SECTION III – OFFER INFORMATION
ISSUE STRUCTURE

The CBDT has, vide the Notification, authorised the Company to issue Bonds aggregating to Rs. 10,00,000.00 lakh. The Company proposes to raise Rs. 7,03,680.00 lakh* through a public issue of Bonds in one or more tranches, prior to March 31, 2014.

This Tranche – I Issue by the Issuer is of Bonds for an amount of Rs. 50,000.00 lakh with an option to retain oversubscription uptoRs. 2,00,000.00 lakh aggregating to Rs. 2,50,000.00 lakh. This Tranche- I Issue is being offered by way ofthis Prospectus Tranche -I, which contains, inter alia, the terms and conditions of this Tranche – I Issue which should be read together with the Shelf Prospectus filed by the Company with the RoC, Stock Exchangesand SEBI.

The Board, at the meeting held on September 2, 2013, approved the Issue of the tax free secured redeemable non-convertible bonds in the nature of debentures, by public issue(s) and/or on private placements(s) basis in India to eligible investors, in one or more tranches, in the aggregate amount of up to Rs. 10,00,000.00 lakh during Fiscal 2014, as allocated in the Notification, provided that the aggregate amount raised through private placement(s) of Bonds shall not exceed Rs. 3,00,000.00 lakh (being 30% of the overall allocated limit for issuance of the Bonds, under the Notification) during Fiscal 2014, and the aggregate amount raised through public issue(s) of the Bonds shall not exceed the Shelf Limit.

**In terms of the Notification, the Company has raised Rs. 2,96,320.00 lakh on a private placement basis in three tranches, through information memorandum dated August 23, 2013, August 29, 2013 and September 5, 2013. Further, the Company may also raise funds through private placement route in one or more tranches during the process of the present Issue. The aggregate amount raised through the private placement route shall not exceed Rs. 3,00,000.00 lakh i.e. up to 30% of the allocated limit for raising funds through tax free bonds during Fiscal 2014, in terms of the Notification. The Company shall ensure that the tax free bonds issued through public issue and private placement route shall together not exceed Rs. 10,00,000.00 lakh. In case if our Company raises funds through private placements during the process of the present Issue, the Shelf Limit for the Issue shall be reduced by such amount raised.*

Particulars of the Bonds

The following are the key terms of the Bonds. This section should be read in conjunction with, and is qualified in its entirety by, more detailed information in "***Issue Structure***" and "***Terms of the Issue***" on page 33 and 39 of this Prospectus Tranche-I, respectively.

COMMON TERMS FOR ALL SERIES OF THE BONDS	
Issuer	India Infrastructure Finance Company Limited
Issue of Bonds	Public issue of the tax free secured redeemable non-convertible bonds in the nature of debenture of face value of Rs. 1,000 each, having benefits under section 10(15)(iv)(h) of the Income Tax Act, proposed to be issued by the Company pursuant to the Shelf Prospectus and the relevant Tranche Prospectus(es), for an amount up to an aggregate amount of the Shelf Limit of Rs. 7,03,680.00 lakh*. The Bonds will be issued in one or more tranches subject to the Shelf Limit. This Tranche –I Issue by the Issuer is of the Bonds for an amount of Rs. 50,000.00 lakh with an option to retain oversubscription up to Rs. 2,00,000.00 lakh aggregating to Rs. 250,000.00 lakh ("**Tranche- I Issue**") and is being offered by way of this Prospectus Tranche- I containing, interalia, the terms and conditions of this Tranche –I Issue ("**Prospectus Tranche- I**"), which should be read together with the Shelf Prospectus dated September 28, 2013 filed with the RoC, the Designated Stock Exchange and SEBI. The Shelf Prospectus together with this Prospectus Tranche- I constitutes the "**Prospectus**". **In terms of the Notification, the Company has raised Rs.2,96,320.00 lakh on a private placement basis in three tranches, through information memorandum dated August 23, 2013, August 29, 2013 and September 5, 2013. Further, the Company may also raise funds through private placement route in one or more tranches during the process of the present Issue. The aggregate amount raised through the private placement route shall not exceed Rs. 3,00,000.00 lakh i.e. up to 30% of the allocated limit for raising funds through tax free bonds during Fiscal 2014, in terms of the Notification. The Company shall ensure that the tax free bonds issued through public issue and private placement route shall together not exceed Rs. 10,00,000.00 lakh. In case if our Company raises funds through private placements during the process of the present Issue, the Shelf Limit for the Issue shall be reduced by such amount raised*
Face Value (Rs.)	Rs. 1,000
Issue Price (Rs.)	Rs. 1,000
Nature of Bonds	Secured
Mode of Issue	Public issue
Pay-in Date	Application Date. Full amount with the Application Form, except ASBA Applications. See "***Issue Procedure – Payment Instructions***" on page 66 of this Prospectus Tranche-I.

