

India Infrastructure Finance Company Limited – Tax Free Bonds

Issue Highlights

The Current interest rate levels offer a great opportunity for investors to lock in higher accruals. Tax free bonds represent one of the better options to execute the same, particularly for investors looking for long term accruals.

Issue opens	Monday, Dec 09, 2013
Issue closes	Monday, Jan 10, 2014 (First come First serve)
Issue Price	1000 per Bond
Face Value	1000 per Bond

Risk Profile	Product Type	Rating	Recommendation	10 Year	15 Year	20 year	10,15,20 Years
				Retail*	Retail	Retail	Others
Low Risk	Govt. Bonds	Care/ICRA AAA	Retail Option	8.66%	8.73%	8.91%	0.25% less each

* Retail Option includes Individuals, HUFs investing upto Rs. 10 lacs; * Others include Institutional Buyers and Corporates

NRIs can also apply for this issue

INVESTMENT STRATEGY

We recommend individuals to invest in retail option as **yields are much higher** than current fixed deposit rates both pre and post-tax. We also recommend applying for the bonds soon as all tax free issues this year have been subscribed much before the last day of application.

ISSUER BRIEF

IIFCL owned and regulated directly by the Govt. of India, with the aim of providing long term financial assistance to infrastructure projects in India. IIFCL serves the strategic role in financing economically viable infrastructure projects in various sectors like road, power, airport, ports and urban infrastructure. It has the flexibility of raising resources from a variety of sources, both domestic and international. Along with long term tax free govt. bonds, it also has lines of credit from various overseas financial institutions like Asian Development Bank, World Bank and KfW. Cumulative disbursements stood as of Mar '13, at Rs. 26,582 crore including refinance of Rs. 4,418 crore and takeout finance of Rs. 2,761 crore

Particulars	As on March 31, 2013	As on March 31, 2012	As on March 31, 2011
PBT (INR Crores)	1518	992	491
PAT (INR Crores)	1009	678	320

Comparison of Various Debt Instruments:

Parameters	HUDCO Tax Free	Bank FDs	Postal Schemes
Risk	Low Risk	Low Risk	Risk - Free
Liquidity	Listed, tradable on exchange	Not tradable, penal interest if liquidated earlier than maturity	Not Liquid
Pre-Tax Yield%	12.5%-12.9% (for 30% tax slab)	8.0%-9.5%	8.5%-9.00%
Capital Appreciation	Possible - Linked with interest movement	Nil	Nil

HOW TO INVEST:

Please mail us your interest / query on info@rupeevest.com or call us @7406998067 / 9874691177.

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