National Bank on August 17, 2012, to SEBI, three months before the expiry of the period of the certificate as required under Regulation 7A of the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended. The approval from SEBI is currently awaited. No communication has been received by Punjab National Bank from SEBI rejecting the said application.

**Refund Banks**

**State Bank of India\***

Videocon Heritage (Killick House),  
Ground Floor, Charanjit Rai Marg,

Contact Person: Prashant Sawant  
SEBI Registration Number: INBI000000927

**HDFC Bank Limited**

FIG-OPS Department – Lodha,  
I Think Techno Campus,  
O-3 Level,  
Kanjurmarg (East),  
Mumbai 400 042  
Tel: +91 (22) 3075 2928  
Fax: +91 (22) 2579 9801  
E-mail: [uday.dixit@hdfcbank.com](mailto:uday.dixit@hdfcbank.com), [figdelhi@hdfcbank.com](mailto:figdelhi@hdfcbank.com),  
[anchalgarg@hdfcbank.com](mailto:anchalgarg@hdfcbank.com), [ashish.ujjawal@hdfcbank.com](mailto:ashish.ujjawal@hdfcbank.com)  
Website: [www.hdfcbank.com](http://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](mailto:sanjay.vasarkar@indusind.com)  
Website: [www.indusind.com](http://www.indusind.com)  
Contact Person: Mr. Sanjay Vasarkar  
SEBI Registration Number: INBI00000002

**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](mailto:ipoteam@idbi.co.in)  
Website: [www.idbibank.com](http://www.idbibank.com)  
Contact Person: Mr. V. Jayanathan  
SEBI Registration Number: INBI00000076

Mumbai 400 001  
Tel: +91 (22) 2209 4932/ 2209 4927  
Fax: +91 (22) 2209 4921/ 2209 4922  
E-mail: [nib.11777@sbi.co.in](mailto:nib.11777@sbi.co.in), [sbi11777@yahoo.co.in](mailto:sbi11777@yahoo.co.in)  
Website: [www.statebankofindia.com](http://www.statebankofindia.com)  
Contact Person: Mr. Anil Sawant  
SEBI Registration Number: INBI00000038

Chembur, Mumbai 400 071  
Tel: +91 (22) 6690 8402  
Fax: +91 (22) 2528 6173  
E-mail: [ipoteam@idbi.co.in](mailto:ipoteam@idbi.co.in)  
Website: [www.idbibank.com](http://www.idbibank.com)  
Contact Person: Mr. V. Jayanathan  
SEBI Registration Number: INBI00000076

*\* The SEBI registration of State Bank of India was valid up to November 30, 2012. An application for grant of permanent registration has been made by State Bank of India on October 13, 2012, to SEBI, before the expiry of the period of the certificate. The approval from SEBI is currently awaited. No communication has been received by State Bank of India from SEBI rejecting the said application.*

### Self Certified Syndicate Banks

The banks which are registered with SEBI under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, 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 as may be prescribed by SEBI from time to time.

### Bankers to the Company

**Dena Bank**  
M-36, Connaught Circus  
New Delhi 110 001  
Tel: +91 (11) 2341 8217, 2341 5246  
Fax: +91 (11) 2341 1792  
Email: [connau@denabank.co.in](mailto:connau@denabank.co.in)/[connauoltas@denabank.co.in](mailto:connauoltas@denabank.co.in)  
Contact Person: Mr. Surender Kr. Bharia  
Website: [www.denabank.com](http://www.denabank.com)

**State Bank of India**  
11, Parliament Street  
New Delhi 110 001  
Tel: +91 (11) 2334 2363  
Fax: +91 (11) 2336 5887  
Email: [agmcommercial.00691@sbi.co.in](mailto:agmcommercial.00691@sbi.co.in)  
Contact Person: Mr. S. M. Saroha  
Website: [www.sbi.co.in](http://www.sbi.co.in)

**Punjab National Bank**  
5, Sansad Marg  
New Delhi 110 001  
Tel: +91 (11) 2373 7533, 2373 7535, 2373 7531  
Fax: +91 (11) 2373 7528  
Email: [bo4552@pnb.co.in](mailto:bo4552@pnb.co.in)  
Contact Person: Mr. B. K. Mahan, Mr. N. K. Sharma  
Website: [www.pnb.india.in](http://www.pnb.india.in)

**Oriental Bank of Commerce**  
A30-33, Connaught Place  
New Delhi 110 001  
Tel: (+91 11) 4575 2405  
Fax: (+91 11) 4353 3904  
E-mail: [bu0179@obc.co.in](mailto:bu0179@obc.co.in)  
Contact Person: Mr. C. S. Gupta  
Website: [www.obcindia.co.in](http://www.obcindia.co.in)

### Credit Rating Agencies

**ICRA Limited**  
Building No. 8  
2<sup>nd</sup> 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](mailto:vivek@icraindia.com)  
Investor Grievance Email: [investors@icraindia.com](mailto:investors@icraindia.com)  
Contact Person: Mr. Vivek Mathur  
Website: [www.icra.in](http://www.icra.in)

**State Bank of Travancore**  
4A, Jeevan Tara Building  
Parliament Street  
New Delhi 110 001  
Tel: +91 (11) 2334 1370, 2334 0061, 2374 4588  
Fax: +91 (11) 2334 1370  
Email: [parliament@sbt.co.in](mailto:parliament@sbt.co.in)  
Contact Person: Mr. Murari Mishra  
Website: [www.statebankoftravancore.com](http://www.statebankoftravancore.com)

**Corporation Bank**  
10<sup>th</sup> floor, H.T. House  
K. G. Marg, Connaught Place  
New Delhi 110 001  
Tel: +91 (11) 2370 4673, 2370 4674  
Fax: +91 (11) 2370 4677  
Email: [cb447@corpbank.co.in](mailto:cb447@corpbank.co.in)  
Contact Person: Mr. U. Madhusudhana Rao  
Website: [www.corpbank.co.in](http://www.corpbank.co.in)

**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  
Email: [ipoteam@idbi.co.in](mailto:ipoteam@idbi.co.in)  
Contact Person: Mr. V. Jayanathan  
Website: [www.idbibank.com](http://www.idbibank.com)

SEBI Registration Number: IN/CRA/003/1999

**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: [ajanth.k@brickworkratings.com](mailto:ajanth.k@brickworkratings.com)  
Investor Grievance Email: [nagaraja.v@brickworkratings.com](mailto:nagaraja.v@brickworkratings.com)  
Contact Person: Mr. Nagaraja V.  
Website: [www.brickworkratings.com](http://www.brickworkratings.com)  
SEBI Registration Number: IN/CRA/005/2008

**Credit Analysis and Research Limited**

3<sup>rd</sup> Floor, B-47, Inner Circle,  
Connaught Place,  
New Delhi 110 001  
Tel: +91 (11) 4533 3220  
Fax: +91 (11) 4533 3238  
Investor Grievance Email: [jyotsna.gadgil@careratings.com](mailto: jyotsna.gadgil@careratings.com)  
Contact Person: Ms. Jyotsna Gadgil  
Website: [www.careratings.com](http://www.careratings.com)  
SEBI Registration Number: IN/CRA/004/1999

**Legal Advisor to the Issue**

**Amarchand & Mangaldas & Suresh A. Shroff & Co.**

Amarchand Towers  
216, Okhla Industrial Estate Phase III  
New Delhi 110 020  
Tel.: +91 (11) 2692 0500  
Fax: +91 (11) 2692 4900

**Credit Rating and Rationale**

ICRA has, by its letter no. D/RAT/2012-13/I-27/3 dated November 9, 2012, assigned a rating of [ICRA] 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. ICRA has, by its letter no. D/RAT/2012-13/I-27/4 dated December 10, 2012 revalidated its credit rating. Further, Brickworks has, by its letter no. BWR/BLR/RA/2012-13/0287 dated November 8, 2012, assigned a rating of BWR 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. Brickworks has, by its letter no. BWR/BLR/RA/2012-13/0320 dated December 10, 2012, revalidated its credit rating. Further, CARE has, by its letter dated December 3, 2012, assigned a 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. For more information, see “*Annexure B – Credit Rating*” of the Shelf Prospectus.

**Expert Opinion**

Except the letters dated November 8, 2012 and December 10, 2012 issued by the Credit Rating Agency, Brickworks, and the letter dated December 3, 2012, issued by the Credit Rating Agency, CARE, in respect of the credit rating of the Issue, and the audit report and statement of tax benefits dated November 30, 2012 and November 29, 2012 issued by P.R. Mehra & 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 Issue.

**Underwriting**

The Issue is not underwritten.

