

INVITATION FOR BIDS

Offer for Secondary Market sale of 6.85% India Infrastructure Finance Co Ltd 2014 (Tax free bonds)

State Bank of India (Portfolio Management and custodial Services), on behalf of Employees' Provident Fund Organisation (EPFO), offer to sell 6.85% India Infrastructure Finance Co. Ltd (IIFCL) 2014 Tax Free Bonds for cash in secondary market through **Book building route**.

Details of the Bonds are as under:

Date of Issue	22/01/2009	Rs 920 Crore
	20/03/2014	Rs 30 Crore
Date of Maturity	22/01/2014	Rs 920 Crore
	20/03/2014	Rs 30 Crore
Interest Payment Dates	22 nd January every year	Rs 920 Crore
	20 th March every year	Rs 30 Crore
Coupon Rate	6.85% Tax-Free	
Total Offer Size	Rs 950 crore	
Face Value	Rs 1,00,000 per bond	
ISIN Code	INE787H09038	Rs 920 Crore
	INE787H09046	Rs 30 Crore

The details of this 'Sell down Programme' and the 'Bid format' are available on the website of EPFO at www.epfindia.gov.in or www.epfindia.com along with the Disclosure document issued by IIFCL at the time of issue of the aforesaid bonds.

Potential buyers of these Bonds shall send their bids in a sealed envelope at the following address.

Dy General Manager
Portfolio Management & Custodial Services
Global Markets
15th floor, SBI Bhawan
State Bank of India Corporate Centre
MC Road
Nariman Point
Mumbai – 400021

The Bids must reach the abovementioned address on or before 2.00P.M. Within seven working days after the date of publication of this advertisement. You may contact the Portfolio Manager at +91-22-22891429/30/31/32 or may email your queries at dgmpms.gm@sbi.co.in or sunil.k.singh@sbi.co.in for any information with respect to the bidding.

For EPFO
State Bank of India
Portfolio Management & Custodian Services

Date

Dear Sir/ Madam,

Sub: Offer for Secondary Market Sale of India Infrastructure Finance Co. Ltd. (IIFCL)

EPFO is the holder of 6.85% IIFCL Unsecured, Non-convertible, Tax-free Bonds. The Bonds are being held in the dematerialized format.

DETAILS OF THE BONDS

Date of Issue	Date of Maturity	Interest Payment dates	Coupon Rate
January 22, 2009	January 22, 2014	January 22nd, every year	6.85% Tax-Free

Offer Size	Face Value	ISIN Code	
Rs. 900 cr.	Rs. 100,000- per bond	INE787H09038	

EPFO is seeking to offer the above Bonds for sale for cash in the secondary market through book building route

Schedule for sell-down

The sell down programme would commence on the dates indicated below or earlier or on such extended date(s) as may be decided by EPFO at its sole and absolute discretion without giving any reasons or prior notice.

State Bank of India, who is the Portfolio Manager for EPFO investments, will act as the Book-running sole arranger to this Sell-down programme.

Book Opening Date: 17/10/2011 (10.00 a.m.)

Book Closing Date: Last date for receiving Letters of Commitment
22/10/2011(02.00 p.m.)

Result Announcement: Determination of Cut-Off Price and allocation to bidders
24/10/2011 (05.00 p.m.)

Settlement of Trade: 25/10/2011

HOW TO PARTICIPATE

1. Potential buyers desirous of purchasing these Bonds may on the book opening date/ closing date, place their Bids with the Book Runner to this programme, by way of Letter of Commitment ("Bid"), in the format, prescribed in the Annexure.
2. The potential buyers may indicate the numbers of Bonds that they would like to buy at different prices.
3. The bidders may bid for a minimum of 100 Bonds of face value of Rs. 1,00,000/- each and in multiples of 10 Bonds thereafter.
4. Bids placed earlier can be changed at any time during the bidding period by giving a revised Letter of Commitment, which shall be deemed to supersede the earlier Letter of Commitment.
5. The bidders should clearly mention whether their Bid is an Original/ Revised/ Additional Bid.
6. The Letter(s) of Commitment addressed to EPFO should be sent to the office of the Book Running Sole Arrangers before the Book Closing time.

Dy General Manager
Portfolio Management & Custodial Services
Global Markets
15th floor, SBI Bhawan
State Bank of India Corporate Centre
MC Road, Nariman Point
Mumbai – 400021
Tel – 22891429/30/31
Fax - 22891120

7. No requests for any change in the Bids will be permitted after the Book Closing time.
 8. Full confidentiality of bids received shall be maintained.
 9. Based on the Letters of Commitment received, a “Cut-Off Price” for Bonds shall be determined by EPFO, for sale of the IIFCL Tax Free Bonds, in consultation with the Book Running Sole Arrangers.
 10. The “Cut-off Price” decided for the Bonds shall be applicable for ALL the successful bidders.
- The bids must reach the above mentioned address on or before 2:00 p.m. on 22/10/2011. Bids received after the cut-off time is liable to be rejected.
11. The final allocation to the successful bidders shall be decided by EPFO in consultation with the Book Running Sole Arrangers.
 12. In the event of total commitments exceeding the aggregate face value amount of Bonds intended for sale, EPFO shall reserve its full, unqualified and absolute right of accepting/ rejecting in full or prorate any or all the Bids without assigning any reason thereof.
 13. EPFO retains its sole and absolute right to decide the overall face value amount of Bonds to be sold under the sell down programme.
 14. The Book Running Sole Arrangers/ EPFO shall communicate the Final/ Cut-Off Price of Bonds along with the final allocation to the successful bidders.
 15. As these Bonds are held by EPFO by way of credit to its dematerialized format in the name of “CBT EPF, EPF A/C SBI Portfolio Manager”, these Bonds would be transferred through the NSCCL and would be credited directly to the respective NSDL account of successful bidder(s) through Delivery- vs- Payment (DVP) Mode.
 16. The settlement would be done on T+0 mode on 25/10/2011. The sale would be executed on Cut-Off Price + Accrued Interest.

Right to sell the Bonds

Sale of Bonds by EPFO would purely be its commercial decision, and therefore, depending upon market response, EPFO shall, at its sole and absolute discretion, decide the overall face value amount of Bonds to be sold under the sell down programme.

PRICE RANGE FOR BOOK BUILDING

The minimum price reserved by EPFO is Rs. 100,000 per Bond (i.e.at PAR) for sell-down of Bonds through book building route. The potential buyer(s)/ bidders(s) may place their competitive offer(s)/ bid(s) for the aggregate value of Bonds proposed to be bought by them, in Price per Bond per Rs. 100/- basis (excluding accrued interest). The bid(s)/offer(s) in price terms should be in multiples of 01 paise.

RIGHT TO ACCEPT OR REJECT BIDS/APPLICATIONS OR CANCELLATION OF BIDDING PROCESS

Notwithstanding the terms and conditions mentioned hereinabove, EPFO reserves its full, unqualified and absolute right to accept or reject any or all the bid(s) received in the sell down process, in part or in full cancellation of the entire bidding process, without assigning any reason thereof.

ANNEXURE

FORMAT OF LETTER OF COMMITMENT FROM BIDDERS

(To be furnished on the Letter-head of the Bidder)

Date:

**Dy General Manager
Portfolio Management & Custodial Services
Global Markets
15th floor, SBI Bhawan
State Bank of India Corporate Centre
MC Road
Nariman Point
Mumbai – 400021
Tel – 22891429/30/31
Fax - 22891120**

Dear Sirs,

We refer to your Letter of offer dated _____ for sale of 6.85% IIFCL Tax Free Bonds 2014 of face value of Rs. 10,000/- each, giving details of the proposed sell down through book building route. We hereby commit to buy the Bonds offered under the sell down programme and our requirement is shown in the following table:

This is Our Original Bid / Revised Bid / Additional Bid

A	B	C
Price per Bond (Excluding accrued interest) (Per Rs. 100/-)	Number of Bonds at or lower price in column A	Total Face Value of Bonds (Column B x Rs. 1,00,000)
At Cut-Off Price		

This letter is an unconditional and irrevocable commitment from us to buy the aforesaid number of Bonds, subject to your acceptance, unless superseded by a subsequent letter from us, delivered to you before the book closing date i.e.22/10/2011 (02.00 p.m.).

Kindly allocate to us the desired number of Bonds or any such lesser quantity as may be decided by you in consultation with the Book Running Sole Arrangers.

We undertake to purchase the Bonds at the cut-off price through Delivery-v/s-Payment (DVP) settlement mode on 25/10/2011 or such other date that may be intimated to us by the Book Running Sole Arrangers in respect of the Bonds that may be allocated to us.

Name of the Counter Party: _____
(To whom the Bonds to be transferred)

Thanking you,

Yours faithfully,
Authorized Signatory
(Stamp of the Issuer)



India
Infrastructure
Finance
Company Limited

(This is a Disclosure Document prepared in conformity with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008)

(A Government of India Enterprise)

Incorporated on 5th January, 2006 under the Companies Act, 1956 as a Company wholly owned by the Government of India, Notified as a Public Financial Institution under Section 4A of Companies Act, 1956

Registered Office:

1201-1207, Naurang House
21, Kasturba Gandhi Marg
New Delhi 110 001
Tel.: (011) 4153 1219, 2373 0269
Fax: (011) 2373 6355
Website: www.iifcl.org
E-mail: complianceofficer@iifcl.org

DISCLOSURES UNDER SCHEDULE I OF SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008

Issue:

Private Placement of Unsecured, Tax Free, Non-Convertible “6.85% IIFCL 2014 Tax Free Series II” Bonds in the form of promissory notes of the face value of Rs.1,00,000/- each (“**Bonds**”), aggregating to Rs. 1,000 Crore plus the option to retain over-subscription upto Rs. 2630.70 Crore.

Company’s Absolute Responsibility

IIFCL (the “**Company**”) having made all reasonable inquiries, accepts responsibility for and confirms that the information contained in this Disclosure Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Disclosure Document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

Rating:

ICRA has assigned a provisional long term rating of ‘LAAA (SO)’ (pronounced as L triple A (structured obligation)) to IIFCL for Rs. 10,000 crore, subject to the unconditional, irrevocable and continuing guarantee by the Government of India (“**GoI**”) for the timely repayment of the principal and the interest due thereon during the entire tenor of the Bonds. LAAA is the highest-credit-quality rating assigned by ICRA.

FITCH Ratings India Private Limited (‘FITCH’) has assigned an expected notional rating of ‘AAA(EXP)(ind)(SO)’ [AAA(Expected)(ind)(Structured Obligation)] to the 10,000 crores

long term debt programme of IIFCL guaranteed by the GOI. The expected rating of IIFCL is based on an unconditional, irrevocable and continuing guarantee by the GOI for the rated debt programme covering full and timely payment of principal and all accrued interest.

