

**-COPY OF-  
INCOME TAX NOTIFICATION  
No. 77/2010  
Dated 11-10-2010**

**Section 80CCF of the Income-tax Act, 1961 - Deduction - In respect of subscription to long-term infrastructure bonds - Notified long-term infrastructure bond**

In exercise of the powers conferred by section 80CCF of the Income Tax Act, 1961 (43 of 1961), the Central Government hereby notifies the following bonds that shall be subject to the following conditions, as long-term infrastructure bonds for the *purposes* of the said section, namely:-

- (a) (a) Name of the bond: "Long term infrastructure Bond" of India Infrastructure Finance Company Ltd. (IIFCL)
- (b) (b) Issuer of the bond: "Long term infrastructure Bond" of India Infrastructure Finance Company Ltd. (IIFCL)
- (c) (c) Limit on issuance
  - (i) The bond shall be issued during the financial year 2010-2011;
  - (ii) the volume of issuance during the financial year shall be restricted to twenty-five *percent* of the incremental infrastructure investments made by the issuer during the financial year 2009-2010;
  - (iii) 'investments' for the purposes of this limit shall include loans, bonds, other forms of debt, quasi-equity, preference equity and equity;
- (d) Tenure of the bond-
  - (i) a minimum period of ten years;
  - (ii) the minimum lock-in period for an investor shall be five years
  - (iii) after the lock-in, the investor may exit either through the secondary market or through a buyback facility, specified by the issuer in the issue documents at the time of issue;
  - (iv) The bonding shall also be allowed as pledge or lien or hypothecation for obtaining loans from Scheduled Commercial Banks, after the said lock-in period;
- (e) (e) Permanent Account Number (PAN) to be furnished:- It shall be mandatory for the subscribers to furnish their PAN to the issuer;

- (f) (f) Yield of the bond:- The yield of the bond shall not exceed the yield on government securities of corresponding residual maturity as reported by the Fixed Income Money Market and Derivatives Association of India (FIMMDA), as on the last working day of the month immediately preceding the month of the issue of the bond;
- (g) End-use of proceeds and reporting or monitoring mechanism- (i) The proceeds shall be utilized towards 'infrastructure lending' as defined by the Reserve Bank of India in the Guidelines issued by it
  - (j) The end-use shall be duly reported in the Annual Reports and other reports submitted by the issuer to the Regulatory Authority concerned, and specifically certified by the Statutory Auditor of the issuer;
  - (ii) The issuer shall also file these along with term sheets to the Infrastructure Division, Department of Economic Affairs, Ministry of Finance within three months from the end of financial year.

**[F.No.178/31/2010-SO (ITA.I)]**