**Issue Programme**

ISSUE PROGRAMME

ISSUE OPENS ON	ISSUE CLOSES ON*
December 26, 2012	January 11, 2013

*\*The Issue shall open for subscription from 10 a.m. to 5 p.m. during the period indicated above with an option for early closure (subject to the Issue being open for a minimum of three Working Days), as may be decided by the Board of Directors. In the event of early closure, the Company shall ensure that public notice of such early closure is published on or before such early date of closure, through advertisement(s) in a leading national daily newspaper. For more information, see "Issue Procedure" on page 46.*

## OBJECTS OF THE ISSUE

### Issue Proceeds

This is a public issue by the Company, of tax free bonds in the nature of secured, redeemable, non-convertible bonds of face value of ₹ 1,000 each, having tax benefits under section 10(15)(iv)(h) of the Income Tax Act, up to a Shelf Limit of ₹ 9,21,500 lakhs in Fiscal 2013. The Bonds will be issued in one or more tranches subject to the Shelf Limit. The Issue is being made under the SEBI Debt Regulations and pursuant to Notification No. 46/2012.F.No.178/60/2012-(ITA.1) dated November 6, 2012, 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.

### Utilisation of Issue Proceeds

The proceeds of 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 56 and 8, respectively, of the Shelf Prospectus.

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 the Issue.

In accordance with SEBI Debt Regulations, the Company will not utilise the proceeds of the 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, the 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 the Issue proceeds only on execution of documents for creation of security as stated in the Prospectus Tranche – I under "**Terms of the Issue**" on page 33 and on the listing of the Bonds.

### 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 the Issue. Pending utilisation of the 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 Issue expenses, proposed to be met from the Issue proceeds:

Particulars	Amount (₹ in lakhs)	Percentage of the Issue (in %)	Percentage of total expenses of the Issue (in %)
<b>Fees payable to Intermediaries</b>			
To the advisors	12.50	0.0014	0.2730
To the Registrar to the Issue	2.50	0.0003	0.0546
To the Bond Trustee	1.50	0.0002	0.0328
To the SCSBs	1.50	0.0002	0.0328
Printing & Stationary	250.00	0.0271	5.4609
For advertising and marketing	450.00	0.0488	9.8296
Lead Managers Fees, Brokerage and Selling Commission	3,750.00	0.4069	81.9135
Other Miscellaneous Expenses	110.00	0.0119	2.4028
<b>Total</b>	<b>4,578.00</b>	<b>0.4968</b>	<b>100.0000</b>

\*As per the Notification, the Issue Expenses will not exceed 0.5% of the Issue size and Brokerage and Selling Commission shall be limited to the following ceilings, Category I – 0.05%, Category II – 0.1%, Category III – 0.15% and Category IV – 0.75%.

The above expenses are prepared based on the assumption that the entire Shelf Limit is subscribed in this Tranche – I Issue. In the event there are any further tranches, then the additional expenses will be reflected in the relevant Tranche Prospectus(es)

The Company shall pay processing fees to the SCSBs for ASBA Application Forms procured by the Members of the Syndicate or the Trading Members of the Stock Exchanges and submitted to the SCSBs for blocking the Application Amount of the Applicant, at the rate ₹ 15.00 per Application Form procured, as finalized by the Company. However it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSB shall not be entitled to any ASBA processing fees.

#### **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 the Issue. The Board shall monitor the utilisation of the proceeds of the Issue. The Company will disclose in our financial information for the relevant fiscal commencing from Fiscal 2013, the utilization of the proceeds of the Issue under a separate head along with any details in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue. The Issue proceeds will be kept in separate Escrow Account(s) and the Company will have recourse to such funds only after creation of Security for the Bonds.

For more information, see “*Terms of the Issue - Utilisation of Issue Proceeds*” and “*Issue Procedure - Monitoring & Reporting of Utilisation of Issue Proceeds*” on page 43.

## STATEMENT OF TAX BENEFITS

*Under the current tax laws, the following possible tax benefits, inter alia, will be available to the Bond Holder. 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 Bond Holder 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 Bond Holder 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) (hereinafter referred to as 'Act') the Central government vide notification no. 46 /2012. F. No. 178/60/2012-(ITA.1) dated November 06, 2012 authorized India Infrastructure Finance Company Limited ('the issuer') to issue during the Financial year 2012-13, tax free, secured, redeemable, non-convertible bonds for the aggregate amount of ₹ 10,000 Crores subject to the following conditions namely -

- i) The following shall be eligible to subscribe to the bonds:
  - a. Retail Individual Investors (RII);
  - b. Qualified Institutional Investors (QIBs);
  - c. Corporates;
  - d. High Net worth Individuals (HNIs).

It shall be mandatory for the subscribers of such bonds to furnish their Permanent Account Number to the issuer.

The tax benefits under the aforesaid section 10 shall be admissible only if the holder of such bonds registers his or her or it's name and the holding with the issuer.

The tenure of the bonds shall be ten, fifteen or twenty years.

At least 75% of the aggregate amount of bonds issued by the issuer shall be raised through public issue and 40% of such public issue shall be earmarked for retail investors.

There shall be a ceiling on the coupon rates based on the reference Government Security (G-Sec) rate. The ceiling coupon rate for AA rated issuers shall be reference G-Sec rate less 50 basis points in case of Retail Individual Investors (RII); and reference G-Sec rate less 100 basis points in case of other investor segments like Qualified Institutional Buyers (QIBs), Corporates and High Net Worth Individuals (HNIs); in case the rating of the issuer entity is above AA, a reduction of 15 basis points shall be made in the ceiling rate, as compared to the ceiling rate for AA rated entities as given above. The higher rate of interest, applicable to retail investors, shall not be available in case the bonds are transferred, except in case of transfer to legal heir in the event of death of the original investor.

The term "reference G-Sec rate" used above would be the average of the base yield of G-Sec for equivalent maturity reported by Fixed Income Money Market and Derivative Association of India (FIMMDA), on a daily basis (working day) prevailing for two weeks ending on Friday immediately preceding the week of filing of the final prospectus with the Exchange or Registrar of Companies (ROC) in case of public issue and the issue opening date in case of private placement.

In the case of private placement, the total issue expense shall not exceed 0.2% of the issue size and in case of public issue it shall not exceed 0.5% of the issue size; The brokerage shall be limited to: (a) 0.05% in case of QIB, (b) 0.1% in case of Corporates, (c) 0.15% in case of HNI and (d) 0.75% in case of RII.

#### **Explanation** (meaning of the terms mentioned above):

Qualified Institutional Buyers (QIB) shall have the same meaning as assigned to them in the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000.

Retail Individual Investors (RII) means those individual investors, Hindu Undivided Family (through Karta), and Non Resident Indians (NRIs), on repatriation as well as non repatriation basis, applying for up to Rs. 10 lakhs in each issue ; and individual investors investing more than Rs. 10 lakhs shall be classified as High Net Worth Individuals.

The bonds issued to NRIs shall be subject to the provisions of Notification No. FEMA 4/2000-RB dated 3rd May, 2000 and Notification No. FEMA 20/2000-RB dated 3rd May, 2000, issued under clause (b) of sub-section (3) of Section 6 and Section 47 of the Foreign Exchange Management Act, 1999, as amended from time to time.

The credit rating referred to above, shall mean the credit rating, as assigned by a credit rating agency which is approved by the Securities and Exchange Board of India as well as the Reserve Bank of India and where an entity has been rated differently, by more than one rating agency, the lower of the two ratings shall be considered.

b) Section 10(15)(iv)(h) to be read with Section 14A(1) of the Act provides that in computing the total income of 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;

Section 2(36A) of the Act defines –Public Sector Company means any corporation established by or under any Central, State or Provincial Act or a Government company as defined in section 617 of the companies Act, 1956 (1 of 1956).

Accordingly, pursuant to the aforesaid notification, interest from bond will be exempt from income tax.

Since the interest Income on these bonds is exempt, no Tax Deduction at Source is required.

## 2. CAPITAL GAIN

a) Under section 2 (29A) of the Act, read with section 2 (42A) of the 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 Income Tax Act, 1961, 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 wholly and exclusively 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 the Act, benefits of indexation of cost of acquisition under second proviso of section 48 of the Act is not available in case of bonds and debenture, except capital indexed bonds. Thus, long term capital gain tax can be considered at the 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. ₹ 2,00,000 in case of all individuals, ₹ 2,50,000 in case of resident senior citizens and ₹ 5,00,000 in case of resident very senior citizens, the long term capital gains shall be reduced by amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and 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 Act read with CBDT Circular 721 dated September 13, 1995.

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 Act.

The provisions related to minimum amount not chargeable to tax, surcharge and education cess described in paragraph 2(a) above would also apply to such short-term capital gains.

c) Exemption u/s 54EC of the Act:

Under section 54EC of the 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 gain are invested in certain notified bonds within six month from the date of transfer. If only part of the capital gains 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 gain exempted earlier would become chargeable to tax as long term capital gain in the year in which such bonds are transferred or converted into money. Where the benefit of section 54 EC of the Act has been availed of on investments in the notified bonds, a deduction from income with reference to such cost shall not be allowed under section 80C of the Act.

d) As per the provisions of section 54F of the Act and subject to conditions specified therein, any long-term capital gains (not being residential house) arising to Bond Holder 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 considerations 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 Bond Holder should not own more than one residential house at the time of such transfer. If the new residential house in which the investment is made transferred within a period of three years from the date of its purchase or construction, the amount of capital gains exempted from tax earlier would become chargeable to tax as long term capital gains in the year in which such new residential house is transferred. Similarly, if the bond Holder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital assets, 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.