CRISIL has after due consideration, assigned a “AAA(so)/Stable” (pronounced “Triple A Structured Obligation with stable outlook”) to the Rs. 10,000 Crores Tax Free Bond Issue (guaranteed by the GOI) by India Infrastructure Finance Company Limited. This Rating indicates the highest degree of safety with regard to timely payment of interest and principal on the instrument.

General Risks

Any investment in these Bonds involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment if the Bonds are not held until, or for any reason have to be sold or redeemed, before the Redemption Date (as defined below). Please read the additional risks set out in this Disclosure Document under ‘Risk Factors.’

Potential investors are advised to read this Disclosure Document carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Prospective investors should consult their own legal, regulatory, tax, financial and/or accounting advisors about risks associated with an investment in such Bonds and the suitability of investing in such Bonds in light of their particular circumstances. The Bonds have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) or the Reserve Bank of India (“RBI”), nor do either the SEBI or the RBI guarantee the accuracy or adequacy of this document. This Disclosure Document has not been submitted, cleared or approved by SEBI or the RBI. It should be clearly understood that the Company is solely responsible for the correctness, adequacy and disclosure of all relevant information herein.

Listing:

The Bonds are proposed to be listed on Wholesale Debt Market segment of the Bombay Stock Exchange (“BSE”) and the National Stock Exchange of India Limited (“NSE”).

Registrar & Transfer Agent

Karvy Computershare Private Limited

46, Avenue 4, Street No. 1
Banjara Hills
Hyderabad 500 034
Tel No.: (040) 23312454/23320251/751
Fax No.: (040) 23311968
E-mail: mailmanager@karvy.com
Website: www.karvycomputershare.com

Trustee

IDBI Trusteeship Services Ltd

Asian Building, Ground Floor
17, R Kamani Marg
Ballard Estate
Mumbai 400 001
Tel No.: (022) 6311771/2/3
Fax No.: (022) 66311776
E-mail: itst@idbitrustee.co.in

Arrangers to the Issue (in alphabetical order)



A. K. Capital Services Ltd.
135 & 136, 13th Floor
Free Press House
215, Nariman Point
Mumbai 400 021
Tel: (022) 66349300
Fax: (022) 66360977



Almondz Global Securities Ltd.
2nd Floor
3, Scindia House
Janpath
New Delhi 110 001
Tel: (011) 41514666-669
Fax: (011) 41514665



Axis Bank Ltd.
Central Office
111, Maker Tower 'F'
Cuffe Parade, Colaba
Mumbai 400 005
Tel: (022) 22189106-08
Fax: (022) 22162467



Citibank, N.A.
6th Floor, Plot C-61
Bandra Kurla Complex
G Block, Bandra (East)
Mumbai 400 051
Tel: (022) 40015757
Fax: (022) 40065859



Edelweiss Capital Limited
10th Floor, Hindustan Times House,
18-20 Kasturba Gandhi Marg,
New Delhi-110001.
Tel: (011) 43571149
Fax: (011) 43571134



The Hongkong and Shanghai Banking Corporation Ltd.
52/60, M G Road
Mumbai 400 001
Ph: (022) 22673135
Fax: (022) 2623339



ICICI Securities Primary Dealership Ltd.
ICICI Centre
H T Parekh Marg
Churchgate
Mumbai 400 020
Tel: (022) 22882460/70
Fax: (022) 22882312



IDBI Capital Market Services Ltd.
Mafatlal Centre
5th Floor
Nariman Point
Mumbai 400 021
Tel: (022) 66371212
Fax.: (022) 228850785



Kotak Mahindra Bank Ltd.
2nd Floor, Bakhtawar, Nariman Point,
Mumbai 400 021.
Tel Nos. (022) 67836058 /67836091.
Fax No. (022) 22885661.



LKP Securities Limited
203, Embassy Centre,
Nariman Point,
Mumbai – 400 021
Tel. : (022) 6630 6555/2282 9951
Fax.: (022) 2284 2415



Standard Chartered Bank
90, Mahatma Gandhi Road, Fort,
Mumbai 400 001.
Tel. : (022) 22670224
Fax.: (022) 22651255



Trust Investment Advisors (P) Ltd.
109//110, 1st Floor,
Balrama, Village-Parigkhari
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Tel. : (022) 30681150
Fax.: (022) 30681151

Compliance Officer

Mr. Arun Kumar
Associate Vice President
 India Infrastructure Finance Company Limited
 1201-1207, Naurang House
 Kasturba Gandhi Marg,
 New Delhi 110 021
 Tel: (011) 41531219, 23730269
 Fax: (011) 23736355
 E-mail: complianceofficer@iifcl.org
 Website: www.iifcl.org

The details of previous Tranche of the Bonds issued by IIFCL under this Issue is as follows:

Tranche No.	Date of Issue	Issue Size (Rs. in crore)	Oversubscribed portion retained (Rs. in crore)	Date of Listing and Stock Exchanges	Investor grievances/complaints pending
1.	January 22, 2009	2, 500	4,869.30	BSE – (In Principle) January 16, 2009 NSE – February 10, 2009	Nil

DISCLAIMERS

This Disclosure Document is neither a prospectus nor a statement in lieu of prospectus. The issue of the Bonds proposed to be listed on the BSE and NSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. It does not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the Bonds to the public in general. Apart from this Disclosure Document, no offer document or prospectus has been prepared in connection with the offering of this Issue or in relation to the Company, nor is such a prospectus required to be registered under applicable laws. Accordingly, this Disclosure Document has neither been delivered for registration, nor is intended to be registered.

No invitation is being made to any persons other than those to whom application forms along with this Disclosure Document have been sent. Any application by a person to whom the Disclosure Document and the application form has not been sent by the Issuer or by any of the Arrangers to the Issue shall be rejected without assigning any reason.

Any person who is in receipt of this Disclosure Document shall maintain utmost confidentiality regarding the contents of this Disclosure Document and shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents without the prior written consent of the Issuer.

It is the responsibility of potential investors to also ensure that they will sell these Bonds in strict accordance with the terms and conditions of this Disclosure Document and other applicable laws, so that the sale does not constitute an offer to the public within the meaning of the Companies Act, 1956, as amended (“**Companies Act**”). None of the intermediaries or their agents or advisors associated with this Issue undertake to review the financial condition or affairs of the Company or the factors affecting the Bonds during the life of the arrangements contemplated by this Disclosure Document, or have any responsibility to advise any investor or potential investor in the Bonds of any information available with or subsequently coming to the attention of the intermediaries, agents or advisors.

The contents of this Disclosure Document are intended to be used only by those investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient. The person to whom a copy of the Disclosure Document is sent is alone entitled to apply for the Bonds.

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Disclosure Document or in any material made available by the Issuer to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer.

The intermediaries and their agents or advisors associated with this Disclosure Document have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility is accepted by any such intermediary, agent or advisor as to the accuracy or completeness of the Information contained in this Disclosure Document, or any other information provided by the Company. Accordingly, all such intermediaries, agents or advisors associated with this Issue shall have

no liability in relation to the information contained in this Disclosure Document or any other information provided by the Company in connection with this series.

Disclaimer Statement from the Issuer

The Company accepts no responsibility for statements made otherwise than in the Disclosure Document or any other material expressly stated to be issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at their own risk.

This Disclosure Document has been prepared to provide general information about the Issuer to potential investors to whom it is addressed and who are willing and eligible to subscribe to the Bonds. This Disclosure Document does not purport to contain all the information that any potential investor may require. Neither this Disclosure Document nor any other information supplied in connection with the Bonds is intended to provide the basis of any credit or other evaluation and any recipient of this Disclosure Document should not consider such receipt a recommendation to purchase any Bonds. Neither the GOI nor IIFCL intends to, or may be deemed to render any legal or other advice to any investor. Accordingly, we recommend that each investor should take independent advice in relation to the applicable provisions of Indian Law, with respect to any such proposed investment.

DISCLAIMER IN RESPECT OF JURISDICTION

THIS DISCLOSURE DOCUMENT DOES NOT CONSTITUTE, NOR MAY IT BE USED FOR OR IN CONNECTION WITH, AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION. NO ACTION IS BEING TAKEN TO PERMIT AN OFFERING OF THE BONDS OR THE DISTRIBUTION OF THIS DISCLOSURE DOCUMENT IN ANY JURISDICTION WHERE SUCH ACTION IS REQUIRED. THE DISTRIBUTION OF THIS DISCLOSURE DOCUMENT AND THE OFFERING AND SALE OF THE BONDS MAY BE RESTRICTED BY LAW IN CERTAIN JURISDICTIONS. PERSONS INTO WHOSE POSSESSION THIS DISCLOSURE DOCUMENT COMES ARE REQUIRED TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY SUCH RESTRICTIONS.

This offer of Bond(s) is made in India to persons/parties resident in India. This offer is **NOT** being made to NRIs / OCBs as defined under Indian laws. Further, this Bond issue is not made, or offered, to any 'body corporate' to which Section 372A of the Companies Act applies or is deemed applicable.

This Disclosure Document does not, however, constitute an offer to sell or an invitation to subscribe to Bond(s) offered hereby in any other jurisdiction to any person/parties to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Disclosure Document comes is required to inform himself about and to observe any such restrictions.

Disclaimer of the Stock Exchange

A copy of this Disclosure Document will be submitted to the BSE and NSE. It is to be distinctly understood that the submission of Disclosure Document to the BSE and NSE should not in any way be deemed or construed to mean that the Disclosure Document has been cleared or approved by the BSE and/or NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Disclosure Document, nor does it warrant that the Bonds will be listed or will continue to be listed on the BSE and NSE; nor do the BSE and the NSE take any responsibility for the financial or other soundness of the Issuer, its Promoters, its management or any scheme or project of this Issuer.

Disclaimer in respect of the U.S. Securities Act

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended, (“**U.S. Securities Act**”) and may not be offered or sold within the United States (as defined under Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Each person receiving this Disclosure Document acknowledges that:

Such person has been afforded an opportunity to request and to review and has received all additional information considered by it to be necessary to verify the accuracy of or to supplement the information herein;

- To understand the nature of the Bonds and the risk involved in investing in them, including for any reason having to sell them or to be made to redeem them before the final redemption date; and
- Has not relied on any intermediary, agent, advisor, or underwriter that may be associated with the issuance of Bonds in connection with its investigation of the accuracy of such information or its investment decision.

The Issuer does not undertake to update the Disclosure Document to reflect subsequent events after the date of the Disclosure Document and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer. Neither the delivery of this Disclosure Document nor any sale of Bonds made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

The Disclosure Document is made available to investors in the Issue on the strict understanding that it is confidential.

RISK FACTORS

Investors should consider the following risk factors carefully for evaluating our Company and its business prior to making any investment in the Bonds. The risks and uncertainties described herein may not be the only ones facing our Company and there may be additional risks that we do not presently anticipate or that we currently consider unlikely to have a significant impact. All of these risks could adversely affect our business and financial condition.

