



## IRFC Tax Free Bonds

### Terms of the Issue

| Particulars                      | IRFC Tax Free Bonds   |                   |
|----------------------------------|---|-------------------|
| Issue Size                       | Rs. 3000 with an option to retain over subscription upto Rs. 6300 |                   |
| Issue Opening Date               | <b>27<sup>th</sup> January, 2012</b>                              |                   |
| Issue Closing Date               | <b>10<sup>th</sup> February, 2012</b>                             |                   |
| Rating                           | "AAA" CRISIL, CARE & ICRA   |                   |
| Minimum Application              | Rs. 10,000 in multiples of Rs. 5000                               |                   |
| Tenure (in Years)                | 10  | 15                |
| Category I & II (QIB, HNI, Corp) | <b>8.00% p.a.</b>   | <b>8.10% p.a.</b> |
| Category III (Retail)            | <b>8.15% p.a.</b>   | <b>8.30% p.a.</b> |
| Face Value of the Bond           | Rs. 1000  |                   |
| Listing                          | Proposed to be listed both in NSE & BSE                           |                   |
| Interest on Application          | 8.00% p.a.  |                   |
| Interest on Refund               | 4.00% p.a.  |                   |
| Interest Payment                 | Payable Annually only   |                   |
| Interest Payment Date            | October 15 <sup>th</sup> every year                               |                   |
| Trustee                          | Indian Bank   |                   |
| Issuance                         | Demat as well as physical   |                   |

Note: The differential rate for Retail Investors shall be applicable only to the 1<sup>st</sup> allottee. In the event of Sale/Transfer by the original allottee of a retail bond, the subsequent allottee will get the rates of the other investor's category.

### Issue Structure

| Category I   | Category II   | Category III   |
|--|---|--|
| Upto 45% of Overall Issue Size*  | Upto 25% of Overall Issue Size*                           | Upto 30% of Overall Issue Size*                      |
| QIB & Corporate  | Individuals, NRI & HUF applying for more than Rs. 5 Lakhs | Individuals, NRI & HUF applying for upto Rs. 5 Lakhs |
| * On first come first serve basis to be determined on the basis of date of receipt of application duly acknowledged by the Bankers to the issue. |   |  |

### Highlights of Tax Benefits

- In exercise of the powers conferred by item (h) of sub-clause (iv) of clause (15) of Section 10 of the Income Tax Act, 1961 (43 of 1961) the Central Government authorizes IRFC to issue during the FY 2011-12, Tax Free, Secured, Redeemable, Non-Convertible Bonds.
- The income by way of interest on these bonds is fully exempt from Income Tax and shall not form part of Total Income as per provisions under section 10 (15) (iv) (h) of I.T. Act, 1961.
- There will be no deduction of tax at source from the interest, which accrues to the bondholders in these bonds irrespective of the amount of the interest or the status of the investors.
- Wealth tax is not levied on investment in Bond under section 2(ea) of the Wealth Tax Act, 1957.



# Eastern Financiers Ltd.

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## Who Can Apply

|              |  |
|--------------|--|
| Category I   | <ul style="list-style-type: none"><li>• Public Financial Institutions, Statutory Corporations, Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks, which are authorized to invest in Bonds</li><li>• Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorized to invest in the Bonds</li><li>• Insurance Companies registered with the IRDA</li><li>• National Investment Fund</li><li>• Mutual Funds</li><li>• Foreign Institutional Investors (including sub-accounts)</li><li>• Companies; bodies corporate and societies registered under the applicable laws in India and authorized to invest in the Bonds</li><li>• Public/Private Charitable/ Religious trusts which are authorized to invest in the Bonds</li><li>• Scientific and/or industrial research organizations, which are authorized to invest in the Bonds</li><li>• Partnership firms in the name of the partners; and limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009)</li></ul> |
| Category II  | <p>The following investors applying for an amount aggregating to above Rs. 5Lakhs across all Series in each tranche</p> <ul style="list-style-type: none"><li>• Resident Indian Individuals</li><li>• Hindu Undivided Families through the Karta; and Non-Resident Indians on repatriation as well as non-repatriation basis.</li></ul>  |
| Category III | <p>The following investors applying for an amount aggregating to upto and including Rs. 5 Lakhs across all series in each tranche</p> <ul style="list-style-type: none"><li>• Resident Indian Individuals</li><li>• Hindu Undivided Families through the Karta; and Non-Resident Indians on repatriation as well as non-repatriation basis.</li></ul>  |