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.

Under section 195 of the Act, Income Tax shall be deducted from sum payable to non residents on the 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 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.

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

#### **Taxability under the head Profit and Gains from business & profession:**

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 Act.

#### **Taxation on gift:**

As per section 56(2)(vii) of the Act, in case where individual or Hindu undivided Family receives bond from any person on or after 1<sup>st</sup> October, 2009. 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; 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-  
from any relative; or  
on the occasion of the marriage of the individual; or  
under a will or by way of inheritance; or  
in contemplation of death of the payer or donor, as the case may be; or  
from any local authority as defined in the Explanation to clause (20) of section 10; or  
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  
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 TAXES CODE**

The Hon'ble Finance Minister has presented the Direct Tax Code Bill, 2010 ("DTC Bill") on August 30, 2010, which was proposed to be effective from April 1, 2012. However, in the Budget for 2012-13, the Finance Minister said that "we received the report of the Parliamentary Standing Committee on March 9, 2012. We will examine the report expeditiously and take steps for the enactment of DTC at the earliest."

Thus, the DTC Bill is likely to be presented before the Indian Parliament thereafter. Accordingly, it is currently unclear what effect the Direct Tax Code would have on the investors.

For & on behalf of  
P.R.Mehra & Co  
Chartered Accountants  
Firm Regn. No. 000051N

Ashok Malhotra  
(Partner)  
M.No. 082648

Place :New Delhi  
Date : November 29, 2012

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

The CBDT has, by the Notification, authorised the Company to issue Bonds aggregating to ₹ 10,00,000 lakhs. The Company proposes to raise ₹ 9,21,500 lakhs\* through a public issue of Bonds in one or more tranches, prior to 31 March, 2013. This Tranche - I Issue by the Issuer is of Bonds aggregating to ₹ 1,50,000 lakhs with an option to retain oversubscription up to the Shelf Limit (i.e., up to ₹ 9,21,500 lakhs\*)

*\* In terms of the Notification, the Company has raised ₹ 78,500 lakhs on a private placement basis in two tranches, through information memoranda dated November 9, 2012 and November 16, 2012. There is no change in the Shelf Limit mentioned in the Draft Shelf Prospectus dated November 30, 2012 i.e., ₹ 9,21,500 lakhs. This Limit shall be applicable for raising further funds through public issue route and/or the private placement route, such that the aggregate amount raised through private placement route shall not exceed ₹ 2,50,000 lakhs i.e., up to 25% of the allocated limit for raising funds through Tax Free Bonds during Fiscal 2013, in terms of the Notification.*

The Board, at the meetings held on July 4, 2012 and October 23, 2012, approved the Issue of the Bonds in the nature of secured redeemable non-convertible bonds, 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 ₹ 10,00,000 lakh during Fiscal 2013, as allocated in the Notification, provided that the aggregate amount raised through private placement(s) of Bonds shall not exceed ₹ 2,50,000 lakhs (being 25% of the overall allocated limit for issuance of the Bonds, under the Notification) during Fiscal 2013 and the aggregate amount raised through public issue(s) of the Bonds shall not exceed the Shelf Limit.

### 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, Compliance Officer, Statutory Auditors, Escrow Collection Bank(s), 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 will be filed along with a copy of each Tranche Prospectus with the RoC.

### Expert Opinion

Except the letters dated November 8, 2012 and December 10, 2012 issued by the Credit Rating Agency, Brickworks, and the letter dated December 3, 2012, issued by the Credit Rating Agency, CARE, in respect of the credit rating of the Issue, and the audit report dated November 30, 2012 on our unconsolidated and consolidated financial information for the six months period ended September 30, 2012, Fiscal 2012, 2011, 2010, 2009 and 2008 and statement of tax benefits dated November 29, 2012 issued by P.R. Mehra & 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 32.

### No Reservation or Discount

Pursuant to the Notification, at least 75% of the Issue size shall be raised through public issue, of which 40% shall be earmarked 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 and other applicable laws will be duly complied with in respect of all transfers of the Bonds and registration thereof.

### Dividend

The Company has not paid any dividends on its Equity Shares since incorporation. The distribution of dividend will require the approval of the Bond Trustee if the Company defaults in the payment of interest on the Bonds or redemption thereof or in the creation of security as per the terms of the Issue.

### 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 the issuance of long term infrastructure bonds of face value of ₹ 1,000 each, in the nature of secured redeemable non-convertible bonds

having benefits under section 80 CCF of the Income Tax Act, for ₹ 9,096.18 lakhs, pursuant to a tranche prospectus dated February 1, 2011.

#### **Commission or Brokerage on Previous Issues**

In relation to the issuance of long term infrastructure bonds of face value of ₹ 1,000 each, in the nature of secured redeemable non-convertible bonds having benefits under section 80 CCF of the Income Tax Act, for ₹ 9,096.18 lakhs, pursuant to a tranche prospectus dated February 1, 2011, the total commission/brokerage paid to brokers was ₹ 145.80 lakhs and the total fee paid to the lead managers was ₹ 35.70 lakhs.

#### **Change in auditors of the Company during last three years**

There has been no change in the Statutory Auditors of the Company in the preceding three years. P.R. Mehra & Co. were appointed as the Statutory Auditors by a letter dated August 31, 2009 from the Comptroller and Auditor General of India, and the re-appointment for P.R. Mehra & Co. as the Statutory Auditors of the Company for Fiscal 2013 has been approved by the Comptroller and Auditor General of India, by a letter dated July 27, 2012. For more information on the Statutory Auditors, see “*General Information*” on page 12.

#### **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 43.

#### **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, Enam Securities Private Limited, ICICI Securities Limited and Kotak Mahindra Capital Company Limited are available at [www.sbicaps.com](http://www.sbicaps.com), [www.akcapindia.com](http://www.akcapindia.com), [www.enam.com](http://www.enam.com), [www.icicisecurities.com](http://www.icicisecurities.com) and [www.investmentbank.kotak.com](http://www.investmentbank.kotak.com), respectively.

#### **Listing**

For information, see “*Terms of the Issue – Listing*” on page 43.

#### **Disclaimer clause of BSE**

**BSE Limited (the “Exchange”)** has given vide its letter dated December 7, 2012, 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 scrutinised this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- (i) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- (ii) warrant that this Company’s securities will be listed or will continue to be listed on Exchange; or
- (iii) take any responsibility for the financial or other soundness of this Company, its Promoter, 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**

**RBI does not accept any responsibility or guarantee about the present position as to financial soundness of the Company or correctness of any of the statements or representations made or opinions expressed by the Company and for repayment of deposits or discharge of liabilities by the Company.**

#### **Statement by the Board:**

All monies received pursuant to the Issue shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Companies Act;

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

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 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 Company Secretary 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.

**SECTION III – OFFER INFORMATION  
ISSUE STRUCTURE**

The CBDT has, by the Notification, authorised the Company to issue Bonds aggregating to ₹ 10,00,000 lakhs. The Company proposes to raise ₹ 9,21,500 lakhs\* through a public issue of Bonds in one or more tranches, prior to 31 March, 2013.

*\* In terms of the Notification, the Company has raised ₹ 78,500 lakhs on a private placement basis in two tranches, through information memoranda dated November 9, 2012 and November 16, 2012. There is no change in the Shelf Limit mentioned in the Draft Shelf Prospectus dated November 30, 2012 i.e., ₹ 9,21,500 lakhs. This Limit shall be applicable for raising further funds through public issue route and/or the private placement route, such that the aggregate amount raised through private placement route shall not exceed ₹ 2,50,000 lakhs i.e., up to 25% of the allocated limit for raising funds through Tax Free Bonds during Fiscal 2013, in terms of the Notification.*

The Board, at the meetings held on July 4, 2012 and October 23, 2012, approved the Issue of the Bonds in the nature of secured redeemable non-convertible bonds, 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 ₹ 10,00,000 lakh during Fiscal 2013, as allocated in the Notification, provided that the aggregate amount raised through private placement(s) of Bonds shall not exceed ₹ 2,50,000 lakhs (being 25% of the overall allocated limit for issuance of the Bonds, under the Notification) during Fiscal 2013 and the aggregate amount raised through public issue(s) of the Bonds shall not exceed the Shelf Limit.