Internal Risk Factors

- 1. Our Company is a government of India enterprise, constituted for lending in the infrastructure sector. As such, our assets are concentrated in one sector and further, our operations may be guided primarily by public policy directives.***

Our Company is a “government of India enterprise” as defined in Section 2(36A) of the Income Tax Act, 1961, as amended and also a “government company under Section 617 of the Companies Act. Our Company has been set up by the Ministry of Finance under the Scheme for Financing Viable Infrastructure Projects through a Special Purpose Vehicle called the India Infrastructure Finance Company Limited (“SIFTI”), for the purpose of lending for long term projects in the infrastructure sector. As such, our Company has a concentration of assets (i.e., in the form of loans and advances) in one sector and the gestation of the projects financed by us is typically over a period of ten years or more. Whilst our Company attempts to mitigate the asset concentration risk and the risk of long gestation project financing, by lending to diversified streams of the infrastructure sector, for example, power, airports, ports and waterways, roads and highways, urban infrastructure and solid waste management, our Company may at times be required to follow the public policy directives of the GoI by concentrating its financing on specific projects for greater public interest, even when the public policy objective conflicts with our profits or shareholder value.

- 2. Failure to procure adequate capital and funding would adversely affect our Company’s results and may, in turn, negatively affect our ability to make required payments to the Bondholders.***

Our Company depends upon the availability of adequate funding and capital for its operations. There is no assurance that any, or sufficient, funding or capital will be available to us in the future on terms that are acceptable to us. In the event that our Company cannot obtain sufficient funding on acceptable terms, there may be a negative impact on our ability to make required payments to the Bondholders, including interest payments or repayments of the principal amount of the Bonds.

- 3. Our Company, in its normal course of business, is vulnerable to credit risk.***

The business of lending carries the risk of default by the borrowers. Our Company is exposed to the inability and/or unwillingness of borrowers to repay the debt given by us in the normal course of business operations. Our Company attempts to mitigate this risk by having a diversified loan portfolio of infrastructure projects, including projects in the public sector, under Public Private Partnership (“PPP”) or which are competitively bid for. Further, our Company generally lends up to 20% of the cost of a project, with the

balance 80% or more of the cost of the project being funded from other sources including debt and equity. Before such loans are extended, credit appraisal for the project is done by the other lenders in the inter-institutional group, Whilst we believe that these and other internal checks are sufficient, there is no assurance that they will be continue to be sufficient or whether additional risk management policies will be required. It is possible that our Company could offer large loans to its borrowers who may during the course of the loan be unable and/or unwilling to repay their loans, which may adversely affect our ability to make required payments to our Bondholders.

4. *Our Company is vulnerable to interest rate risk and volatility in interest rates could adversely affect its net interest margin and its financial performance.*

Risks arising from interest rate volatility are inherent to the business of financial intermediation and lending. Our Company, in the normal course of its business is exposed to interest rate and currency risks with respect to a substantial part of its borrowing and lending activities. Whilst our Company's borrowing as well as lending activities are typically for 10 years or greater duration, the loan sanctions typically contain a reset clause to hedge against the interest rate volatility over the longer term and the movement in the interest rates is closely monitored by us for appropriate action. However, in the event such hedging does not serve to benefit from or set off the extent of interest rate fluctuation, or if we are not able to pass on the increased cost of borrowing to its own borrowers, our Company's net interest income and net interest margin would be adversely impacted.

5. *The current dislocations in the global corporate credit sector and the current weakness in the broader financial market, could adversely affect us and one or more of our lenders, which could result in increases in our borrowing costs and reductions in our liquidity position.*

The continuing dislocations in the global corporate credit sector and the current weakness in the broader financial market could adversely affect one or more of the lenders providing funding for our business and could cause those lenders to be unwilling or unable to provide us with additional financing. This could potentially limit our ability to finance our operations, increase our financing costs and reduce our liquidity. For instance, our Company has sought foreign currency denominated loans from certain foreign banks. However, due to changes in market conditions, some of these commercial banks have not fulfilled their commitment and legal opinion has been sought to proceed in the matter. There is no assurance that the whole or any part of the above-mentioned sanctioned loan amounts or the additional loan amounts in process of negotiation will be received by us in the expected time or at all.

6. *Our Company will have significant flexibility with respect to utilisation of funds raised through this Issue.*

The funds raised through this Issue are not intended for any specific project and our Company has not entered into any binding arrangements in respect of utilisation of the Issue proceeds. Further, the utilisation of the funds proposed to be raised through this Issue is entirely at the discretion of our management and no monitoring agency has been appointed to monitor the deployment of funds raised through this Issue.

7. ***Our Company depends on its management team and employees, the loss of whom may adversely affect its business.***

Our Company is dependent upon a core management team, including our Chairman and Managing Director, who oversee the day-to-day operations, strategy and growth of its businesses. In an event where one or more members of our management team are unable to continue in their present positions, our Company's business could be adversely affected. In addition, our Company's success in expanding its business will also depend, in part, on its ability to attract, retain and motivate appropriately qualified personnel. Our failure to successfully manage personnel needs could materially adversely affect our business and results of operations.

8. ***Regulatory changes could adversely affect our Company's business.***

The laws and regulations or the regulatory or enforcement environment in which our Company operates may change at any time and may have an adverse effect on the services it offers, the value of its assets or its business in general. Although our Company is not currently required to be registered as a non-banking financial institution ("NBFC"), in the event we are required to obtain such registration and be classified as an NBFC in the future, the laws and regulations that apply to an NBFC would become applicable to us. If our Company is found to have violated an applicable regulation, administrative or judicial proceedings may be initiated against us that may result in suspension of our Company's activities or other adverse consequences.

9. ***Any major fraud by third parties or our Company's own employees, or lapses in control systems, could adversely impact our business.***

Our Company is vulnerable to risk arising from the failure of third parties, including entities and projects that we lend to in the normal course of its business, or our own employees to adhere to approved procedures and system controls, including accounting and data protection procedures. Failure to prevent or mitigate fraud or breaches in security may also adversely affect our operations and future financial performance. Our Company's reputation could also be adversely affected by fraud committed by its employees, agents, or third parties.

Issue Related Risks

10. ***Our Company's long term debt ratings are subject to the unconditional, irrevocable and continuing guarantee of the GoI, which has not yet entered into a guarantee agreement in respect of this Issue.***

Our Company has a provisional long term debt rating of "LAAA/SO" from ICRA, an expected notional long term debt rating of "AAA(EXP)(ind)(SO)" from Fitch Ratings India Private Limited and "AAA(so)/Stable" from CRISIL. These ratings indicate highest safety with regard to timely payment of interest and principal on the Bonds, subject to the unconditional, irrevocable and continuing guarantee by the GoI. Our Company has received a letter from the GoI in respect of the sovereign guarantee for an issue of bonds aggregating to Rs. 10,000 crore and we expect that the GoI will enter into a guarantee agreement with respect to the Bonds issued pursuant to this Disclosure Document. Whilst these ratings are not expected to undergo a change during the term of the Bonds due to

the sovereign guarantee by the GoI, until such time as the sovereign guarantee agreement is executed, our Company's long term debt ratings will remain provisional. Investors may also note that the above ratings are subject to revision or withdrawal at any time by the assigning rating agencies on the basis of any additional information.

11. Rights to receive payment on the Bonds will be subordinated to our Company's secured indebtedness and structurally subordinated to the indebtedness and liabilities of our subsidiary.

The Bonds will not be secured by any of our Company's assets and will therefore be effectively subordinated to any existing and future secured obligations of our Company or its subsidiary to the extent of the assets securing such obligations. The terms of the Bonds do not prevent or restrict our Company or its subsidiary from incurring additional debt, including secured debt. Claims of any such creditors will have priority over the assets of such entities over our Company and its creditors, including the Bondholders. If our Company was to become insolvent, holders of any current and future secured debt would be paid first and would receive payments from the assets used as security before the Bondholders receive any payments. The Bondholders may therefore not be fully repaid if our Company remains insolvent in such circumstances.

12. An active market for the Bonds may not develop, which may cause the price of the Bonds to fall.

There is no assurance that an active trading market for the Bonds will develop, or as to the liquidity or sustainability of such a market, the ability of Bondholders to sell their Bonds or the price at which Bondholders will be able to sell their Bonds. If an active market for the Bonds fails to develop or be sustained, the trading price of the Bonds could fall. If an active trading market were to develop, the Bonds could trade at prices that may be lower than the initial offering price of the Bonds. In addition, the market for debt securities in emerging markets has been subject to disruptions that have caused volatility in trading prices of securities on the debt segments of the Indian Stock Exchanges. Any disruptions in these markets may have an adverse effect on the market price of the Bonds.

13. The actual Issue size may be different from that disclosed in the Disclosure Document, due to exercise of the over-allotment option.

In the event of oversubscription of the Issue, our Company retains the right to retain any or all of the oversubscription amount up to maximum of Rs. 10,000 crore. Therefore, the actual Issue size and debt-equity ratio may be different from that disclosed in this Disclosure Document and our interest and servicing obligations may therefore exceed those that are presently anticipated.

External Risk Factors

14. General economic conditions such as general downturn in global and domestic economies, interest rates and the availability of finance, could have an adverse effect on our Company's business and financial results.

Our Company's business, whilst not cyclical, is sensitive to changes in the economy in general. Our Company's business and financial results may be unfavourably affected by

such factors as changes in the global and domestic economies or regulatory frameworks, changes in local market conditions, fluctuations in interest rates and foreign currency exchange rates, the availability of finance and other factors. Our Company's business may also be affected by political or regulatory action, adverse changes in governmental policies, social disturbances, terrorist attacks, acts of violence or war and natural calamities.

