

**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.

COMMON TERMS FOR ALL SERIES OF THE BONDS				
Issuer	India Infrastructure Finance Company Limited			
Issue of Bonds	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>			
Face Value (₹)	₹ 1,000			
Issue Price (₹)	₹ 1,000			
Nature of Bonds	Secured			
Mode of Issue	Public issue			
Pay-in Date	Application Date. Full amount with the Application Form, except ASBA Applications. See “ <i>Issue Procedure – Payment Instructions</i> ” on page 57.			
Who can apply	Category I (“Qualified Institutional Buyers”) (“QIBs”)**	Category II (“Domestic Corporates”)**	Category III (“High Networth Individuals”) (“HNIs”)	Category IV (“Retail Individual Investors”) (“RIIs”)*
	<ul style="list-style-type: none"> • Public financial institutions specified in Section 4A of the Companies Act, • Scheduled commercial banks, • Mutual funds registered with SEBI, • Alternative Investment Fund registered with SEBI, • Multilateral and bilateral development financial institutions, • State industrial development corporations, • Insurance companies 	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"> • 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. 			
Credit Ratings	<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>			
Security	<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>			
Security Cover	<p>One time of the total outstanding Bonds</p>			
Nature of Indebtedness and Ranking/ Seniority	<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>			
Put/Call Option	<p>There is no put/call option for the Bonds</p>			
Listing	<p>BSE. For more information, see “<i>Terms of the Issue – Listing</i>” on page 43.</p>			
Bond Trustee	<p>IL&FS Trust Company Limited</p>			
Depositories	<p>Central Depository Services (India) Limited (“CDSL”) and National Securities Depository Limited (“NSDL”)</p>			
Registrar	<p>Karvy Computershare Private Limited</p>			
Modes of Payment/Settlement Mode	<p>1. Direct Credit; 2. National Electronic Clearing System (“NECS”); 3. Real Time Gross Settlement (“RTGS”); 4. National Electronic Fund Transfer (“NEFT”); and 5. Demand Draft/Cheque/Pay order</p> <p>For more information, see “<i>Terms of the Issue – Manner & Modes of Payment of Interest/Redemption</i>” on page 39.</p>			
Issuance	<p>In dematerialised form and physical form, at the option of the Applicant***</p>			
Trading	<p>In dematerialised form only***</p>			
Market Lot / Trading Lot	<p>One Bond</p>			
Deemed Date of Allotment	<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>			
Record Date	<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>			
Lead Managers	<p>SBI Capital Markets Limited, A.K. Capital Services Limited, Enam Securities Private Limited, ICICI Securities Limited and Kotak Mahindra Capital Company Limited</p>			
Objects of the Issue and Utilisation of	<p>See “<i>Objects of the Issue</i>” on page 20.</p>			

COMMON TERMS FOR ALL SERIES OF THE BONDS													
Proceeds													
Working Convention/Count	<p>A Working Day shall mean all days excluding Sundays or a public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period, 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>Day Count Convention</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>Effect of holidays on payments</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>												
Transaction Documents	<p>Documents/undertakings/agreements entered into or to be entered into by the Company with Lead Managers and/or other intermediaries for the purpose of 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
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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												
Tranche Opening Date	Issue December 26, 2012												
Tranche Closing Date	Issue 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.												
Default Interest Rate	The Company shall pay liquidated damages at a compounded rate of 1% per annum on the amount in respect of which a default has been committed in the event the Company fails to pay any amounts outstanding payable, when due and payable.												
Redemption Premium/Discount	Not applicable												
Interest on Application Money	See " <i>Terms of the Issue-Interest on Application and Refund Money</i> " on page 37.												
Option to retain oversubscription	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.												
Step up/step down Coupon Rate	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.												
Conditions precedent/subsequent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedent/subsequent to disbursement. See " <i>Terms of the Issue - Utilisation of Issue Proceeds</i> " on page 43.												
Event of Default	See " <i>Terms of the Issue</i> " on page 33.												
Cross Default	Not applicable												
Roles and Responsibilities of Bond Trustee	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.												
Discount at which	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.