

**Tax Saving Infrastructure Bonds – 2011-12**  
**IDFC Ltd., - Tranche – 2**  
**8.70% IDFC INFRA Bonds - Tranche - 2**  
**Issue Closes – Saturday– 25 FEB. 2012**

**General Notes :**

1. **Demat Form :** The Bonds are **preferred in Demat Form**.
  - (a) For this, the details of the Demat Account have to be stated.
  - (b) The Applicants details have to be as per the Demat account.
  - (c) The Bank, Address and other details will be as per the Demat account.
  - (d) Please provide your **preferred** Tel. No. and email ID for communication
2. **Physical Certificate Mode :** For option of holding **physical certificate**,
  - (a) **All** details need to be filled in properly. ALSO,
  - (b) **Enclosures :**
    - I. **KYC document copies** – (1) PAN copy and (2) Address Proof copy, both self attested in **blue** ink (if two / three holders, of **all** Holders)
    - II. **Cancelled cheque** on the bank a/c stated for payment of interest and repayment of principal on maturity (as per mandatory Bank details)
3. **Cheque Favouring :** “**IDFC INFRA BONDS – Tranche 2**”

**Salient Features of the Bonds :**

1. **Maximum Amount of Investment AND Deduction (Exemption) per year :**  
**Rs. 20,000;** under Sec. 80CCF of the Income tax Act.  
This is in **addition** to the existing deduction of **Rs. 1,00,000** under Sec. 80C, etc. of the Income tax Act.  
*One can invest any amount.* There is no limit on the maximum amount of investment. However, investing beyond the maximum deductible amount – Rs. 20,000 may not commercially add value.
2. **Face Value :** **Rs. 5,000 per bond.**
3. **Bonds per Application :** **4 (Four) Bonds, i. e. upto Rs. 20,000**
4. **Minimum Bonds per Appl. :** **2 (Two) Bonds - Rs. 10,000**
5. **Options :** **Series 1 : Term 10 years – annual Interest Payment – Recommended.**  
Series 2 : Term 10 years – Cumulative Interest (compounded annually)  
**Recommended : Series – 1 – Regular (annual) Interest payment – Buyback – 5 year 1 Day**
6. **Tax Benefit (Deduction) on Investment in the Bonds :**  
**Entire amount of Investment, upto Rs. 20,000 per year.**
7. **Tax Benefit (Exemption) on Interest : No Exemption. The entire amount of Interest is Taxable.**  
**However, for holding in Demat a/c, - No TDS – Tax Deducted at Source (on Interest)**
8. **Who should invest :**  
**Recommended for : Individuals and HUFs having taxable income**
9. **Lock In :** **5 Years from date of Allotment**  
**BuyBack :** For Both **Series -1 and 2 :** **5 year 1 Day**

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**10. Interest Rate :**

**Series – 1 and 2 : 8.70%** per annum, **Taxable**. Payable / Compounded **Annually**

**11. Nature of Issue :** IPO thru Prospectus.

**12. Issue Closes on : Saturday– 25 FEB. 2012**

**13. Cheque Favouring : “ IDFC INFRA BONDS – Tranche 2 ”**

**14. Listing :**

Yes, the Bonds will be listed on the Stock Exchanges – NSE and BSE

However, due to the stipulated Lock In for 5 Years, initially the Listing will not provide any exit route thru listing on Stock Exchanges

**15. Mode of Holding :**

**Demat - Preferred. The Holding Pattern and Bank has to be as per the Demat Account.**

**Physical certificate – only if there is no Demat a/c.**

**16. TDS on Interest : No TDS (Taxable, but no TDS)**

**17. Rating : (ICRA) AAA - ICRA / AAA (Ind)- FITCH**

**18. Registrar : Karvy Computershare Pvt. Ltd., Hyderabad.**

**Tel. : 040 2342 0815-24. Email : idfc4.infra@karvy.com**

**19. Quadratic Recommendation :**

✓ **INVEST**

➤ **This may be a small part of investment process in wealth accumulation.**

➤ **It will add value in terms of tax saving.**

➤ **The Net of Tax CAGR (annually compounded) Yield for 5 Years on these Bonds, based on above assumptions :**

Tax Slab	Yield - %
10%	10.48%
20%	12.52%
30%	14.90%

BANKS : ICICI BANK CAPITAL MARKETS DIVISION, 30 MUMBAI SAMACHAR MARG, **FORT**, MUMBAI 400 001

HDFC BANK MANECKJI WADIA BLDG., NANIK MOTWANI MARG, **FORT**, MUMBAI 400001

Other banks : Not Logistically convenient

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Contact 'BONDS ENQUIRY' on : 022 – 4237 9900

us at : Or

Email at : [Choksi.vijay@quadraticfinancials.com](mailto:Choksi.vijay@quadraticfinancials.com)