**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 “*Terms of the Issue*” on page 33.

<b>COMMON TERMS FOR ALL SERIES OF THE BONDS</b>				
<b>Issuer</b>	India Infrastructure Finance Company Limited			
<b>Issue of Bonds</b>	Public issue of the tax free bonds in the nature of secured redeemable non-convertible bonds of the Company of face value of ₹ 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 relevant Tranche Prospectus, for an amount up to ₹ 9,21,500 lakhs*. The Bonds will be issued in one or more tranches subject to the Shelf Limit.  This Tranche - I Issue by the Issuer is of Bonds aggregating to ₹ 1,50,000 lakhs with an option to retain oversubscription up to the Shelf Limit (i.e., up to ₹ 9,21,500 lakhs*) and is being offered by way of the Prospectus Tranche – I containing, <i>inter alia</i> , the terms and conditions of Tranche – I Issue, which should be read together with the Shelf Prospectus dated December 10, 2012 filed with the RoC, the Designated Stock Exchange and SEBI.  <i>* In terms of the Notification, the Company has raised ₹ 78,500 lakhs on a private placement basis in two tranches, through information memoranda dated November 9, 2012 and November 16, 2012. There is no change in the Shelf Limit mentioned in the Draft Shelf Prospectus dated November 30, 2012 i.e., ₹ 9,21,500 lakhs. This Limit shall be applicable for raising further funds through public issue route and/or the private placement route, such that the aggregate amount raised through private placement route shall not exceed ₹ 2,50,000 lakhs i.e., up to 25% of the allocated limit for raising funds through Tax Free Bonds during Fiscal 2013, in terms of the Notification.</i>			
<b>Face Value (₹)</b>	₹ 1,000			
<b>Issue Price (₹)</b>	₹ 1,000			
<b>Nature of Bonds</b>	Secured			
<b>Mode of Issue</b>	Public issue			
<b>Pay-in Date</b>	Application Date. Full amount with the Application Form, except ASBA Applications. See “ <i>Issue Procedure – Payment Instructions</i> ” on page 57.			
<b>Who can apply</b>	<b>Category I (“Qualified Institutional Buyers”) (“QIBs”)**</b>	<b>Category II (“Domestic Corporates”)**</b>	<b>Category III (“High Networth Individuals”) (“HNIs”)</b>	<b>Category IV (“Retail Individual Investors”) (“RIIs”)*</b>
	<ul style="list-style-type: none"> <li>• Public financial institutions specified in Section 4A of the Companies Act,</li> <li>• Scheduled commercial banks,</li> <li>• Mutual funds registered with SEBI,</li> <li>• Alternative Investment Fund registered with SEBI,</li> <li>• Multilateral and bilateral development financial institutions,</li> <li>• State industrial development corporations,</li> <li>• Insurance companies</li> </ul>	Companies within the meaning of section 3 of the Companies Act and bodies corporate registered under the applicable laws in India and authorised to invest in Bonds	The following investors applying for an amount aggregating to more than ₹ 10 lakhs across all Series of Bonds in this Tranche –I Issue Resident Individual Investors Hindu Undivided Families applying through the Karta	The following investors applying for an amount aggregating up to and including ₹ 10 lakhs across all Series of Bonds in this Tranche –I Issue Resident Individual Investors Hindu Undivided Families through the Karta

COMMON TERMS FOR ALL SERIES OF THE BONDS				
	<p>registered with the Insurance Regulatory and Development Authority,</p> <ul style="list-style-type: none"> <li>• Provident funds with a minimum corpus of ₹ 250 million,</li> <li>• Pension funds with a minimum corpus of ₹ 250 million,</li> <li>• 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,</li> <li>• Insurance funds set up and managed by the army, navy, or air force of the Union of India and</li> <li>• Insurance funds set up and managed by the Department of Posts, India.</li> </ul>			
<b>Credit Ratings</b>	<p>ICRA has, by its letter no. D/RAT/2012-13/I-27/3 dated November 9, 2012, assigned a rating of [ICRA] 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. ICRA has, by its letter no. D/RAT/2012-13/I-27/4 dated December 10, 2012, revalidated its credit rating. Further, Brickworks has, by its letter no. BWR/BLR/RA/2012-13/0287 dated November 8, 2012, assigned a rating of BWR 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. Brickworks has, by its letter no. BWR/BLR/RA/2012-13/0320 dated December 10, 2012, revalidated its credit rating. Further, Credit Analysis and Research Limited has, by its letter dated December 3, 2012, assigned a 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. For details, see “<i>Annexure B - Credit Rating</i>” of the Shelf Prospectus.</p>			
<b>Security</b>	<p><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 Issue proceeds will be kept in separate Escrow Account(s) and the Company will have recourse to such funds only after creation of Security for the Bonds.</p>			
<b>Security Cover</b>	<p>One time of the total outstanding Bonds</p>			
<b>Nature of Indebtedness and Ranking/ Seniority</b>	<p>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.</p>			
<b>Put/Call Option</b>	<p>There is no put/call option for the Bonds</p>			
<b>Listing</b>	<p>BSE. For more information, see “<i>Terms of the Issue – Listing</i>” on page 43.</p>			
<b>Bond Trustee</b>	<p>IL&amp;FS Trust Company Limited</p>			
<b>Depositories</b>	<p>Central Depository Services (India) Limited (“CDSL”) and National Securities Depository Limited (“NSDL”)</p>			
<b>Registrar</b>	<p>Karvy Computershare Private Limited</p>			
<b>Modes of Payment/Settlement Mode</b>	<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 &amp; Modes of Payment of Interest/Redemption</i>” on page 39.</p>			
<b>Issuance</b>	<p>In dematerialised form and physical form, at the option of the Applicant***</p>			
<b>Trading</b>	<p>In dematerialised form only***</p>			
<b>Market Lot / Trading Lot</b>	<p>One Bond</p>			
<b>Deemed Date of Allotment</b>	<p>The Deemed Date of Allotment will be the date on which the Board of Directors has approved the Allotment of Bonds for each Tranche Issue or any such date as may be determined by the Board of Directors. All benefits under the Bonds including payment of coupon rate (as specified in the Prospectus Tranche - I) will accrue to the Bondholders from the Deemed Date of Allotment. Actual Allotment may occur on a date other than the Deemed Date of Allotment.</p>			
<b>Record Date</b>	<p>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.</p>			
<b>Lead Managers</b>	<p>SBI Capital Markets Limited, A.K. Capital Services Limited, Enam Securities Private Limited, ICICI Securities Limited and Kotak Mahindra Capital Company Limited</p>			
<b>Objects of the Issue and Utilisation of</b>	<p>See “<i>Objects of the Issue</i>” on page 20.</p>			

<b>COMMON TERMS FOR ALL SERIES OF THE BONDS</b>													
<b>Proceeds</b>													
<b>Working Convention/Count</b>	<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, Coupon 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</p> <p><b>Day Count Convention</b></p> <p>Actual/actual, i.e., coupon rate will be computed on a 365 days-a-year basis on the principal outstanding on the Bonds. Where the coupon period (start date to end date) includes February 29, coupon rate will be computed on 366 days-a-year basis, on the principal outstanding on the Bonds.</p> <p><b>Effect of holidays on payments</b></p> <p>If the date of payment of coupon rate or principal or redemption or any date specified does not fall on a Working Day, the succeeding Working Day will be considered as the effective date. Coupon rate and principal or other amounts, if any, will be paid on the succeeding Working Day. In case the date of payment of coupon rate falls on a holiday, the payment will be made on the next Working Day, without any interest for the period overdue. In case the date of redemption falls on a holiday, the payment will be made on the next Working Day along with interest for the period overdue.</p>												
<b>Transaction Documents</b>	<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 this Issue, including but not limited to the following: -</p> <table border="1"> <tr> <td>Bond Trust Agreement</td> <td>Trust Agreement dated November 29, 2012 between the Bond Trustee and the Company</td> </tr> <tr> <td>Escrow Agreement</td> <td>Agreement dated December 7, 2012 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</td> </tr> <tr> <td>Issue Agreement</td> <td>The agreement entered into on November 29, 2012, between the Company and the Lead Managers</td> </tr> <tr> <td>Lead Broker MoU</td> <td>Memorandum of Understanding dated December 6, 2012, between the Company and the Lead Brokers</td> </tr> <tr> <td>Registrar Agreement</td> <td>Agreement dated November 29, 2012 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 November 29, 2012 between the Bond Trustee and the Company	Escrow Agreement	Agreement dated December 7, 2012 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	Issue Agreement	The agreement entered into on November 29, 2012, between the Company and the Lead Managers	Lead Broker MoU	Memorandum of Understanding dated December 6, 2012, between the Company and the Lead Brokers	Registrar Agreement	Agreement dated November 29, 2012 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 November 29, 2012 between the Bond Trustee and the Company												
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Registrar Agreement	Agreement dated November 29, 2012 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												
<b>Tranche Opening Date</b>	<b>Issue</b> December 26, 2012												
<b>Tranche Closing Date</b>	<b>Issue</b> January 11, 2013 The Issue shall open for subscription from 10 a.m. to 5 p.m. during the period indicated above with an option for early closure (subject to the Issue being open for a minimum of three Working Days), as may be decided by the Board of Directors in accordance with applicable law. In the event of early closure, the Company shall ensure that public notice of such early closure is published on or before such early date of closure, through advertisement(s) in a leading national daily newspaper.												
<b>Default Interest Rate</b>	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.												
<b>Redemption Premium/Discount</b>	Not applicable												
<b>Interest on Application Money</b>	See “ <i>Terms of the Issue-Interest on Application and Refund Money</i> ” on page 37.												
<b>Option to retain oversubscription</b>	Tranche - I Issue by the Issuer is of Bonds aggregating to ₹ 1,50,000 lakhs with an option to retain oversubscription of ₹ 7,71,500 lakhs, i.e., up to the Shelf Limit.												
<b>Step up/step down Coupon Rate</b>	Additional coupon rate of 0.50% to be paid to original Allottees under Category IV Portion. In case the Bonds held by the original Allottees under Category IV Portion are sold/transferred (except in case of transfer of Bonds to legal heirs in the event of death of the original Allottee), the coupon rate shall stand revised to the coupon rate applicable for Allottees falling under Category I, II and III Portions.												
<b>Conditions precedent/subsequent to disbursement</b>	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 43.												
<b>Event of Default</b>	See “ <i>Terms of the Issue</i> ” on page 33.												
<b>Cross Default</b>	Not applicable												
<b>Roles and Responsibilities of Bond Trustee</b>	As provided in the Bond Trust Agreement entered into between the Company and the Bond Trustee. See “ <i>Terms of the Issue- Bond Trustee</i> ” on page 42.												
<b>Discount at which</b>	Not applicable												