GENERAL INFORMATION

i) Name and address of the registered office of the Issuer

Registered Office:

1201-1207, Naurang House,
21, Kasturba Gandhi Marg,
New Delhi 110 001
Tel: (011) 41531219, 23730269
Fax: (011) 23736355
Website: www.iifcl.org
E-mail: complianceofficer@iifcl.org

ii) Brief particulars of the directors of the Issuer

S. No.	Name	Age (Yrs)	Qualification & Experience	Date of Appointment	Current Term	Residential Address	Other Directorships
1.	Shri SS Kohli	64	B Tech, 41 years	10.03.2006	3 years or till he attains age of 65 or until further orders	J 170, Rajouri Garden, New Delhi 110 027	IDFC, MADC, SMERA, M ODI RUBBER LTD., MDI GURGAON, PIDB, India SME Technology Services Limited
2.	Mr. Arun Ramnathan	59	P.G. (Development Economics), M.Sc. (Nuclear Physics), P.G. (Business Administration), ICWAI	18.01.2008	3 yrs or until further orders which ever is earlier	C – II/47, Tilak Lane, New Delhi 110 001.	State Bank of India, Life Insurance Corporation of India, IDBI Bank, ICICI Bank, IDFC
3.	Dr. Subas Pani	60	P.G. (English), Post Doctorate (English), Diploma (Planning), Certificate (German)	10.01.2008	3 yrs or until further orders which ever is earlier	741, Shahid Nagar, Bhubaneswar, Orissa – 751 007.	NIL
4.	Prof. G. Raghuram	53	B. Tech(IIT, Chennai), MBA, PhD	04.09.2006	3 yrs or until further orders which ever is earlier	401 IIM (A) Campus, Vastrapur, Ahmedabad, Gujarat – 380015.	Sequel Logistics Pvt. Limited, Arshiya International Ltd., Konkan Railway Corporation Ltd., Take Solutions Ltd., Alcock Ashdown Gujarat Ltd.,

5.	Mr. Bala Subramanian Nagarajan	62	M.Sc. (Ag.), Post Graduate Prog. In Management from IIM, Ahmedabad	11.07.2008	3 yrs or until further orders which ever is earlier	71, Belmonte Towers, Mogule Lane, Mahim (West), Mumbai 400 066	ICICI Ventures, JP Morgan Mutual Fund, GTL Infrastructure Ltd., JBF Industries Ltd., Brick Work Ratings P. Ltd., Credit Market Services Ltd., Management Development Institute, Gurgaon
6.	Mr. Pradeep Kumar	49	MA (Economics) MBA (Finance)	24.12.2008	3 years which on review can be extended maximum upto 5 years.	10 – Dakshinেশ্বর, 10 Hailey Road< New Delhi -110 001	

iii) A brief summary of the business / activities of the Issuer and its line of business

The importance of infrastructure for sustained economic development and influencing the living standards is well recognized. Yet millions of people across the world, lack access to drinking water, proper sanitation, and electricity and communication network. High transaction costs arising from inadequate and inefficient infrastructure prevent the economies from realizing their full growth potential.

In the Indian context, while there has been some progress in attracting investment into infrastructure, the total annual capital investment on infrastructure still hovers around 4 percent of gross domestic product (“GDP”), as compared to over 10 percent share in some other Asian countries. The dynamics of the Indian economy warrant a strong push to infrastructure. The Hon’ble Finance Minister of India, while presenting the Union Budget for FY 2006, acknowledged the need and significance of building adequate infrastructure in the country and made the following announcement:-

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

MAIN OBJECTS OF IIFCL

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

- Direct lending to eligible projects

- Refinance to banks and FIs for loans with tenor of five years or more
- Any other method approved by GOI

Some other salient features of financing and development include:

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

BUSINESS OF IIFCL

1. Landmarks Since Inception

IIFCL came into existence in January 2006. IIFCL finances viable infrastructure projects in sectors including roads, airport, port, power, urban infrastructure etc. Cumulative loans sanctioned Rs. 18,720 crores as of December 31, 2008 in 88 projects with total project cost of Rs. 1,47,092 crores, disbursement of Rs. 3,590.58 crores made.

2. Performance Table

	(Rs. in crore)			
	March 2007	March 2008	September 2008	December 2008
Cumulative Sanctions	8,410	16,969	18,380	18,720
Disbursements	142	1,684	2,708	3,590.58*
Operating Profit	9.38	33.76	61.29	123.99
Net Profit	3.47	14.10	29.26	51.25

* including PMDO and interest accrued.

3. Shareholding Pattern

Authorised Capital: Rs. 2,000 crore and Paid-up capital Rs. 1000 crore. 100% owned by the Government of India.

4. Main Initiatives of Company:

IIFCL has participated in the India Infrastructure Finance Initiative with IDFC and Citi Group which has achieved first closure at USD 523 million; USD 500 million loan from ADB has become effective and IIFCL has availed USD 118 million from the first tranche of USD 300 million; negotiations with World Bank for USD 600 million concluded; KFW has given “in principle” approval for Euro 180 million loan; raising of ECB of 500 million approved by RBI out of which, while “in principle” sanction of \$120 million from Sumitomo Mitsui Banking Corp (“SMBC”) received, the remaining USD 30 million from SMBC and USD 100 million from Mizuho Corporate Bank is under negotiation.

BUSINESS APPROACH

The infrastructure imperatives have been examined across sectors and across implementing agencies and a four-fold approach has been developed:-

- Extend financial support to infrastructure projects in association with agencies, such as, National Highway Authority of India, National Airport Authority Ltd., Ministry of Power, etc.

- Conceptualize PPP project outside the framework of apex institutions and bring them to financial closure, e.g. state level roads, urban development, minor ports, and tourism related infrastructure.
- Channelise infrastructure instruments through suitable project vehicles, especially in urban infrastructure

OFFICES OF IIFCL

The Registered Office of IIFCL is situated at 1201-1207, Naurang House, 21, Kasturba Gandhi Marg, New Delhi 110 001

Tel: (011) 23736354; Fax: (011) 23736355

The Corporate Office of IIFCL is situated at 10th Floor, Jeevan Prakash Building, 25 Kasturba Gandhi Marg, New Delhi 110 001

Tel: (011) 23730269, 23730270; Fax: (011) 23736355

SUBSIDIARIES OF IIFCL

IIFCL has a subsidiary as on the date of this Disclosure Document. The name of the subsidiary company is IIFC (U.K.) Ltd. The subsidiary company was formed on 7th February 2008. The subsidiary is 100% owned by IIFCL

GROUP COMPANIES OF IIFCL

Since the Government of India is the promoter of IIFCL, IIFCL has no group companies.

JOINT VENTURE/ AFFILIATES/ of IIFCL/ COMPANY PROMOTED/ CO-PROMOTED BY IIFCL

IIFCL does not have any affiliates as on the date of this Disclosure Document.

iv) Brief History

IIFCL was incorporated on January 5, 2006 under the Companies Act 1956 as a wholly Government owned Company. IIFCL is a dedicated institution purported to assume an apex role for financing and development of infrastructure projects in the country. The authorized capital of the Company is Rs. 2,000 crore of which, paid up capital, at present, is Rs. 1,000 crore . Besides being a wholly-owned Government company, the long term resource-raising programme of the Company would have sovereign support, wherever required.

Capital Structure (as on December 31, 2008)

(Rs. in crore)

Particulars		As on 31 st December 2008
1	SHARE CAPITAL	
A	Authorized Share Capital	
	200,00,00,000 Equity Shares of Rs. 10/- each	2000.00
B	Issued, subscribed and paid up Share Capital	
	100,00,00,000 Equity Shares of Rs. 10/- each	1000.00
	Total	1000.00

2	RESERVES & SURPLUS	
A	Provision for Standard Assets 36(1) (viii)(c) of the IT Act, 1961	14.36
B	Special Infrastructure Reserve Created u/s 36(1)(viii) of the IT Act, 1961	30.75
C	Capital Reserve for Fixed Assets	0.10
D	Profit and Loss Account	68.88
	Total	114.10
	TOTAL (1+2)	1114.10
3	UNSECURED LOANS	
A	Long Term Bonds Guaranteed by Government of India	1,100.00
B	Long Term Loan – Life Insurance Corporation of India	1,000.00
C	Long Term Loan – National Small Savings Fund	1,500.00
D	Long Term Loan – Asian Development Bank	514.94
	TOTAL (3)	4114.94

Note: IIFCL has raised Rs. 7,369.30 crore in January 2009 from the first tranche of the Tax Free Bonds Issue.

Share Capital History (since incorporation)

(Rs. in crore)

As on	Particulars	Increase in Issued Share Capital	Cumulative Paid-Up Capital
05-01-2006	Paid-up Capital as on the date of Incorporation	10.00	10.00
25-07-2006	Infusion of capital by Central Government	90.00	100.00
29-08-2007	Infusion of capital by Central Government	200.00	300.00
30-09-2008	Infusion of capital by Central Government	500.00	800.00
1-10-2008	Infusion of capital by Central Government	200.00	1000.00

v) **Details of the Bonds**

Nature of Debt Securities	Unsecured, Tax Free, Non Convertible Bonds in the form of promissory notes
Guarantee	Unconditional, Irrevocable and Continuing Guarantee by the Government of India for timely payment of principal and the interest thereon throughout the tenor of the Bonds
Issue Amount	Rs. 1,000 Cr. plus the option to retain over-subscription upto Rs. 2630.70 Cr.
Face Value	Rs1,00,000 (Rupees One Lac Only) per Bond
Tenor	5 years
Coupon Rate	6.85% per annum
Coupon payment frequency	Annual
Redemption	At the end of 5 th Year
Security	Unsecured
Mode of Issue	Private Placement

vi) **Issue Size:**

Rs. 1,000 Crore. plus the option to retain over-subscription upto Rs. 2630.70 Crore

vii) **Details of utilization of the issue proceeds**

The present Issue of Bonds is being made for raising the long-term resources of IIFCL. The proceeds of this Issue would be used by IIFCL for refinance and its regular business activities.

viii) **Material Contracts and Inspection of Documents**

The contracts referred to in Para (A) below (not being contracts entered into in the ordinary course of the business carried on by IIFCL or entered into more than 2 years before the date of this Disclosure Document) which are or may be deemed to be material have been entered into by IIFCL. Copies of these contracts together with the copies of documents referred to in Para (B) below may be inspected at the Corporate Office of IIFCL between 10:00 am and 12:00 noon on any working day until the closing of the subscription list.

A. Material Contracts

1. Letters appointing the Arrangers to the issue.
2. Letter appointing Karvy Computershare Private Limited, as Registrar and Transfer Agents and copy of MoU entered into between IIFCL and the Registrar.
3. Letter appointing IDBI Trusteeship Services Ltd. to the Bondholders.