<table>
<tr><th colspan="5">COMMON TERMS FOR ALL SERIES OF THE BONDS</th></tr>
<tr><td rowspan="2">Who can apply</td><td>Category I (“Qualified Institutional Buyers”) (“QIBs”)**</td><td>Category II (“Domestic Corporates”)**</td><td>Category III (“High Networth Individuals”) (“HNIs”)</td><td>Category IV(“Retail Individual Investors”) (“RIIs”)</td></tr>
<tr><td>• Public financial institution as defined in Section 4A of the Companies Act,
• Alternative Investment Fund eligible to invest under the SEBI (Alternative Investment Funds) Regulations, 2012, as amended
• Scheduled commercial bank,
• Mutual fund, registered with SEBI,
• Multilateral and bilateral development financial institutions,
• State industrial development corporations,
• Insurance companies registered with the Insurance Regulatory and Development Authority,
• Provident funds with a minimum corpus of Rs. 2500.00 lakh,
• Pension funds with a minimum corpus of Rs. 2500.00 lakh,
• The National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India,
• Insurance funds set up and managed by the army, navy, or air force of the Union of India, and
• Insurance funds set up and managed by the Department of Posts, India,
which are authorized to invest in Bonds</td><td>Companies within the meaning of section 2(20) of the Companies Act, 2013, Limited Liability Partnerships registered under the provisions of the LLP Act, statutory corporations, trust, partnership firms in the name of firm, cooperative banks, regional rural banks and and legal entities registered under applicable laws in India and authorised to invest in Bonds</td><td>• The following investors applying for an amount aggregating to more than Rs. 10.00 lakh across all Series of Bonds in this Tranche-I Issue
• Resident Individual Investors
• Hindu Undivided Families applying through the Karta</td><td>• The following investors applying for an amount aggregating up to and including Rs. 10.00 lakh across all Series of Bonds in this Tranche- I Issue
• Resident Individual Investors
• Hindu Undivided Families through the Karta</td></tr>
<tr><td>Credit Ratings</td><td colspan="4">ICRA Limited has, vide its letter no. D/RAT/2013-14/I-27/4 dated August 30, 2013, and letter No. D/RAT/2013-14/I-27/5dated September 25, 2013,assigned a credit rating of “[ICRA] AAA (Outlook: Stable)” to the Bonds. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. Brickwork Rating India Private Limited has, vide its letter no. BWR/BNG/RL/2013-14/NS/0132 dated August 7, 2013 and letter no. BWR/ BNG/ RL/ 2013-14/ NS/ 0168 dated September 16, 2013, assigned a credit rating of “BWR AAA (Outlook: Stable)” to the Bonds. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. Credit Analysis & Research Limited has, vide its letters dated August 16, 2013 and September 16, 2013, assigned a credit rating of “CARE AAA” to the Bonds. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. Further, India Rating & Research Private Limited has, vide its letters dated August 21, 2013 and September 24, 2013, assigned a credit rating of “IND AAA (Stable)” to the Bonds. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. For the rationale for these ratings, see “Annexure B – Credit Rating”of the Shelf Prospectus</td></tr>
</table>