COMMON TERMS FOR ALL SERIES OF THE BONDS	
Bond is issued and the effective yield as a result of such discount	
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 respect to the provisions of Section 372A(3) of Companies Act, it may be noted that the RBI has through its circular (Circular No. UBD.BPD.(PCB).Cir.No.40/16.11.00/2011-12) dated June 5, 2012 revised the Bank Rate from 9.5% to 9.0% w.e.f. April 17, 2012. Coupon rate on the Bonds has been determined in pursuant of the Notification. Companies other than banking companies, insurance companies and other companies as mentioned in Section 372A(3) of the Companies Act may however seek independent opinion from their legal counsels about the eligibility to make an application for the Bonds.*

*\*\*\*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 fulfil such request. However, trading in Bonds shall be compulsorily in dematerialized form.*

## SPECIFIC TERMS FOR EACH SERIES OF BONDS

Options	Series of Bonds*		
	Tranche - I Series 1	Tranche - I Series 2	Tranche - I Series 3
Tenor	10 years	15 years	20 years
Minimum Application	Five Bonds (₹ 5,000) (individually or collectively, across Series)		
In multiples of	One Bond (₹ 1,000)		
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
Redemption Amount (₹/Bond)	Repayment of the Face Value plus any interest that may have accrued at the Redemption Date		
Coupon Type	Fixed Coupon Rate		
Coupon Payment Date	The date, which is the day falling one year from the Deemed Date of Allotment, in case of the first coupon payment and the same date every year, until the Redemption Date for subsequent interest payments.		
Coupon Reset Process	Not applicable		
Frequency of Coupon Payment	Annual	Annual	Annual
Coupon Rate (%) p.a. for Category I, II, III and IV	7.19%	7.36%	7.40%
Additional Coupon Rate (%) for Category IV**	Additional coupon rate of 0.50% to be paid to original Allottees under Category IV Portion.		
Aggregate Coupon Rate (%) for Category IV	7.69%	7.86%	7.90%
Annualized Yield (%) for Category I, II and III	7.19%	7.36%	7.40%
Annualized Yield (%) for Category IV**	7.69%	7.86%	7.90%

*The Company shall Allot Tranche - I Series 3, to all valid applications, wherein the Applicants have not indicated their choice of the relevant Series.*

*\*\* In case the Bonds held by the original Allottees under Category IV Portion are sold/transferred (except in case of transfer of Bonds to legal heirs in the event of death of the original Allottee), the coupon rate shall stand revised to the coupon rate applicable for Allottees falling under Category I, II and III Portions.*

### 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 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 43.

## TERMS OF THE ISSUE

### GENERAL TERMS OF THE ISSUE

#### Authority for the Issue

The CBDT has, by the Notification, authorised the Company to issue Bonds aggregating to ₹ 10,00,000 lakhs. The Company proposes to raise ₹ 9,21,500 lakhs\* through a public issue of Bonds in one or more tranches, prior to 31 March, 2013.

*\* In terms of the Notification, the Company has raised ₹ 78,500 lakhs on a private placement basis in two tranches, through information memoranda dated November 9, 2012 and November 16, 2012. There is no change in the Shelf Limit mentioned in the Draft Shelf Prospectus dated November 30, 2012 i.e., ₹ 9,21,500 lakhs. This Limit shall be applicable for raising further funds through public issue route and/or the private placement route, such that the aggregate amount raised through private placement route shall not exceed ₹ 2,50,000 lakhs i.e., up to 25% of the allocated limit for raising funds through Tax Free Bonds during Fiscal 2013, in terms of the Notification.*

The Board, at the meetings held on July 4, 2012 and October 23, 2012, approved the Issue of the Bonds in the nature of secured redeemable non-convertible bonds, 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 ₹ 10,00,000 lakh during Fiscal 2013, as allocated in the Notification, provided that the aggregate amount raised through private placement(s) of Bonds shall not exceed ₹ 2,50,000 lakhs (being 25% of the overall allocated limit for issuance of the Bonds, under the Notification) during Fiscal 2013 and the aggregate amount raised through public issue(s) of the Bonds shall not exceed the Shelf Limit.

This Tranche – I Issue by the Company is of Bonds aggregating to ₹ 1,50,000 lakhs, with an option to retain over-subscription up to the Shelf Limit (i.e., up to ₹ 9,21,500 lakhs). This Tranche is being offered by way of this Prospectus Tranche – I, which contain, *inter alia*, the terms and conditions of the Tranche – I Issue which should be read together with the Shelf Prospectus dated December 10, 2012 filed with the RoC, BSE and SEBI.

#### Terms & Conditions of the Issue

The terms and conditions of Bonds being offered in the Issue are subject to the Companies Act, the SEBI Debt Regulations, 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 have been incorporated in the Bond Trust Agreement, 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 29.

#### Face Value

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

#### Security

The Bonds will be secured by a *pari passu* 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 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 has, by its letter no. D/RAT/2012-13/I-27/3 dated November 9, 2012, assigned a rating of [ICRA] 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. ICRA has, by its letter no. D/RAT/2012-13/I-27/4 dated December 10, 2012 revalidated its credit rating. Further, Brickworks has, by its letter no. BWR/BLR/RA/2012-13/0287 dated November 8, 2012, assigned a rating of BWR 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. Brickworks has, by its letter no. BWR/BLR/RA/2012-13/0320 dated December 10, 2012, revalidated its credit rating. Further, Credit Analysis and Research Limited has, by its letter dated December 3, 2012, assigned a 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. For details, see “*Annexure B -Credit Rating*” of the Shelf Prospectus.

#### Issue Period

<b>Issue Opens On</b>	<b>December 26, 2012</b>
<b>Issue Closes On</b>	<b>January 11, 2013</b>

The Issue shall open for subscription from 10 a.m. to 5 p.m. during the period indicated above with an option for early closure (subject to the Issue being open for a minimum of three Working Days), as may be decided by the Board of Directors in accordance with applicable law. In the event of early closure, the Company shall ensure that public notice of such early closure is published on or before such early date of closure, through advertisement(s) in a leading national daily newspaper.

Applications Forms for the Issue will be accepted only between 10 a.m. and 5 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 Tranche Issue Closing Date, Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 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).

**Due to limitation of time available for uploading Applications on the Tranche Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Tranche Issue Closing Date and, no later than 3.00 p.m (Indian Standard Time) on the Tranche Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Tranche 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 the Issue.** Application Forms will only be accepted on Working Days.

**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**

Five Bonds and in 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 58.

#### **ALLOTMENT OF BONDS**

##### **Deemed Date of Allotment**

The Deemed Date of Allotment will be the date on which the Board of Directors has approved the Allotment of Bonds for each Tranche Issue or any such date as may be determined by the Board of Directors. All benefits under the Bonds including payment of coupon rate (as specified in the Prospectus Tranche - I) will accrue to the Bondholders from the Deemed Date of Allotment. Actual Allotment may occur on a date other than the Deemed Date of Allotment.

##### **Group of Applications and Allocation Ratio**

For the purposes of the basis of allotment:

Applications received from Category I Applicants: Applications received from Applicants belonging to Category I shall be grouped together ("**QIB Portion**");

Applications received from Category II Applicants: Applications received from Applicants belonging to Category II, shall be grouped together ("**Domestic Corporate Portion**");

Applications received from Category III Applicants: Applications received from Applicants belonging to Category III shall be grouped together; and ("**High Networth Individual Portion**")

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 earmarked for Retail Individual Investors.**

Applications will be consolidated on the basis of PAN for classification into various categories.