B. Documents

1. Memorandum and Articles of Association of the Company as amended from time to time.

2. Resolutions of Board of Directors dated December 30, 2008 authorizing the current issue of Bonds.
3. Notification No 09/2009 issued by Ministry of Finance, Department of Revenue, Central Board of Direct Taxes granting tax free status to the bonds issued by IIFCL up to the extent of Rs 10,000 crore only.
4. Letter No. 18/24/2008-IF.I dated January 14, 2009 and January 15, 2009 issued by Ministry of Finance, Department of Financial services conveying the approval of Government of India's guarantee to India Infrastructure Finance Company Limited to raise Rs 10,000 crore of tax free bonds during the current year.
5. Consent from the Trustees to the Bondholders, Arranger(s) to the Issue, Registrars to the Issue referred to in this Disclosure Document to act in their respective capacities.
6. Copy of application made to the BSE for grant of in-principle approval for listing of Bonds.
7. Copy of application made to the NSE for grant of in-principle approval for listing of Bonds.
8. Annual Reports of IIFCL for Financial Year 2007-2008.
9. Letter from ICRA conveying the credit rating for the Bonds of IIFCL.
10. Letter from CRISIL conveying the credit rating for the Bonds of IIFCL.
11. Letter from Fitch Ratings India Private Limited conveying the credit rating for the Bonds of IIFCL.

ix) Details of other borrowings

As on December 31st 2008, the borrowings of IIFCL were as follows:

(Rs. in crore)

Particulars of Borrowings	Amount as on December 31st 2008
Borrowings from ADB	514.94
Institutions & Agencies	2500.00
Unsecured Redeemable Bonds	1100.00
Total	4114.94

Note: IIFCL has raised Rs. 7,369.30 crore worth of bonds through the first tranche of the Tax Free Bonds Issue in January 2009.

x) Any material event / development or change at the time of issue

The Company hereby declares that there has been no material event, development or change at the time of issue which may affect the issue or the investor's decision to invest/ continue to invest in the debt securities of the Company.

xi) Particulars of debt securities issued (i) for consideration other than cash, whether in whole or part, (ii) at premium or discount, or (iii) in pursuance

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

xii) A list of highest ten holders of various instruments as on 31st December 2008
Equity

Sr. No.	Name of Shareholder	Number of Shares Held	% Shareholding
1.	Government of India	100,00,00,000	100.00

Bonds

Sr. No.	Name of Bond holders	Amount of Investment (Rs. In crore)	Percentage (%)	Address
1	PUNJAB NATIONAL BANK	10000000000	11.81	HSBC SECURITIES SERVICES 2ND FLOOR "SHIV", PLOT NO 139-140 B WESTERN EXPRESS HIGHWAY SAHAR RD JUNCT, VILE PARLE-E, MUMBAI
2	CBT EPF EPF A/C RELIANCE CAPITAL AMC LTD	6500000000	7.67	HDFC BANK LTD CUSTODY SERVICES TRADE WORLD A WING GR FLOOR KAMALA MILLS COMPOUND S B MARG LOWER PAREL, MUMBAI
3	LIFE INSURANCE CORPORATION OF INDIA	5000000000	5.90	INVESTMENT DEPARTMENT 6TH FLOOR, WEST WING, CENTRAL OFFICE YOGAKSHEMA, JEEVAN BIMA MARG MUMBAI
4	STATE BANK OF INDIA	5000000000	5.90	SECURITIES SERVICES BRANCH, 2ND FLOOR, MUMBAI MAIN BRANCH, MUMBAI SAMACHAR MARG, MUMBAI
5	UCO BANK	5000000000	5.90	TREASURY BRANCH UCO BANK BUILDING MEZZANINE FLOOR 359 DR D N ROAD FORT MUMBAI

6	CENTRAL BOARD OF TRUSTEES EMPLOYEES PROVIDENT FUND	3552000000	4.19	STATE BANK OF INDIA EPFO SECURITIES SERVICES BRANCH IIND FLOOR MUMBAI MAIN BRANCH MUMBAI SAMACHAR MARG, MUMBAI.
7	CBT EPF EPS A/C HSBC AMC LTD	3360000000	3.97	HDFC BANK LTD CUSTODY SERVICES TRADE WORLD A WING GR FLOOR KAMALA MILLS COMPOUND S B MARG LOWER PAREL, MUMBAI
8	THE HONGKONG AND SHANGHAI BANKING CORP.LTD.	3000000000	3.54	HSBC SECURITIES SERVICES 2ND FLOOR "SHIV", PLOT NO 139-140 B WESTERN EXPRESS HIGHWAY SAHAR RD JUNCT, VILE PARLE-E, MUMBAI
9	CENTRAL BANK OF INDIA	2750000000	3.25	CENTRAL BANK OF INDIA TREASURY DEPARTMENT, CHANDRAMUKHI BUILDING,NARIMAN POINT, MUMBAI
10	BANK OF INDIA	2500000000	2.95	TREASURY BRANCH, HEAD OFFICE,STAR HOUSE,7TH FLOOR C-5,'G'BLOCK,BANDRA KURLA COMPLEX BANDRA(EAST) MUMBAI.
11	BANK OF BARODA	2500000000	2.95	SPECIALIZED.INTEGRATED TREASURY BRANCH KALPATARU HERITAGE BUILDING 6TH FLOOR.NANIK MOTWANE MARG MUMBAI
12	ORIENTAL BANK OF COMMERCE	2500000000	2.95	TREASURY DEPARTMNT A 30-33 A BLOCK 1ST FLOOR CONNAUGHT PLACE, NEW DELHI

xiii) Undertaking – common form of transfer

The Bonds shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/ CDSL/ Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Bonds held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Company.

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

- xiv)** Redemption Amount - Rs. 1,000 Cr. plus the option to retain over-subscription upto Rs. 2630.70 Cr.
Period of Maturity - 5 Years
Yield on Redemption - 6.85%

xv) Information relating to the terms of offer

The Issue is subject to the applicable provisions of the Memorandum and Articles of Association of the Company and the Bond certificates to be issued and the terms and conditions of the Issue in the Disclosure Document and the accompanying Application Form, as well as the terms of the Trust Deed.

Face Value & Issue Price

Each Bond has a face value of Rs. 1,00,000/- and is issued at par.

Minimum Application

The application should be for a minimum of 10 Bonds (Rs. 10,00,000/-) and in multiples of 1 Bonds (Rs. 1,00,000/-) thereafter.

Interest on Application Money

Interest on application money will be paid separately by us wherever applicable. Thus, the same should not be deducted from the application amount. Interest at the coupon rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to all the applicants on the application money for the Bonds. Such interest shall be paid from the date of realisation of cheque(s)/ demand draft(s) up to one day prior to the Deemed Date of Allotment. The interest on application money will be computed on an Actual/Actual (i.e. 366 days in a leap year) basis. Such interest would be paid on all the valid applications, including the refunds. Where the entire subscription amount has been refunded, the interest on application money will be paid along with the Refund Orders. Where an applicant is allotted

lesser number of bonds than applied for, the excess amount paid on application will be refunded to the applicant along with the interest on application money.

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

Interest on the Bonds

The Bonds shall carry interest at the coupon rate on the outstanding amount of the principal until redemption. Interest will be paid annually on March 6, 2009, each year throughout the tenure of the Bonds till redemption. Interest on Bonds will cease on the date of redemption in all events. In case the Deemed Date of Allotment is revised (pre-poned/ postponed) then the given interest payment date may also be revised (pre-poned/ postponed) accordingly by IIFCL at its sole and absolute discretion.

If any interest payment date falls on a day which is not a Business Day (“**Business Day**” being a day on which Commercial Banks are open for Business in the city of New Delhi), then payment of interest will be made on the next day that is a business day but without liability for making payment of interest for the intervening period.

Computation of Interest

Interest for each of the interest periods shall be calculated, on 'actual/actual (i.e. 366 days in case of a leap year) days' basis, on the face value of principal outstanding on the Bonds at the coupon rate rounded off to the nearest Rupee.

Deemed Date of Allotment

Interest on the Bonds shall accrue to the Bondholder(s) from March 6, 2009. All benefits relating to the Bonds will be available to the investors from the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment. IIFCL reserves the right to keep multiple allotment date(s)/ deemed date(s) of allotment at its sole and absolute discretion without any notice. In case if the issue closing date is revised (pre-poned/ postponed), the Deemed Date of Allotment may also be revised (pre-poned/ postponed) by IIFCL at its sole and absolute discretion.

Priority for Allotment

Beginning on the Issue Opening Date and until the day immediately prior to the Issue Closing Date, full and firm allotment against all valid applications for the Bonds will be made to applicants on a first-come-first-served basis, subject to a limit of the Issue size of Rs. 1,000 crore along with an over-subscription upto maximum of Rs. 2630.70 crore, and in accordance with Applicable Laws.

If and to the extent, the Issue (including the over-subscription option of an additional Rs. 1630.70 crore) is fully subscribed prior to the Issue Closing Date, no allotments shall be accepted once the Issue (including the over-subscription option) is fully subscribed. If, and to

the extent, the Issue (including the over-subscription option of an additional Rs. 1630.70 crore) is not fully subscribed on the Issue Closing Date, allotment for the Bonds against valid applications received on the Issue Closing Date shall be made on a proportional basis, subject to a limit of the Issue size of Rs. 1,000 crore along with an over-subscription option of an additional Rs. 1630.70 crore. The allotment for the Bonds for such valid applications received on the Issue Closing Date shall be on a *pro rata* basis to the investors in the ratio in which they have applied, regardless of the category under which such investors have applied and there shall be no respective limit, spillover or adjustment between investor categories for the purposes of such allotment. If the proportionate allotment of Bonds to such applicants is not a minimum of one Bond or in multiples of one Bond (which is the market lot), the decimal would be rounded off to the next higher whole number if that decimal is 0.5 or higher and to the next lower whole number if that decimal is lower than 0.5. All successful applicants on the Issue Closing Date would be allotted the number of Bonds arrived at after such rounding off.

Depository Arrangements

IIFCL has appointed “Karvy Computershare Private Limited [Address: 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad-500 034. Phones: 040-23312454/23320251/751 Fax: 040 – 23311968 E-mail: mailmanager@karvy.com www.karvycomputershare.com] as Registrar & Transfer Agent for the Issue. IIFCL shall make necessary depository arrangements with National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”) for issue and holding of Bonds in dematerialised form. In this context IIFCL shall sign two tripartite agreements as under:

- Tripartite Agreement between IIFCL, Karvy Computershare Private Limited and National Securities Depository Limited for offering depository option to the investors.
- Tripartite Agreement between IIFCL, Karvy Computershare Private Limited and Central Depository Services (India) Limited for offering depository option to the investors.

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

Procedure for applying for Demat Facility

1. The applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the application.
2. The applicant must necessarily fill in the details (including the beneficiary account number and Depository Participant’s ID) appearing in the Application Form under the heading ‘Details for Issue of Bonds in Electronic/ Dematerialised Form’.
3. Bonds allotted to an applicant will be credited directly to the applicant’s respective Beneficiary Account(s) with the DP.
4. For subscribing to the Bonds, names in the application form should be identical to those appearing in the account details in the depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the depository.
5. Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar to the Issue.
6. If incomplete/incorrect details are given under the heading ‘Details for Issue of Bonds in Electronic/ Dematerialised Form’ in the application form, it will be deemed to be an

- incomplete application and the same may be held liable for rejection at the sole discretion of IIFCL.
7. For allotment of Bonds, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The Applicant is therefore responsible for the correctness of his/her demographic details given in the application form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for losses, if any.
 8. It may be noted that Bonds being issued in electronic form, the same can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. Bombay Stock Exchange of India Limited and National Stock Exchange of India, where the Bonds of IIFCL are proposed to be listed have connectivity with NSDL and CDSL.
 9. Interest or other benefits would be paid to those Bondholders whose names appear on the list of beneficial owners given by the Depositories to IIFCL as on Record Date/ Book Closure 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, IIFCL would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to IIFCL, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

Investors may note that pursuant to circular no. SEBI/MRD/SE/AT/36/2003/30/09 dated September 30, 2003 issued by SEBI, the Bonds of IIFCL would be issued and traded only in dematerialised form.