COMMON TERMS FOR ALL SERIES OF THE BONDS	
Security	*Paripassu* first charge on receivables of the Company with an asset cover of one time of the total outstanding amount of Bonds, pursuant to the terms of the Bond Trust Agreement. The Company reserves the right to create first paripassu charge on, the present and future, receivables for its present and future financial requirements or otherwise, provided that a minimum security cover of 1 (one) time is maintained
Security Cover	One time of the total outstanding Bonds
Nature of Indebtedness and Ranking/ Seniority	The claims of the Bondholders shall be superior to the claims of any unsecured creditors of the Company and subject to applicable statutory and/or regulatory requirements, rank *paripassu* inter se to the claims of other secured creditors of the Company having the same security
Put/Call Option	There is no put/call option for the Bonds
Listing	BSE. For more information, see "***Terms of the Issue – Listing***" on page 50 of this Prospectus Tranche- I
Bond Trustee	IL&FS Trust Company Limited
Depositories	Central Depository Services (India) Limited ("**CDSL**") and National Securities Depository Limited ("**NSDL**")
Registrar	Karvy Computershare Private Limited
Modes of Payment/Settlement Mode	1. Direct Credit; 2. National Electronic Clearing System ("**NECS**"); 3. Real Time Gross Settlement ("**RTGS**"); 4. National Electronic Fund Transfer ("**NEFT**"); and 5. Demand Draft/ Cheque/ Pay Order For more information, see "***Terms of the Issue – Manner & Modes of Payment***" on page 46 of this Prospectus Tranche-I.
Issuance	In dematerialised form and physical form, at the option of the Applicant***
Trading	In dematerialised form only***
Market Lot / Trading Lot	One Bond
Deemed Date of Allotment	The date on which, the Board of Directors or Bond Committee approves the Allotment of Bonds for this Tranche - I Issue or such date as may be determined by the Board of Directors or Bond Committee and notified to the Designated Stock Exchange. All benefits relating to the Bonds including interest on Bonds (as specified in thisProspectus Tranche- I) shall be available from the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment
Record Date	Date falling 15 days prior to the relevant Interest Payment Date on which interest or the Maturity Date on which the Maturity Amount is due and payable under this Prospectus Tranche- I. In the event the Record Date falls on a Saturday, Sunday or a Public Holiday in New Delhi or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, the succeeding Working Day shall be considered as the Record Date.
Lead Managers	SBI Capital Markets Limited, A.K Capital Services Limited, Axis Capital Limited, ICICI Securities Limited, Karvy Investor Services Limited and RR Investors Capital Services Private Limited.
Objects of the Issue and Utilisation of Proceeds	See "***Objects of the Issue***" on page 24 of this Prospectus Tranche- I.
Working Day Convention/ Day Count	A Working Day shall mean all days excluding Sundays or a public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period, Interest Payment Date/ Coupon Payment Date and Record Date, where working days shall mean all days, excluding Saturdays, Sundays and public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881 **Day Count Convention** Actual/actual, i.e., coupon/ interest rate will be computed on a 365 days-a-year basis on the principal outstanding on the Bonds. Where the coupon/ interest period (start date to end date) includes February 29, coupon/ interest rate will be computed on 366 days-a-year basis, on the principal outstanding on the Bonds. **Effect of holidays on payments** If the date of payment of coupon/ interest rate or principal or redemption or any date specified does not fall on a Working Day, the succeeding Working Day will be considered as the effective date. Coupon/ Interest rate and principal or other amounts, if any, will be paid on the succeeding Working Day. In case the date of payment of coupon/ interest rate falls on a holiday, the payment will be made on the next Working Day, without any interest for the period overdue. In case the date of redemption falls on a holiday, the payment will be made on the next Working Day along with interest for the period overdue.

COMMON TERMS FOR ALL SERIES OF THE BONDS		
Transaction Documents	Documents/undertakings/agreements entered into or to be entered into by the Company with Lead Managers and/or other intermediaries for the purpose of the Issue, including but not limited to the following: -	
	Bond Trust Agreement	Trust Agreement dated September 4, 2013 entered into between the Bond Trustee and the Company
	Escrow Agreement	Agreement dated September 20, 2013 entered into by the Company, the Registrar to the Issue, the Lead Managers and the Escrow Collection Bank(s) for collection of the Application Amounts and where applicable, refunds of amounts collected from Applicants on the terms and conditions thereof
	Issue Agreement	The agreement entered into on September 3, 2013, between the Company and the Lead Managers
	Lead Broker MoU	Memorandum of Understanding dated September 20, 2013 between the Company and the Lead Brokers
	Registrar Agreement	Agreement dated September 3, 2013entered into between the Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
	Tripartite Agreements	Tripartite agreement dated January 20, 2009 between the Company, CDSL and the Registrar to the Issue and the tripartite agreement dated January 20, 2009 between the Company, NSDL and the Registrar to the Issue
Issue Opening Date	October 03, 2013	
Issue Closing Date	October 31, 2013 This Tranche – I Issue shall open for subscription from 10.00 a.m. to 5.00 p.m.(Indian Standard Time) during the period indicated above with an option for early closure or extension, as may be decided by the Board of Directors or Bond Committee. In the event of such early closure or extension of the subscription list of this Tranche – I Issue, the Company shall ensure that public notice of such early closure/extension is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in a leading national daily newspaper	
Default Interest Rate	The Company shall pay liquidated damages at a compounded rate of 1% per annum on the amount in respect of which a default has been committed in the event the Company fails to pay any amounts outstanding payable, when due and payable.	
Redemption Premium/Discount	Not applicable	
Interest on Application Money	See "***Terms of the Issue-Interest on Application and Refund Money***" on page 45of this Prospectus Tranche-I	
Option to retain oversubscription	This Tranche- I Issue by the Issuer is of the Bonds aggregating to Rs. 50,000.00 lakh with an option to retain oversubscription up toRs. 2,00,000.00 lakh aggregating to Rs. 2,50,000.00 lakh	
Conditions precedent/subsequent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedent/subsequent to disbursement. See "***Terms of the Issue - Utilisation of Issue Proceeds***" on page 50of this Prospectus Tranche-I	
Event of Default	See "***Terms of the Issue***" on page 39of this Prospectus Tranche-I	
Cross Default	Not applicable	
Roles and Responsibilities of Bond Trustee	See "***Terms of the Issue-Bond Trustee***" on page 49of this Prospectus Tranche-I	
Discount at which Bond is issued and the effective yield as a result of such discount	Not applicable	
Governing Law	Laws of the Republic of India	
Jurisdiction	The courts of New Delhi will have exclusive jurisdiction for the purposes of the Issue.	