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 the Issue up to the Shelf Limit. 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 the 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**

Reservation shall be made for each of the Portions as mentioned below:

<b>QIB Portion</b>	<b>Domestic Corporate Portion</b>	<b>High Networth Individual Portion</b>	<b>Retail Individual Investor Portion</b>
15% of the Issue Size	15% of the Issue Size	30% of the Issue Size	40% of the Issue Size

#### **Basis of Allotment**

(a) 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 15% 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 30% 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.

(b) 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) QIB Portion
- (iii) Domestic Corporate Portion
- (iv) High Networth Individual Portion

(c) 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.

(d) Allotments in case of oversubscription: In case of an 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 .

(e) 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.
- (f) *Applicant applying for more than one Series of Bonds:* If an Applicant has applied for more than one Series of Bonds and in case 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.
- (g) Minimum allotment of 1 Bond 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 the 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 - I.

Our Company would allot Tranche - I Series 3 Bonds to all valid Applications, wherein the Applicants have not indicated their choice of Series of Bonds.

#### **Additional/Multiple Applications**

Please refer "*Issue Procedure – Additional/Multiple Applications*" on page 53.

#### **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. The Bondholders shall deal with the Bonds in accordance with the provisions of the Depositories Act and/or rules as notified by the Depositories, from time to time.

In case of Bonds held in physical 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 on Allotment or on rematerialization of Bonds Allotted in dematerialized form, we will, only on receipt of a request from the Bondholder, split such Consolidated Certificates into smaller denominations subject to the minimum of Market Lot in accordance with applicable law. No fees would be charged for splitting of Consolidated Certificates, but stamp duty payable, if any, would be borne by the Bondholder. The request for splitting should be accompanied by the original Consolidated Certificate which would then be treated as cancelled by us.

#### **PAYMENT OF REFUNDS**

##### ***Refunds for Applicants other than ASBA Applicants***

Within 12 Working Days of the Tranche 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. In case of Applicants who have applied for Allotment of Bonds in dematerialized form, 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. In case of Applicants who have applied for Allotment of Bonds in physical form, the bank details will be extracted from the Application Form or the copy of the cheque. 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 Tranche 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 or the address details provided in the Application Form, in case of Applicants who have applied for Allotment of Bonds in physical form. The Demographic Details would be used mailing of the physical refund orders, as applicable.

Investors who have 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 investors 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 ₹ 2 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 an 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 Tranche Issue Closing Date.

### **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, as applicable to the Allottee, from the date of realization of the cheque(s)/demand draft(s) or three days from the date of upload 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 7.19% p.a, 7.36% p.a and 7.40% p.a on Tranche - I Series 1, Tranche - I Series 2 and Tranche - I Series 3, respectively, for Allottees under Category I, II and III Portions and at the rate of 7.69% p.a, 7.86% p.a and 7.90% p.a on Tranche - I Series 1, Tranche - I Series 2 and Tranche - I Series 3 for Allottees under Category IV Portion. 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 Allotment Advice at the sole risk of the Applicant, to the sole/first Applicant.

#### ***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 to the Allottee, from the date of realization of the cheque(s)/demand draft(s) or three days from the date of upload 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 5.00% 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.

Provided that, notwithstanding anything contained hereinabove, the Company shall not be liable to pay any interest on application monies to the ASBA Applicants 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. For more information, see “*Issue Procedure - Rejection of Application*” on page 59.

## **REDEMPTION**

The Company will redeem the Bonds on the Maturity Date.

### ***Bonds held in electronic form:***

No action is required on the part of Bondholders at the time of maturity of the Bonds.

### ***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**

Tranche - I Series 1 Bonds, Tranche - I Series 2 Bonds and Tranche - I Series 3 Bonds shall carry interest at the coupon rate of 7.19%, 7.36% and 7.40% p.a., respectively, payable annually from, and including, the Deemed Date of Allotment up to, but excluding their respective Maturity Dates, payable on the “Interest Payment Dates”, to the Bondholders as of the relevant Record Date.

However, an additional interest rate of 0.50% p.a. shall be payable to the original Allottees under Category IV for the Bonds under Tranche – I Series 1, Tranche – I Series 2 and Tranche – I Series 3. In case the Bonds held by the original allottees under Category IV are sold/transferred (except in case of transfer of Bonds to legal heir in the event of death of the original allottee), the coupon rate shall stand revised to the coupon rate applicable for allottees falling under Categories I, II and III

Applications will be consolidated on the basis of PAN for classification into various categories. Consequent to such consolidation, if an Applicant falls into any category other than Category IV, such Applicant will not be entitled to the additional interest rate of 0.50% p.a. for Tranche – I Series 1, Tranche – I Series 2 and Tranche – I Series 3

The coupon payment date shall be the date, which is the day falling one year from the Deemed Date of Allotment, in case of the first coupon payment and the same date every year, until the Redemption Date for subsequent interest payments.

The last interest payment in each case will be made on the Maturity Date on a *pro rata* basis. In all events, the Company shall ensure compliance with the FEMA (Borrowing or Lending in Rupees) Regulations, 2000, as amended (“**Borrowing in Rupees Regulations**”), which, among other things, require that the rate of interest on the Bonds does not exceed the prime lending rate of the State Bank of India as on the date on which the resolution approving the Issue was passed in the Company’s general body meeting, plus 300 basis points.

### **Day Count Convention**

Actual/actual i.e., interest will be computed on a 365 days-a-year basis on the principal outstanding on the Bonds. Where the interest period (start date to end date) includes February 29, interest 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 interest or principal or redemption or any date specified does not fall on a Working Day, the succeeding Working Day will be considered as the effective date. Interest and principal or other amounts, if any, will be paid on the succeeding Working Day. In case the date of payment of interest or principal falls on a holiday, the payment will be made on the next Working Day, without any interest for the period overdue. In case the date of redemption falls on a

holiday, the payment will be made on the next Working Day along with interest for the period overdue (i.e., up to one day prior to the date of payment).

#### **Manner & Modes of Payment of Interest/Redemption**

Payment on the Bonds will be made to those Bondholders whose name appears first in the register of beneficial owners maintained by the Depository and/or the Company and/or the Registrar to the Issue, on the Record Date. The Bondholders' respective bank account details will be obtained from the Depository for payments. **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.**

#### *For Bonds held in electronic form:*

**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 ₹ 2 lakhs. 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, payment will be dispatched by post for value up to ₹ 1,500/- and through Registered/Speed Post for value of ₹ 1,500/- and above, only to Applicants that have provided details of a registered address in India.

## **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 ("**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 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**

The Bonds are tax-free in nature and the interest on the Bonds will not form part of total income. For details, please see "*Statement of Tax Benefits*" on page 22.

## **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.

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 will be deemed to be a Register of Bondholders for this purpose.

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.

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.

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.

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 Bond Trust Agreement between the Company with the Bond Trustee.

#### **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 and/or any particular Series of 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 events listed below occurs. The description below is indicative and a complete list of events of default and its consequences is specified in the Bond Trust Agreement:

Default in any payment of the principal amount due in respect of any Series of the Bonds and such failure continues for a period of 30 days;

Default in any payment of any installment of interest in respect of any Series of the Bonds and such failure continues for a period of 15 days;

Default in any payment of any other sum due in respect of any Series of the Bonds and such failure continues for a period of 15 days;

The Company is (in the reasonable opinion of the Bond Trustee or as notified by the Company to the Bond Trustee), or is deemed by a court of competent jurisdiction under applicable law to be, insolvent or bankrupt or unable to pay a material part of its debts, or stops, suspends or threatens to stop or suspend payment of all or a material part (in the reasonable opinion of the Bond Trustee) of, or of a particular type of, its debts;

The Company does not perform or comply with one or more of its other material obligations in relation to the Bonds and/or under the Bond Trust Agreement and/or Security Documents, which default is incapable of remedy or, if in the reasonable opinion of the Bond Trustee is capable of remedy, is not remedied within 30 days of written notice of such default being provided to the Company by the Bond Trustee; or

Any encumbrancer takes possession, or an administrative or other receiver or an administrator is appointed, of the whole or (in the reasonable opinion of the Bond Trustee) any substantial part of the property, assets or revenues of the Company, and is not discharged within 45] days.

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 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 November 29, 2012 given its consent for its appointment as Bond Trustee to the Issue and for its name to be included in the Prospectus Tranche - I 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.

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 covenants 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 Bond Trust Agreement shall be provided to the Designated Stock Exchange within five Working Days of its execution.

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 66 of the Companies Act, the Company will, on or before the Tranche 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 the Prospectus Tranche - I 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 68 A of the Companies Act, reproduced below:**

“Any person who:

- (a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or
- (b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”

### **Listing**

The Bonds will be listed on BSE. BSE will be the Designated Stock Exchange. The Company has obtained in-principle approval for the Issue from BSE, by a letter dated December 7, 2012.

If permissions to deal in and for an official quotation of the Bonds are not granted by the Designated Stock Exchange, the Company will forthwith repay, without interest, all such moneys received from the Applicants pursuant to the Tranche Prospectus(es). If such money is not repaid within eight days after the Company becomes liable to repay it, the Company and every officer in default will on and from such expiry of eight days be liable to repay the money, with interest at the rate of 15% p.a. as prescribed under Section 73 of the Companies Act. 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 Tranche 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**

The 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 the 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, the Issue proceeds shall not be utilised towards full or part consideration for the purchase or any acquisition, including by way of a lease, of any property. The 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, the 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 20.