Market Lot

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

Letter(s) of Allotment/ Bond Certificate(s)/ Refund Order(s)

Issue of Letter(s) of Allotment

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

Issue of Bond Certificate(s)

Subject to the completion of all legal formalities within 3 months from the Deemed Date of Allotment, or such extended period as may be approved by the Appropriate Authority(ies), the initial credit akin to a Letter of Allotment in the Beneficiary Account of the investor would be replaced with the number of Bonds allotted.

The Bonds since issued in electronic (dematerialized) form, will be governed as per the provisions of the Depositories Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other applicable laws and rules notified in respect thereof.

Dispatch of Refund Orders

IIFCL shall ensure dispatch of Refund Order(s) by Registered Post / ECS / RTGS.

Terms of Payment

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

Face Value per Bond	Minimum Application for	Amount Payable on Application per Bond
Rs. 1,00,000/-	10 Bonds	Rs. 1,00,000/-

Payment of Interest

The interest will be payable annually to the Bondholder(s) whose names appear in the List of Beneficial Owners given by the Depository to IIFCL on the Record Date/ Book Closure Date. Payment of interest if made by way of cheque(s)/ interest warrant(s)/ demand draft(s) will be dispatched to the beneficial owner as given above, 3 days before the due date(s) by registered post at the sole risk of the applicant. Payment of interest if made by the way of credit through RTGS / ECS system will be done on the interest payment date.

Tax Benefits

These bonds carry a tax free status as per Notification No. 09/2009 issued by Government of India, Ministry of Finance, Department of Revenue, Central Board of Direct Taxes on 7th January, 2009. The same is published in the Gazette of India, Extraordinary, Part II, Section 3, Sub section (ii). The interest on application money will taxed as per the prevailing income tax rates. However the bond holders are advised to also consult their own tax advisor on the tax implications of the ownership and sale of bonds, and income arising thereof. Further, the benefit under Section 10(15)(iv)(h) of the Income Tax Act, 1961, shall be available only to Bondholder(s) who have registered their name(s) and holdings with IIFCL. Refer to Annexure.

Put & Call Option

Neither Put Option shall be available to the Bondholder(s), nor would a Call Option be available to IIFCL to redeem the Bonds prior to maturity. The Bonds are free from restrictive clauses and are not redeemable before maturity at the instance of the Bondholder(s).

Redemption

The face value of the Bonds will be redeemed at par, on March 6, 2014. The Bonds shall not be redeemable before maturity.

In case the redemption date falls on a day which is not a Business Day, the payment due shall be made on the next Business Day together with additional interest for the intervening period.

Payment on Redemption

Payment on redemption will be made by cheque(s)/ warrants(s) / electronic transfer of funds in the name of the sole/first Bondholder whose name appears on the List of Beneficial owners given by Depository to IIFCL as on the Record Date/ Book Closure Date. On IIFCL dispatching the redemption warrants to such Beneficiary(ies) by registered post, the liability of IIFCL shall stand extinguished.

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

IIFCL's liability to the Bondholders towards all their rights including for payment or otherwise shall cease and stand extinguished from the date of redemption in all events. Further IIFCL will not be liable to pay any interest or compensation from the date of redemption. On IIFCL dispatching the amount as specified above in respect of the Bonds, the liability of IIFCL shall stand extinguished.

Record Date/ Book Closure Date

The 'Record Date/ Book Closure Date' for the Bonds shall be 30 days prior to each interest payment and/ or principal repayment date.

Effect of Holidays

Should any of dates defined above or elsewhere in this Schedule I disclosure, excepting the Deemed Date of Allotment, fall on a Sunday or a Public Holiday, the next working day shall be considered as the effective date(s).

Mode of Transfer of Bonds

Bonds shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/ CDSL/ Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these bonds held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

List of Beneficial Owners

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

Trustees for the Bondholders

IIFCL has appointed IDBI Trusteeship Services Limited to act as Trustees for the Bondholders ("Trustees"). The text of letter from IDBI Trusteeship Services Limited, conveying their consent to act as Trustees for the bondholders is reproduced in Annexure.

IIFCL and the Trustees will enter into a Trustee Agreement, inter alia, specifying the powers, authorities and obligations of the Trustees and IIFCL. The Bondholder(s) shall by signing the application, without any further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Bonds as the Trustees may in their absolute discretion deem necessary or require to be done in the interest of the Bondholder(s). All rights and remedies of the Bondholders shall vest in and shall be exercised by the trustees without reference to the Bondholder. Any payment made by IIFCL to the Trustees on behalf of the Bondholder(s) shall discharge IIFCL *pro tanto* to the Bondholder(s). The Trustees will protect the interest of the Bondholders in the event of default by IIFCL in regard to timely payment of interest and repayment of principal and they will take necessary action at the cost of IIFCL. No Bondholder shall be entitled to proceed directly against IIFCL unless the Trustees, having become so bound to proceed, fail to do so.

Right to Accept or Reject Applications

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

1. Number of Bonds applied for is less than the minimum application size;
2. Applications exceeding the Issue size;
3. Bank account details not given;
4. Details for issue of Bonds in electronic/ dematerialized form not given;
5. PAN not given;
6. In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;

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

How to Apply

This Disclosure Document is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Bonds issued by IIFCL. The document is for the exclusive use of the Institution(s) to whom it is delivered and it should not be circulated or distributed to third parties. The document would be sent specifically addressed to the institution(s) by the Issuer Company and/ or Arranger(s).

Only eligible investors as given hereunder may apply for bonds by completing the Application Form in the prescribed format in BLOCK LETTERS in English as per the instructions contained therein. Applications should be for a minimum of 1 Bond and in multiples of 1 Bond thereafter. Applications not completed in the said manner are liable to be rejected. Application Form duly completed in all respects must be submitted with IIFCL. The

name of the applicant's bank, type of account and account number must be filled in the Application Form. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/ redemption warrants.

The applicant or in the case of an application in joint names, each of the applicant, should mention his/her Permanent Account Number (“PAN”) allotted under the Income-tax Act, 1961. As per the provision of Section 139A (5A) of the Income Tax Act, PAN needs to be mentioned on the TDS certificates. Hence, the investor should mention his PAN if the investor does not submit Form 15G/15AA/other evidence, as the case may be for non-deduction of tax at source. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that investors should not submit GIR No. or Form 60 or Form 61 instead of PAN, as such applications are liable to be rejected.

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

Unless the Issuer specifically agrees in writing with or without such terms or conditions it deems fit, a separate single cheque/ demand draft must accompany each Application Form. Applicants are requested to write their names and application serial number on the reverse of the instruments by which the payments are made.

All applicants are requested to tick the relevant column “Category of Investor” in the Application Form. All application forms are to be complete in all respect, with all the relevant documents and accompanied by either the UTR No. or demand draft(s) or cheque(s) drawn or made payable in favour of “**India Infrastructure Finance Co. Limited - Tax Free Bonds – IInd Tranch**” and crossed “Account Payee Only” submitted at the Punjab National Bank Branches given below.

The application money may be transferred into IIFCL account through RTGS, details for which are given below:

IFSC Code: PUNB0455200

Bank & Branch: Capital Market Services Branch of Punjab National Bank, Address: 5, Sansad Marg, New Delhi 110 001

Beneficiary Account No: 4552002100000188

Beneficiary Name: India Infrastructure Finance Co. Limited - Tax Free Bonds – IInd Tranch

Punjab National Bank's Cheque collection/Form deposit centers:

1. Ahmedabad: Ashram Road Branch
2. Bangalore: Bangalore City Branch
3. Bhopal: New Market Branch
4. Chandigarh: Sector 17 B Branch
5. Chennai: Anna Salai Branch
6. Hyderabad: Bank Street Branch
7. Jaipur: Raja Park Branch
8. Kolkata: BRBB Road Branch
9. Lucknow: Hazratganj Branch
10. Mumbai: CMS Branch, PNB House, 2nd Floor, Sir P M Road

11. New Delhi: CMS Branch, 5 Sansad Marg
12. Patna: New Market Branch
13. Pune: Pune Camp Branch
14. Surat: Main Branch
15. Trivandrum: Statue Junction Branch

Investors in centers which do not have any bank, including a co-operative bank, which is a member or sub-member of Banker's Clearing House located at any of the centers mentioned above, will be required to make payments only through demand drafts payable at any one of the above centers. Cash, outstation cheques, money orders, postal orders and stockinvest shall not be accepted. IIFCL assumes no responsibility for any applications/ cheques/ demand drafts lost in mail.

No separate receipts shall be issued for the application money. However, the above mentioned branches of Punjab National Bank will after receiving the duly completed Application Form along with all the relevant documents and acknowledge the receipt of the applications by stamping and returning the acknowledgment slip to the applicant. Applications shall be deemed to have been received by IIFCL only when submitted to Punjab National Bank at its designated branches as detailed above and not otherwise.

Obligations of Investors

Every investor in the Bonds, including any initial investor as well as any subsequent purchaser, shall be deemed to have:

- (a) (1) sufficient knowledge, experience and expertise to make the investment in the Bonds; (2) not relied on the Company or any of the Arrangers to the Issue for any specific or additional information, advice or recommendations as to the Bonds, other than the information set forth in this Disclosure Document; (3) understood that information contained in this Disclosure Document, or any other document issued by the Company is not to be construed as business, investment, tax or legal advice; and (4) made an independent evaluation and judgment of all risks and merits before investing in the Bonds;
- (b) the legal ability to invest in the Bonds, and to have ensured that the investment does not contravene any provision of any applicable law or regulation, or any contractual restriction, obligation or undertaking binding on or affecting the Bondholder, or its assets;
- (c) reviewed and understood the risks pertaining to and the terms and conditions applicable to the Bonds as contained in this Disclosure Document and the Application Form attached herein, and on an independent assessment thereof, determined that the Bonds are a suitable investment and that the Bondholder can bear the economic risk of that investment;
- (d) understood that returns on the Bonds may be lower than prevalent market interest rates (including any amounts payable on maturity, redemption, sale or disposal of the Bonds), and that the Bondholder may receive no income, or less income than the Bondholder may have expected, or obtained by investing elsewhere or in similar investments;

- (e) understood that in the event that the Bondholder suffers adverse consequences or loss, the Bondholder shall be solely responsible for the same and the Company shall not be responsible, in any manner whatsoever, for any adverse consequences or loss suffered by the Bondholder including but not limited to on the basis of any claim that no adequate disclosure regarding the risks involved were made or that the full risks involved were not explained or understood;
- (f) purchased the Bonds as an investment and not on a speculative basis.

The Company would presume full and prior knowledge of the contents of this Disclosure Document and a full understanding of the nature of and the terms and conditions applicable to the Bonds on the part of any person holding/buying these Bonds, and no claim to the contrary shall be entertained.

For further instructions, please read Application Form carefully.

Who Can Apply

The following categories of investors may apply for the Bonds, subject to fulfilling their respective investment norms/ rules by submitting all the relevant documents along with the application form.