*** With regard to Section 372A(3) of the Companies Act,1956 kindly refer to General Circular No. 6/ 2013, dated March 14, 2013 Ministry of Corporate Affairs, GoI clarifying that in cases where the effective yield on tax free bonds is greater than the prevailing bank rate, there shall be no violation of Section 372A(3) of the Companies Act, 1956.*

****In terms of Regulation 4(2)(d) of the Debt Regulations, the Company will make public issue of the Bonds in the dematerialised form. However, in terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Investors who wish to hold the Bonds in physical form will fulfil such request. However, trading in Bonds shall be compulsorily in dematerialized form.*

Participation by any of the above-mentioned Investor classes in this Tranche – I Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made bythem do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and/or regulatory provisions.

Applicants areadvised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of Bonds pursuant to the Issue.

SPECIFIC TERMS FOR EACH SERIES OF BONDS

Options	**Series of Bonds***		
	For Category I, II & III**		
	Tranche I Series 1A	**Tranche I Series 2A**	**Tranche I Series 3A**
Coupon Rate (%) p.a	8.01%	8.38%	8.50%
Annualised Yield (%) p.a	8.01%	8.38%	8.50%
Options	**For Category IV****		
	Tranche I Series 1B	**Tranche I Series 2B**	**Tranche I Series 3B**
Coupon Rate (%) p.a	8.26%	8.63%	8.75%
Annualised Yield (%) p.a	8.26%	8.63%	8.75%
For Category I, II, III & IV**			
Minimum Application	5 Bonds (Rs.5000) (individually or collectively, across series)		
In the multiple of	One Bond (Rs.1000)		
Tenor	10 years	15 years	20 years
Maturity / Redemption Date	10 years from the Deemed Date of Allotment	15 years from the Deemed Date of Allotment	20 years from the Deemed Date of Allotment
Face Value	Rs 1,000	Rs 1,000	Rs 1,000
Issue Price	Rs 1,000	Rs 1,000	Rs 1,000
Redemption Amount (Rs./Bond)	Repayment of the Face Value plus any interest at the applicable Coupon/ Interest Rate that may have accrued at the Redemption Date		
Coupon/ Interest Type	Fixed Coupon Rate		
Coupon / Interest Payment Date	The date, which is the day falling one year from the Deemed Date of Allotment, in case of the first coupon/ interest payment and the same day every year, until the Redemption Date for subsequent coupon/ interest payment		
Coupon/ Interest Reset Process	Not applicable		
Frequency of Coupon/ Interest Payment	Annual		

**Our Company shall allocate and allot Tranche I Series 1A/ Series1B (depending upon the category of applicants) to all valid applications, wherein the Applicants have not indicated their choice of the relevant Series of Bond.*
***In pursuance of the Notification and for avoidance of doubt, it is clarified as under:*

a. *The coupon rates indicated under Tranche I Series 1B, Tranche I Series 2B and Tranche I Series 3B shall be payable only on the Portion of Bonds allotted to RIIs in the Issue. Such coupon is payable only if on the Record Date for payment of interest, the Bonds are held by investors falling under RII Category viz Category IV.*
b. *In case the Bonds allotted against Tranche I Series 1B, Tranche I Series 2B and Tranche I Series 3B are transferred by RIIs to Non-RIIs viz, Qualified Institutional Buyers, Domestic Corporates and/or High Networth Individuals, the coupon rate on such Bonds shall stand at par with coupon rate applicable on Tranche I Series 1A, Tranche I Series 2A and Tranche I Series 3A, respectively.*
c. *If the Bonds allotted against Tranche I Series 1B, Tranche I Series 2B and Tranche I Series 3B are sold/ transferred by the RIIs to investor(s) who fall under the RII category as on the Record Date for payment of interest, then the coupon rates on such Bonds shall remain unchanged;*
d. *Bonds allotted against Tranche I Series 1B, Tranche I Series 2B and Tranche I Series 3B shall continue to carry the specified coupon rate if on the Record Date for payment of interest, such Bonds are held by investors falling under RII Category;*