### **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 the Issue. The Board shall monitor the utilisation of the proceeds of the Issue.

The end-use of the proceeds of the 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 20.

### **Statement by the Board:**

All monies received pursuant to the Issue shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Companies Act;

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

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.

#### **Other Undertakings by the Company**

The Company undertakes that:

Complaints received in respect of the Issue will be attended to by the Company expeditiously and satisfactorily;

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;

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 Tranche Issue Closing Date;

Funds required for dispatch of refund orders/Allotment Advice/Bond certificates will be made available by the Company to the Registrar to the Issue;

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.

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 the Issue of Bonds as contained in the relevant Tranche Prospectus.

The Company will disclose the complete name and address of the Bond Trustee in its annual report.

#### **Ranking of the Bonds**

The Bonds will be secured by a *pari passu* first charge on receivables of the Company, with an asset cover of one time the total outstanding amount of Bonds, pursuant to the terms of the Bond Trust Agreement. Accordingly, 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 (including holders of outstanding tax-free bonds previously issued by the Company) 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 is required to create a DRR to which adequate amounts will be credited out of the profits of the company until redemption of the debentures. Further, the Ministry of Company Affairs ("MCA") has, through circular dated April 18, 2002, clarified that PFIs are required to create a DRR to the extent of 50% of the value of the debentures issued through public issue, and the amount to be credited as DRR will be carved out of the profits of the issuer only if it has profit for a particular year and there is no requirement to create DRR if there is no profit in a particular year.

Accordingly, the Company will create DRR of 50% of the value of Bonds issued and allotted in terms of each Tranche Prospectus. The Company will credit adequate amounts to the DRR from its profits every year until the Maturity Date. The amounts credited to the DRR will not be utilised by the Company for any purpose other than redemption of the Bonds.

#### **Guarantee/Letter of Comfort**

The 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 of 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, 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 rematerialize the Bonds held in dematerialized 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 further details, see “ - *Form of Allotment and Denomination*” on page 36.

### **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 the Issue.

## ISSUE PROCEDURE

*This section applies to all Applicants. ASBA Applicants and Applicants making should note that the ASBA process involves 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.*

*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.*

*Trading Members of the Stock Exchanges who wish to collect and upload Applications in the 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 the Issue on the online platform.** 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 the 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 Prospectus together with Application Forms may be obtained from:

- (a) The Company’s Registered and Corporate Office;
- (b) Offices of the Lead Managers;
- (c) Office 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 and the SCSBs 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. Our Company may also provide Application Forms for being downloaded and filled at such website as it may deem fit. 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.

On a request being made by any Applicant before the Tranche Issue Closing Date, physical copies of the Shelf Prospectus, the Prospectus Tranche - I 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 the Prospectus Tranche - I will be available on the websites of the Lead Managers, the Designated Stock Exchange, SEBI and the SCSBs.

#### Who Can Apply

Category I (“Qualified Institutional (“QIBs”)**	Category II (“Domestic Corporates”) **	Category III (“High Networth Individuals”) (“HNIs”)	Category IV (“Retail Individual Investors”) (“RIIs”)*
<ul style="list-style-type: none"> <li>• Public financial institutions specified in Section 4A of the Companies Act,</li> <li>• Scheduled commercial banks,</li> <li>• Mutual funds registered with SEBI,</li> </ul>	<ul style="list-style-type: none"> <li>• Companies within the meaning of section 3 of the Companies Act and bodies corporate registered under the applicable laws in India and authorised to invest in</li> </ul>	<ul style="list-style-type: none"> <li>• The following investors applying for an amount aggregating to more than ₹ 10 lakhs across all Series of Bonds in each Tranche Issue                             <ul style="list-style-type: none"> <li>• Resident Individual</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• The following investors applying for an amount aggregating up to and including ₹ 10 lakhs across all Series of Bonds in each Tranche Issue</li> </ul>

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"> <li>Alternative Investment Fund registered with SEBI,</li> <li>Multilateral and bilateral development financial institutions,</li> <li>State industrial development corporations,</li> <li>Insurance companies registered with the Insurance Regulatory and Development Authority,</li> <li>Provident funds with a minimum corpus of ₹ 250 million,</li> <li>Pension funds with a minimum corpus of ₹ 250 million,</li> <li>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,</li> <li>Insurance funds set up and managed by the army, navy, or air force of the Union of India, and</li> <li>Insurance funds set up and managed by the Department of Posts, India.</li> </ul>	Bonds	Investors <ul style="list-style-type: none"> <li>Hindu Undivided Families applying through the Karta</li> </ul>	<ul style="list-style-type: none"> <li>Resident Individual Investors</li> <li>Hindu Undivided Families through the Karta</li> </ul>

\* With respect to the provisions of Section 372A(3) of Companies Act, it may be noted that the RBI has through its circular (Circular No. UBD.BPD.(PCB).Cir.No.40/16.11.00/2011-12) dated June 5, 2012 revised the Bank Rate from 9.5% to 9.0% w.e.f. April 17, 2012. Coupon rate on the Bonds has been determined in pursuant of the Notification. Companies other than banking companies, insurance companies and other companies as mentioned in Section 372A(3) of the Companies Act may however seek independent opinion from their legal counsels about the eligibility to make an application for the Bonds.

**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 the Issue.**

The Lead Managers and their respective associates and affiliates are permitted to subscribe in the Issue.

#### **Persons not eligible to Apply**

**The following persons and entities will not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:**

- Minors without a guardian name.
- Foreign nationals (including NRIs, persons resident outside India, Foreign Institutional Investors and Qualified Foreign Investors).
- Venture Capital Funds and Foreign Venture Capital Investors.
- Overseas corporate bodies (“OCBs”).
- Co-operative societies.
- Regional rural banks.
- Societies.
- Public/ private charitable/ religious trusts.
- Scientific and/or industrial research organizations.
- Partnership firms.
- Limited liability partnerships.
- Persons ineligible to contract under applicable statutory/regulatory requirements.
- Any other category of investors not mentioned in Categories 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 system 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 the Issue.**

**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 Regulation S 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”) has been or will be made in respect of the 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 exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue or otherwise in respect of the Bonds.**

#### **Modes of Making Applications**

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

(a) 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 50;

(b) ASBA Applications for Allotment only in dematerialized form through Designated Branches of SCSBs. See “- **Submission of ASBA Applications**” on page 50; and

(c) 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**” on page 51.

(d) 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 50.

#### **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 (ii) 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 Alternative Investment Funds***

Applications made by Alternative Investments Funds eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the “**SEBI AIF Regulations**”) 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; and (iii) specimen signatures of authorised persons. Failing this, our

Company reserves the right to accept or reject any Applications for Allotment of the Bonds in whole or in part, in either case, without assigning any reason thereof. The Alternate Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI.

#### ***Application by Scheduled Commercial Banks***

Scheduled commercial banks can apply in the 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.**

#### ***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; (iii) power of attorney; 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.**

#### ***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 and Bodies Corporate***

In case of Applications by companies 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 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 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.**

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 DEMATERIALISED 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 48 and 56, 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 system 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 online 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 online 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 51 and 56, 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 an Applicant’s 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 system 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 system 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 system 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 system 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 SCSBs and the Stock Exchanges at least one day prior to the Tranche 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. Further, the SCSBs will ensure that the Abridged Prospectus is made available on their websites.

(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 Tranche 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 Tranche Issue Closing Date. For further information on the Issue programme, see “*Terms of the Issue – Issue Period*” on page 33.

(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.**

**Please note that ASBA Applicants can make an Application for Allotment of Bonds in dematerialised form only.**

For instructions pertaining to completing Application Form please see “- *General Instructions*” on page 51.

#### ***Submission of Non-ASBA 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, 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 system 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 the Issue.

For instructions pertaining to completing Application Form please see “- *General Instructions*” on page 51.

### **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 the Prospectus Tranche - I, 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) Applications must be for a minimum of five Bonds and in multiples of one Bond thereafter. For the purpose of fulfilling the requirement of minimum Application of five Bonds, an Applicant may choose to apply for five Bonds of the same Series or across different Series in an Application Form. Applicants may apply for one or more Series of Bonds Applied for in a single Application Form.
- (e) 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.
- (f) Applicants should hold a valid PAN allotted under the Income Tax Act and mention it in the Application Form.
- (g) Applicants must tick the relevant box for the 'Category of Investor' provided in the Application Form.
- (h) Applicants must tick the relevant box for the 'Mode of Application' provided in the Application Form, choosing either ASBA or Non-ASBA mechanism.
- (i) ASBA Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account.
- (j) 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.
- (k) **No separate receipts will be issued for the Application Amount payable on submission of the Application Form.** However, the Members of the Syndicate, Trading Members of the Stock Exchanges 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, 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 - I Series 3 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), 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) in the Application Form would be used only to ensure dispatch of refund orders. In case of refunds through electronic modes detailed in the Prospectus Tranche - I, 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), 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 the Issue will be made into the accounts of such Applicants. Application Form submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which match three parameters, namely, DP ID, Client ID and PAN, then such Applications 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). 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.

