



Eastern Financiers Ltd.

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INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED

Issues Tranche 2 of Tax Saving (u/s 80CCF) Long-Term Infrastructure Bonds

Issue Highlights:

Face Value: Rs. 5000
Minimum Application: Rs 10000 or 2 bonds & multiples of Rs. 5000 thereafter
Lock-in Period: 5 years

Issue Summary:

Issue Opens: January 11 2012
Issue Closes: February 25, 2012
Depositories: NSDL & CDSL
Registrar: Karvy Computershare Pvt. Ltd.
Tel: 040 4465 5000
Website: <http://karisma.karvy.com>
Investor Grievance Email: idfcbonds.ipo@karvy.com

Company Profile:

IDFC is a leading knowledge-driven financial services company in India and plays a central role in advancing infrastructure development in the country. The Company provides a full range of financing solutions to its clients. Established in 1997 as a private sector enterprise by a consortium of public and private investors, the Company listed its Equity Shares in India pursuant to an initial public offering in August 2005.

Salient Features of the Issue:

- ✦ Public Issue of bonds by an infrastructure finance company under **Sec 80 CCF**
- ✦ **Ratings:** Credit rating agency **ICRA** has assigned 'AAA' rating to the Tranche 2 Bonds. The rating indicates stable outlook and highest safety. Credit rating agency **FITCH** has rated the Tranche 2 Bonds as "AAA (Ind)", indicating stable outlook.
- ✦ **Security:** First pari passu floating charge over the Secured Assets and first fixed pari passu charge over specified immovable properties of the Company. The security cover is **1.0 times** of the outstanding Tranche 1 Bonds at any point in time.
- ✦ These are **ten year** bonds, of face value **Rs. 5000** each
- ✦ Only **Resident Indian Individuals (Major)** and **HUFs** in the name of **Karta** are eligible to apply for these bonds.
- ✦ Tranche 2 bonds will be issued either in **physical** or **dematerialized** form at the option of the bondholders and the documents that need to be provided with the application are **Self attested** copy of **PAN Card** and proof of **Address**.
- ✦ There are **2 investment options**, suiting the needs of different categories of investors and the investor may choose to apply for 2 bonds of the same series or across different series.
- ✦ **No TDS** will be deducted in case Bonds are held in **Demat** form
- ✦ The bond provides a lucrative coupon rate of **8.70% p.a.** coupled with tax benefits of upto Rs 20000 under Sec 80 CCF.
- ✦ Buyback option is available to the investors after the expiry of the **lock-in period of 5 years**.
- ✦ The bonds propose to be listed on **BSE and NSE** and are tradable post lock-in period of 5 years.
- ✦ These bonds **can be mortgaged or pledged** by the investors to avail loan **after the lock-in period**.



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✚ Mode of Payment: **Electronic Clearing Services**, At par **cheques & Demand Drafts**

Issue Structure:

✚ The **Tranche 2 Bonds**, with a maturity of 10 years, will be issued in two series namely:

- ❖ **Series 1** : Carry a 8.70% coupon, payable annually
- ❖ **Series 2** : Cumulative option, 8.70% coupon, compounded annually

✚ **Face Value**: Each Bond has face value of Rs. 5000 each

✚ **Minimum Application**: Rs. 10000 or 2 bonds

✚ **Lock-in Period**: 5 years from the deemed date of allotment

✚ **Buyback Facility**: Available for both the Series 1 & 2.

Bond Issue Profile:

Options	Series 1	Series 2
Frequency of Interest	Annual	Cumulative
Face Value per Tranche	Rs. 5,000	
Buyback# Facility	Yes	
Buyback# Date	Date falling five years and one day from the Deemed Date of Allotment	
Buyback# Amount	Rs. 5,000 per Tranche 1 Bond	Rs. 7,590 per Tranche 1 Bond
Buyback# Intimation Period	The period beginning not before nine months prior to the Buyback Date and ending not later than six months prior to the Buyback Date	
Maturity Date	10 years from the Deemed Date of Allotment	
Interest Rate	8.70% p.a.	N.A.
Maturity Amount per	Rs. 5,000	Rs. 11,515/-
Yield on Maturity	8.70%	8.70% compounded annually
Yield on Buyback#	8.70%	8.70% compounded annually

#: after expiry of lock-in period

Benefits to Investors:

- ✚ Bonds offer an additional window of tax deduction of investments of up to Rs. 20000 which result in attractive yield to investors.
- ✚ The deduction is over and above the Rs. 100000 deduction available under section 80C, 80CCC & 80CCD read with Section 80CCE.

Please note that Cheque/DD should be drawn in favour of “IDFC Infra Bonds-Tranche 2”