1. Scheduled Commercial Banks;
2. Financial Institutions;
3. Insurance Companies;
4. Primary/ State/ District/ Central Co-operative Banks (subject to permission from RBI);
5. Regional Rural Banks;
6. Mutual Funds;
7. Provident, Gratuity, Superannuation and Pension Funds;
8. Companies, Bodies Corporate authorized to invest in bonds;
9. Resident Individuals, Trusts registered under the Indian Trusts Act, 1882, Societies registered under the Societies Registration Act, 1860 or any other applicable laws, provided that such Trust/ Society is authorised to make such an investment under its constitution/ rules/ bye-laws.

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

1. Hindu Undivided Family;
2. Partnership Firms;
3. Overseas Corporate Bodies (“OCBs”);
4. Foreign Institutional Investors (“FIIs”);
5. Non-Resident Indians (“NRIs”).

Applications under Power of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/ document, if any, must be lodged along with the submission of the completed Application Form. Further modifications/ additions in the power of attorney or authority should be notified to IIFCL or to its Registrars or to such other person(s) at such

other address(es) as may be specified by IIFCL from time to time through a suitable communication.

Application by Mutual Funds

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

Application by Provident Funds, Superannuation Funds and Gratuity Funds

As per notification dated July 09, 2003 issued by the Ministry of Labour, Government of India, Non-Government Provident Funds, Superannuation and Gratuity Funds can invest, *inter alia*, 30% of their investible funds in bonds of Public Sector Undertaking (IIFCL having been incorporated on 5th January, 2006 under the Companies Act, 1956 as a Company wholly owned by the Government of India is a Public Sector Undertaking). They can invest upto 15% of their investible funds in bonds where both the principal and the interest are unconditionally and irrevocably guaranteed by Government of India (The current issue of IIFCL is unconditionally and irrevocably guaranteed by Government of India). Also, an additional amount of 30% of the corpus of exempted provident funds which were previously required to be invested in the Special Deposit Scheme of the RBI, can be invested at the discretion of the Boards of Trustees in any of the remaining three prescribed categories, of investment for exempted provident funds.

As per notification no. F.5(53)/2002-ECB&PR dated January 24, 2005 issued by the Ministry of Finance (Department of Economic Affairs), Government of India, Non-Government Provident Funds, Superannuation and Gratuity Funds can invest, *inter alia*, 25% of their investible funds in bonds of a public sector undertaking (IIFCL having been incorporated on 5th January, 2006 under the Companies Act, 1956 as a Company wholly owned by the Government of India and bonds of IIFCL bearing an investment grade rating from two credit rating agencies). They can invest up to 15% of their investible funds in securities where both the principal and the interest are unconditionally and irrevocably guaranteed by the Government of India (The current issue of IIFCL is unconditionally and irrevocably guaranteed by Government of India). Also, an additional amount of 30% of the investible funds may be invested at the discretion of the boards of trustees in any of the remaining three prescribed categories.

The application must be accompanied by certified true copies of (i) trust deeds/ bye-law(s), (ii) resolution authorizing investment and containing operating instructions, (iii) specimen signatures of authorized signatories and (iv) recognition certificate from the Income Tax Department/ self-declaration form as per the Finance Act, 1999.

Future Borrowings

IIFCL shall be entitled to borrow/ raise loans or avail of financial assistance in whatever form as also issue bonds/ debentures/ notes/ other securities in any manner with ranking as *pari-passu* basis or otherwise and to change its capital structure, including issue of shares of any class or redemption or reduction of any class of paid up capital, on such terms and conditions

as IIFCL may think appropriate, without the consent of, or intimation to, the Bondholder(s) or the Trustees in this connection.

Right to Re-purchase and Re-issue Bonds

The Company will have the power, as provided under the Companies Act, exercisable at its sole discretion from time to time, to repurchase some or all of the Bonds at any time prior to redemption. This right does not construe a call option. In the event of the Bond(s) being bought back, or redeemed before maturity, the Company reserves the right to, subject to the applicable provisions of its Articles of Association and the Companies Act, to re-issue such Bond(s) or to issue other Bond(s) in their place. The Bond(s) bought back by the Company may be purchased at par or at a premium or discount in the open market, and resold at such price or terms or conditions as the Company deems fit.

Bondholder not a Shareholder

The Bondholders will not be entitled to any of the rights and privileges available to IIFCL's shareholders.

Rights of Bondholders

1. The Bonds shall not, except as provided in the Companies Act confer upon the Bondholder(s) thereof any rights or privileges available to the members of IIFCL including the right to receive Notices or Annual Reports of, or to attend and/or vote, at the General Meeting of IIFCL. However, if any resolution affecting the rights attached to the Bonds is to be placed before the shareholders, the said resolution will first be placed before the concerned registered Bondholders for their consideration. In terms of Section 219(2) of the Act, Bondholder(s) shall be entitled to a copy of the Balance Sheet on a specific request made to IIFCL.
2. The rights, privileges and conditions attached to the Bonds may be varied, modified and/or abrogated 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 Special Resolution passed at a meeting of the concerned Bondholders, provided that nothing in such consent or resolution shall be operative against IIFCL, where such consent or resolution modifies or varies the terms and conditions governing the Bonds, if the same are not acceptable to IIFCL.
3. The Bonds are subject to the provisions of the Companies Act, Securities Contract Regulation Act, 1956, terms of this Disclosure Document, Instructions contained in the Application Form and other terms and conditions as may be incorporated in the Trustee Agreement and Bond Trust Deed. The Bonds shall also be subject to the applicable provisions of the Depositories Act, 1996 and the laws as applicable, guidelines, notifications and regulations relating to the allotment & issue of capital and listing of securities issued from time to time by the GoI, RBI, SEBI, concerned Stock Exchange(s) or any other authorities and other documents that may be executed in respect of the Bonds.
4. Save as otherwise provided in this Disclosure Document, the provisions contained in Annexure C and/ or Annexure D to the Companies (Central Government's) General Rules and Forms, 1956 as prevailing and to the extent applicable, will apply to any meeting of

the Bondholders, in relation to matters not otherwise provided for in terms of the Issue of the Bonds.

5. A register of Bondholders will be maintained in accordance with Section 152 of the Act and all interest and principal sums becoming due and payable in respect of the Bonds will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of Bondholders.
6. The Bondholders will be entitled to their Bonds free from equities and/or cross claims by IIFCL against the original or any intermediate holders thereof.

Investors should note that the benefit under Section 10(15)(iv)(h) of the Income Tax Act, 1961, shall be available only to Bondholder(s) who have registered their name(s) and holdings with IIFCL.

Variation of Bondholder(s) Rights

The rights, privileges and conditions attached to the Bond(s) may be varied, modified or abrogated in accordance with the Articles of Association of the Company and the Companies Act, and with the consent of the Bondholder(s).

Nomination

The Companies Act vide Section 109A gives the Bondholder an option to nominate a person to whom his bond(s) shall rest in the event of his death. Nomination can be made only by individuals. The Karta of HUF and Power of Attorney holders cannot nominate. Nominee can only be an individual and not more than one person can be nominated. If the applicant makes more than one Nominee the first Nominee will be registered. Nominee shall become entitled to the bond(s) in the event of death of the bond holder on production of death certificate or such other evidence as may be required by IIFCL. Nomination shall be made in Form 2B under the Companies (Central Government) General Rules & Forms, 1956.

Succession

In the event of winding-up of the Bondholder(s), IIFCL will recognize the executor or administrator of the concerned Bondholder(s), or the other legal representative as having title to the Bond(s). IIFCL shall not be bound to recognize such executor or administrator or other legal representative as having title to the Bond(s), unless such executor or administrator obtains probate or letter of administration or other legal representation, as the case may be, from a court in India having jurisdiction over the matter.

IIFCL may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or other legal representation, in order to recognize such holder as being entitled to the Bond(s) standing in the name of the concerned Bondholder on production of sufficient documentary proof or indemnity.

In case of individuals, in the event of demise of the holder(s) of the Bonds, IIFCL will recognise the executor or administrator of deceased bondholder, or the holder of the succession certificate or other legal representative as having title to the Bonds. IIFCL shall not be bound to recognise such executor, administrator, or holder of succession certificate,

unless such executor or administrators obtains probate or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a Court of India having jurisdiction over the matter. IIFCL may at its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognise such holder as being entitled to the Bonds standing in the name of the deceased bond holder(s) on production of documentary proof or indemnity. In case of joint holding/nomination, the right shall vest in the surviving holder/nominee.

Notices

All notices to the Bondholder(s) required to be given by IIFCL or the Trustees shall be published in one English and one regional language daily newspaper in New Delhi, Mumbai, Kolkata and Chennai and/ or will be sent by post/ courier to the sole/ first Beneficial Owner of the Bonds, as the case may be from time to time.

All notice(s) to be given by the Bondholder(s) shall be sent by registered post or by hand delivery to IIFCL or to such persons at such address as may be notified by IIFCL from time to time through suitable communication.

Joint-Holders

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

Sharing of Information

IIFCL may, at its option, use on its own, as well as exchange, share or part with any financial or other information about the Bondholders available with IIFCL, and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither IIFCL nor its agents shall be liable for use of the aforesaid information.

Undertaking by the Issuer

IIFCL undertakes that:

- a) The complaints received in respect of the Issue shall be attended to by the issuer company expeditiously and satisfactorily;
- b) It shall take all steps for completion of formalities for listing and commencement of trading at all the concerned stock exchange(s) where securities are to be listed and taken within 90 days from the date of closure of the Issue.
- c) The listing on BSE and NSE will be done immediately after the allotment. And all the formalities related to the listing will be completed within two month from the date of allotment.
- d) Necessary co-operation to the credit rating agencies shall be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding.
- e) It shall complete all the formalities of obtaining Government Guarantee for the proposed bond issue of Rs. 10,000 Crores within 150 days from the date of allotment.

xvi) The discount at which such offer is made and the effective price for the investor as a result of such discount.

The issue is not at a discount.

xvii) The debt equity ratio prior to and after the Issue

Particulars	Pre-Issue (as on December 31, 2008, in Rs. crore, un-audited)	Post Issue of Bonds of Rs. 1000 crore *
DEBT		
Short Term Debt	Nil	Nil
Long Term Debt	4114.94	12,484.24
Total Debt	4114.94	12,484.24
SHAREHOLDERS' FUNDS		
Share Capital	1000	1000
Reserve & Surplus (excluding Revaluation Reserve)	114.10	114.10
Net Worth	1114.10	1114.10
DEBT EQUITY RATIO	4.11	12.48

* IIFCL has raised Rs. 7,369.30 crore worth of bonds through the first tranche of the Tax Free Bonds Issue in January 2009. The D/E ratios may change depending upon the exact amount mobilized during the current Issue.