#### **Additional/Multiple Applications**

For purposes of Allotment of Bonds in the 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, provided that, two or more Applications shall be deemed to be multiple Applications 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 of ₹ 5,000 and in multiples of ₹ 1,000 thereafter, for each Application. **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 ₹ 10,00,000 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 - I, 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 the Issue.
4. If the Application Form is submitted 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.
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, 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 Stock Exchanges, as the case may be, for Applications other than ASBA Applications, before the closure of Application hours on the Tranche Issue Closing Date. For information on the Issue programme, see "*Terms of the Issue – Issue Period*" on page 33.
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 what the Demographic Details including PAN are updated, true and correct in all respects.

**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/Tranche 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 the Stock Exchanges 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 stockinvest.
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 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.

#### **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;
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 authorisation box in the Application Form, or otherwise have provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form; and
9. Ensure that you have received an acknowledgement from the Designated Branch or the Member of the Syndicate or Trading Member of the Stock Exchanges, as the case maybe 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 59 for information on rejection of Applications.**

For further instructions, Applicants are advised to read the Prospectus, 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
  - (b) 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. Any of the following documents shall be considered as a verifiable proof of identification:
    - valid passport issued by the GoI; or
    - voter’s identity card issued by the GoI; or
    - valid driving license issued by any transport authority of the Republic of India; or
    - Government ID card; or
    - Defence ID card; or
    - ration card issued by the GoI; or
  - (c) 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.
  - (d) 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 abovestated 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 Section 113 of the Companies Act 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 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 system 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 system. 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 the 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**

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 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 Tranche - I".

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 - I.

#### **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:

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.

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.**

The cheque/demand draft for payment into the Escrow Account should be drawn in favour of "IIFCL Tax Free Bonds Escrow Account – Public Issue Tranche - I".

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/stockinvest/money orders/postal orders will not be accepted. Cheques without the nine digit MICR code are liable to be rejected.**

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.

The monies deposited in the Escrow Accounts will be held for the benefit of the Applicants (other than ASBA Applicants) until the Designated Date.

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/stockinvest/money order**

Payment through cash/stockinvest/money order will not be accepted in the 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
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 (“ <b>Syndicate ASBA</b> ”), or (b) to the Designated Branches of SCSBs where the ASBA Account is maintained; or  (ii) If using electronic Application Form, to the SCSBs, electronically through internet banking facility, if available.
Non-ASBA 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.

**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 33.

**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 ASBA Applications*

Please refer “– *Submission of ASBA Applications*” on page 50.

#### *Submission of Non-ASBA Applications*

Please refer “– *Submission of Non-ASBA Applications*” on page 51.

#### *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 50.

### 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.

- 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.
- 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.
- 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 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 Tranche 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.
- Where PAN details in the Application Form and as entered into the electronic systems of the Stock Exchanges, are not as per the records of the Depositories.
- 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 the relevant Tranche Prospectus(es) and as per the instructions in the Application Form, Shelf Prospectus and the relevant Tranche Prospectus(es).
- Application Form accompanied with more than one cheque.
- Date of Birth for first/sole Applicant for persons applying for Allotment of Bonds in physical form not mentioned 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 63. For information on payment of refunds, see “*Terms of the Issue - Payment of Refunds*” on page 36.

## **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. **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 Consortium Members/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 Tranche Issue Closing Date. On the Tranche 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 Tranche 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 Tranche Issue Closing Date.** For further information on the Issue programme, see “*Terms of the Issue – Issue Period*” on page 33.

(d) At the time of registering each Application, other than ASBA 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 59 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 Prospectus Tranche - I; 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 Tranche 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 35.

#### **PAYMENT OF REFUNDS**

Please refer "*Terms of the Issue – Payment of Refunds*" on page 36.

#### **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 Tranche Issue Closing Date. The Company will ensure dispatch of Allotment Advice/refund orders within 12 Working Days of the Tranche 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 Tranche 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 Tranche Issue Closing Date. The Company and every officer in default will be liable to pay interest at 15% p.a. for delay beyond eight days

from the time the Company becomes liable to repay any amount on account of refund, as prescribed under Section 73 of the Companies Act.

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, 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 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 system 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 system of the Stock Exchanges and unblocking funds in the ASBA Account directly.

#### *Withdrawal of Non-ASBA 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 system of the Stock Exchanges.

### **Withdrawal of Applications after the Issue Period**

In case an Applicant wishes to withdraw the Application after the Tranche 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 provide 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 Tranche 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 two 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 filling up the Application Form - Applicant's Beneficiary Account and Bank Account Details*” on page 52.

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 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 42.

**Pre-closure**

The Company, in consultation with the Lead Managers, reserves the right to close the Issue at any time prior to the Tranche Issue Closing Date. In the event of such early closure or extension of the subscription list of the Issue, the Company shall ensure that public notice of such early closure/extension is published on or before such early date of closure, 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 35.

**Filing of the Prospectus Tranche - I with the RoC**

A copy of the Prospectus Tranche – I will be filed with the RoC, in accordance with Sections 56 and 60 of the Companies Act.

**Communications**

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 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 Company Secretary 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.

**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 Prospectus Tranche - I) 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 8<sup>th</sup> 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 the Prospectus Tranche – I until the date of closure of the Issue.

**MATERIAL CONTRACTS**

1. Agreement dated November 29, 2012, between the Company and the Lead Managers.
2. Agreement dated November 29, 2012, between the Company and the Registrar to the Issue.
3. Bond Trust Agreement dated November 29, 2012, between the Company and the Bond Trustee for the Bondholders.
4. Memorandum of Understanding dated December 6, 2012, between the Company and the Lead Brokers.
5. Escrow Agreement dated December 7, 2012, 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 July 4, 2012 and October 23, 2012, 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 November 9, 2012 and December 10, 2012, by ICRA assigning rating of [ICRA] AAA (Stable) to the Bonds.
5. Letters dated November 8, 2012 and December 10, 2012, by Brickworks assigning rating of BWR AAA (Stable) to the Bonds.
6. Letter dated December 3, 2012 by CARE assigning a rating of CARE AAA to the Bonds.
7. Consents of each of the Directors, Chief Financial Officer, Compliance Officer, Lead Managers, Legal Advisors to the Issue, Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Company, the Bond Trustee for the Bonds, Lead Brokers and the Credit Rating Agencies to include their names in the Prospectus Tranche - I, in their respective capacities.
8. Consent of the Auditors, for inclusion of the report on the financial statements including the annexures and notes thereto, in the form and context in which they appear in the Shelf Prospectus and their statement on tax benefits mentioned herein.
9. The statement of tax benefit report dated November 29, 2012, prepared by the Auditors.
10. Auditor's report dated November 30, 2012 on Unconsolidated Financial Information and Consolidated Financial Information, prepared in accordance with the accounting standards generally accepted in India for the six months period ended September 30, 2012, Fiscal 2012, 2011, 2010, 2009 and 2008.
11. Notification (No. 46/2012.F.No.178/60/2012-(ITA.1)) dated November 6, 2012 issued by Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India.
12. MoF, GoI letter dated June 24, 2010 appointing Chairman and Managing Director and MoF, GoI letter dated January 14, 2011 fixing the remuneration of Chairman and Managing Director.
13. Annual Reports of the Company for the last five Fiscals.
14. In-principle listing approval from BSE, through letter no. DCS/SP/PI-BOND/19/12-13 dated December 7, 2012.
15. Due Diligence Certificate dated December 10, 2012 from each of the Lead Managers.

**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.**

## RECENT DEVELOPMENTS

There are no recent 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 Annexures A, B and C. 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 the 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.

## DECLARATION

We, the Directors of the Company, certify that all applicable legal requirements in connection with the Issue, including under the Companies Act, the SEBI Debt Regulations, and all relevant guidelines issued by SEBI, GoI and any other competent authority in this behalf, have been duly complied with and that no statement made in the Prospectus Tranche - I contravenes such applicable legal requirements. We further certify that the Prospectus Tranche - I 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 the Prospectus Tranche - I are true and correct.

### Signed by the Board of Directors

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Mr. S.K. Goel  
*Chairman & Managing Director*

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Ms. Sindhushree Khullar  
*Government Nominee Director*

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Mr. D.K. Mittal  
*Government Nominee Director*

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Ms. Sharmila Chavaly  
*Government Nominee Director*

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

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Prof. G. Raghuram  
*Part-Time Non-Official Director*

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

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

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Dr. Harsh Kumar Bhanwala  
*Executive Director*

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Place: New Delhi

Date: December 10, 2012

**ANNEXURE A**  
**SHELF PROSPECTUS DATED DECEMBER 10, 2012**