e. *If on any Record Date, the original RII allotee(s)/ transferee(s) hold the Bonds under Tranche I Series 1B, Tranche I Series 2B and Tranche I Series 3B for an aggregate face value amount of over Rs. 10.00 lakh, then the coupon rate applicable to such RII allottee(s)/transferee(s) on Bonds under Tranche I Series 1B, Tranche I Series 2B, Tranche I Series 3B shall stand at par with coupon rate applicable on Tranche I Series 1A, Tranche I Series 2A and Tranche I Series 3A, respectively;*

f. *Bonds allotted under Tranche I Series 1A, Tranche I Series 2A and Tranche I Series 3A shall carry coupon rates indicated above till the respective maturity of Bonds irrespective of Category of holder(s) of such Bonds;*

g. *For the purpose of classification and verification of status of the RII Category of Bondholders, the aggregate face value of Bonds held by the Bondholders in all the Series of Bonds, allotted under the relevant Issue shall be clubbed and taken together on the basis of PAN.*

Minimum Subscription

In terms of the SEBI Debt Regulations, an issuer undertaking a public issue of debt securities may disclose the minimum amount of subscription that it proposes to raise through the issue in the offer document. The Company has decided not to stipulate minimum subscription for this Tranche – I Issue.

Market Lot & Trading Lot

As per the SEBI Debt Regulations, since trading in the Bonds will be in dematerialised form only, the tradable lot is one Bond ("**Market Lot**"). The Company has made depository arrangements with CDSL and NSDL for trading of the Bonds in dematerialised form, pursuant to the tripartite agreement dated January 20, 2009 between the Company, CDSL and the Registrar to the Issue and the tripartite agreement dated January 20, 2009 between the Company, NSDL and the Registrar to the Issue (collectively, "**Tripartite Agreements**").

Listing

For information, see "***Terms of the Issue – Listing***" on page 50 of this Prospectus Tranche-I.

Securities Information:

Annexure -I

Name of the Company	India Infrastructure Finance Company Limited					
Face/Paid-up value of Bonds (Rs. /Bond)	Rs.1000 /-					
Issue Price of Bonds (Rs. /Bond)	Rs.1000 /-					
Scrip Code	961793	961794	961795	961796	961797	961798
Scrip ID	801IIFCL 23	826IIFCL23	838IIFCL28	863IIFC28	850IIFCL33	875IIFCL33
Security Description	Tax free secured, redeemable, non-convertible bonds in the nature of debentures of face value of Rs. 1,000 each ("the Bonds"), having benefits under section 10(15)(iv)(h) of the Income Tax Act, 1961					
No. of Securities	1726340	1259458	3035330	1660320	1868982	2579621
Distinctive number	1 TO 1726340	1 TO 1259458	1 TO 3035330	1 TO 1660320	1 TO 1868982	1 TO 2579621
ISIN	INE787H 07263	INE787H072 71	INE787H072 89	INE787H072 97	INE787H073 05	INE787H07 313
Abbrv. Name	801IIFCL 23	826IIFCL23	838IIFCL28	863IIFCL28	850IIFCL33	875IIFCL33
Coupon (%)	8.01%	8.26%	8.38%	8.63%	8.50%	8.75%
Deemed Date of Allotment	12/11/2013					
Date of Allotment	12/11/2013					
Lock-In Upto	N.A.					
Put/Call Option (Buy Back Date)	N.A.					
Redemption/Maturity date	12/11/202 3	12/11/2023	12/11/2028	12/11/2028	12/11/2033	12/11/2033
Tenor	10 years	10 Years	15 Years	15 years	20 Years	20 Years
Maturity/Redemption Amt. per Bond	Rs.1000	Rs.1000	Rs.1000	Rs.1000	Rs.1000	Rs.1000
First Interest payment date	12/11/2014					
Frequency of interest payment	Annually					
Credit Rating	ICRA: [ICRA] AAA (Outlook: Stable), Brickworks: BWR AAA (Outlook: Stable), CARE: CARE AAA, INDIA RATINGS: IND AAA (Stable)					
Market lot	1					