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

The Company hereby confirms that:

- The Company has been servicing all its principal and interest liabilities on time and there has been no instance of delay or default since inception.
- The Company has neither defaulted in repayment/ redemption of any of its borrowings nor affected any kind of roll over against any of its borrowings in the past.

xix) Permission from the prior creditor for creation of pari passu charge

Since the Bonds are unsecured no approval is required from the creditors.

xx) The names of trustees and communications to holders of debt securities

IDBI Trusteeship Services Limited has given its consent to act as the trustee to the Issue and a copy of the letter issued by it is attached in Annexure. The contact address of the trustees is given below:

Ms. Brindha Venkatraman
IDBI Trusteeship Services Limited
Asian Building, Ground Floor
17, R Kamani Marg
Ballard Estate, Mumbai 400 001
Tel. No.: (022) 6311771/2/3, Fax No. (022) 66311776
E-mail: itst@idbitrustee.co.in

xxi) The rating rationale adopted by the rating agencies

ICRA has assigned a provisional long term rating of ‘LAAA (SO)’ (pronounced as L triple A (Structured obligation) to IIFCL for Rs. 10,000 crore, subject to unconditional, irrevocable and continuing guarantee by Government of India for the timely repayment of the principal and the interest due thereon during the entire tenor of the Bonds. LAAA is the highest-credit-quality rating assigned by ICRA. The rating letter dated December 29, 2008, issued by ICRA is attached in Annexure.

FITCH Ratings India Private Limited (‘FITCH’) has assigned an expected notional rating of ‘AAA(EXP)(ind)(SO)’ [AAA(Expected)(ind)(Structured Obligation)] to the 10,000 crores long term debt programme of IIFCL guaranteed by Government of India. The expected rating of IIFCL is based on unconditional, irrevocable and continuing guarantee by Government of India for the rated debt programme covering full and timely payment of principal and all accrued interest. The rating letter dated December 29, 2008, issued by FITCH is attached in Annexure.

CRISIL has after due consideration, assigned a “AAA(so)/Stable” (pronounced “Triple A Structured Obligation with stable outlook”) to the Rs. 10,00 Crores Tax Free Bond Issue (guaranteed by GOI)of India Infrastructure Finance Company Limited. This rating indicates highest degree of safety with regard to timely payment of interest and principal on the instrument. The rating letter dated January 16, 2009, issued by CRISIL is attached in Annexure.

xxii) Name of the stock exchange and in principle approval letter

The Bonds will be listed on the Wholesale Debt Market segment of the Bombay Stock Exchange and the National Stock Exchange.

Bombay Stock Exchange Limited
Rotunda Building
Dalal Street
Fort, Mumbai 400 001

National Stock Exchange Limited
Exchange Plaza
Plot no. C/1, G Block
Bandra-Kurla Complex
Bandra (E)
Mumbai 400 051

A summary term sheet containing the following details of the securities to be issued

Issuer	India Infrastructure Finance Company Limited (“ IIFCL / the Issuer / the Company ”)
Instrument	Unsecured, non-convertible, tax-free “6.85% IIFCL 2014 Tax Free Series II” bonds, in the form of Promissory Notes (“ Bonds ”) guaranteed by GOI.
Rating	Provisional long term rating of LAAA(SO) by ICRA, expected notional rating of AAA(EXP)(ind)(SO) by FITCH and AAA(so)/Stable by CRISIL.
Tax Status	Tax free
Issue Size	Rs. 1,000 Cr. plus the option to retain over-subscription upto Rs. 2630.70 Cr.
Mode of Placement	On private placement basis to all eligible investors
Tenure	5 years
Redemption	March 6, 2014
Guarantee	Unconditional and Irrevocable Guarantee by the Government of India for timely payment of principal and the interest thereon throughout the tenor of the Bonds
Face Value	Rs1,00,000 (Rupees One Lac Only) per Bond
Issue Price	At Par
Coupon Rate	6.85% per annum (annual)
Coupon Date	March 6 th of every year
Interest on application money	Interest on application money will be paid to the eligible investor from the date of realization of subscription money up to one date prior to the deemed date of allotment.*
Listing	Bonds are to be listed on the whole sale debt market segment of the BSE and NSE and will be issued in the dematerialized format
Minimum Application Size	10 Bond and then in multiple of 1 Bond
Day Count Basis	Actual / Actual (i.e. 366 days in a leap year)
Put/Call Option	None
Issue Opening Date	February 18, 2009
Issue Closing Date	March 06, 2009
Pay-in Date	February 18,2009 to March 06, 2009
Deemed date of allotment	March 06, 2009
Pay-in details	<p>IFSC Code: PUNB0455200</p> <p>Bank & Branch: Capital Market Services Branch of Punjab National Bank, Address: 5, Sansad Marg, New Delhi 110 001</p> <p>Beneficiary Account No: 4552002100000188</p> <p>Beneficiary Name: India Infrastructure Finance Co. Limited - Tax Free Bonds – IInd Tranch</p> <p>Punjab National Bank’s Cheque collection/Form Deposit centers:</p> <ol style="list-style-type: none"> Ahmedabad: Ashram Road Branch Bangalore: Bangalore City Branch

	3. Bhopal: New Market Branch 4. Chandigarh: Sector 17 B Branch 5. Chennai: Anna Salai Branch 6. Hyderabad: Bank Street Branch 7. Jaipur: Raja Park Branch 8. Kolkata: BRBB Road Branch 9. Lucknow: Hazratganj Branch 10. Mumbai: CMS Branch, PNB House, 2 nd Floor, Sir P M Road 11. New Delhi: CMS Branch, 5 Sansad Marg 12. Patna: New Market Branch 13. Pune: Pune Camp Branch 14. Surat: Main Branch 15. Trivandrum: Statue Junction Branch
Trading in	Dematerialized form only
Depository	CDSL and NSDL
Trustee	IDBI Trusteeship Services Ltd.
Registrar and Transfer Agent	Karvy Computershare Private Limited

* Subject to deduction of tax at source, as applicable.

DECLARATION

It is hereby declared that this Disclosure Document contains full disclosures in accordance with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008.

The Company also confirms that this Disclosure Document does not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading. The Disclosure Document also does not contain any false or misleading statement. The Company accepts no responsibility for any statements made otherwise than in the Disclosure Document or in any other material issued by or at the instance of the Company and that any one placing reliance on any other source of information would be doing so at his own risk.

Signed pursuant to the authority granted by Board of Directors of the Company at its meeting held on December 10, 2008.

For India Infrastructure Finance Company Limited

Mr. Arun Kumar
Associate Vice President
India Infrastructure Finance Company Limited

ACKNOWLEDGMENT SLIP
(To be filled in by Applicant)

INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED

Registered Office: 1201-1207, Naurang House, 21, Kasturba Gandhi Marg,
New Delhi 110 001,
Tel.: (011) 41531219, 23730269 | Fax.: (011) 23736355
Website : www.iifcl.org | E-mail : complianceofficer@iifcl.org

Arranger's Name	Arrangers Form Serial No.	Bank's Serial No.	Date of receipt by Bank	Registrar's Serial No.								
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; height: 15px;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> </table>											

Received from M/s./Mr./Mrs. _____ Cheque/Draft
 Nos. _____ dated _____ drawn on _____ for Rs. _____
 (Rupees _____) being the subscription for _____ No. of Bonds applied for .

(Note : Cheques and Drafts are subject to realisation)

INSTRUCTIONS

1. Application Forms must be completed in full in BLOCK LETTERS IN ENGLISH. A blank space must be left between two or more parts of the name, for example:

A	B	C	D	E	F	G	H	I
---	---	---	---	---	---	---	---	---

2. Signatures should be made in English or in any of the Indian languages and must be attested by an authorised official of a Bank or by a Magistrate/Notary Public under his/her official seal. Attestation may be done in the space provided in the Application Form or a separate signature attestation may be enclosed.
3. The application form shall be deemed to have been received by IIFCL only when submitted to Punjab National Bank at its designated branches as detailed below or in the disclosure document and not otherwise.
4. Applications once submitted cannot be withdrawn.
5. Forms must be accompanied either by a demand draft or cheque, drawn and made payable in favour of “India Infrastructure Finance Co. Limited - Tax Free Bonds – IInd Tranch” Beneficiary Account No: 4552002100000188 and **crossed “Account Payee only”**.

6. RTGS details

IFSC Code: PUNB0455200

Bank & Branch: Capital Market Services Branch of Punjab National Bank, Address: 5, Sansad Marg, New Delhi 110 001

Beneficiary Account No: 4552002100000188

Beneficiary Name India Infrastructure Finance Co. Limited - Tax Free Bonds – IInd Tranch

Punjab National Bank’s Cheque collection/Form Deposit centers:

- (i) Ahmedabad: Ashram Road Branch
- (ii) Bangalore: Bangalore City Branch
- (iii) Bhopal: New Market Branch
- (iv) Chandigarh: Sector 17 B Branch
- (v) Chennai: Anna Salai Branch
- (vi) Hyderabad: Bank Street Branch
- (vii) Jaipur: Raja Park Branch
- (viii) Kolkata: BRBB Road Branch
- (ix) Lucknow: Hazratganj Branch
- (x) Mumbai: CMS Branch, PNB House, 2nd Floor, Sir P M Road
- (xi) New Delhi: CMS Branch, 5 Sansad Marg
- (xii) Patna: New Market Branch
- (xiii) Pune: Pune Camp Branch
- (xiv) Surat: Main Branch
- (xv) Trivandrum: Statue Junction Branch

7. CASH OR STOCKINVEST WILL NOT BE ACCEPTED.

8. First applicants should mention their Permanent Account Number, allotted under the Income-Tax Act, 1961 and also the Income-Tax Circle/Ward/District. Investors should not submit the GIR Number or Form 60/61 instead of the Permanent Account Number as the application is liable to be rejected on this ground.

9. The Application form in order to be complete, should be accompanied by the following documents, as applicable. No application form will be accepted without the relevant documents :

(Please tick below for the documents submitted alongwith the application form)

- (i) Memorandum & Articles of Association in the case of Corporate investors/Trust Deed in the case of Trusts.
- (ii) Board Resolution/Power of Attorney or other authorisation empowering the signatories to make the investment.
- (iii) Signature attestation, for applications other than individual(s), if not attested in the space provided in the application form.
- (iv) Copy of the PAN Card
- (vi) Copy of a cancelled cheque for ECS transfer

The above documents need to be submitted in original or should be certified to be a true copy.

10. Receipt of applications will be acknowledged by the India Infrastructure Finance Company Limited in the “Acknowledgement Slip” appearing below the Application Form.
11. India Infrastructure Finance Company Limited is entitled, at its sole and absolute discretion, to accept or reject any application, in part or in full, without assigning any reasons. An application form which is not complete in all respects is liable to be rejected.
12. Investors applying under the category ‘Primary/ State/ District/ Central Co-operative Banks should ensure that they have the requisite permission from RBI to make such an application.
13. Provident, superannuation and gratuity funds should ensure that their investments are within the authorised limits under applicable law.
14. Trusts, public or private, religious, charitable or otherwise should ensure that their investments are authorised by their charter documents.