

**Private & Confidential – Not for Circulation**

[This Disclosure Document has been prepared in conformity with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008]



**IDBI BANK LIMITED**

**(Formerly Industrial Development Bank of India Limited)**

(Incorporated under the Companies Act, 1956,  
a Banking Company under the Banking Regulation Act, 1949  
and a Public Financial Institution under section 4A of Companies Act, 1956)

Regd. Office: IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005  
Tel: (022) 66553355/22189111 Fax: (022) 2218 8137 Website: www.idbi.com

**Disclosure Document for Issue of 10 Unsecured Redeemable  
Non-Convertible Bonds of Rs.10,00,000 each for cash at par aggregating  
Rs.1 crore on Private Placement basis under IDBI Omni Bonds 2009-10**

**General Risk:** For taking an investment decision, investors must rely on their own examination of the Issuer and the Offer including the risks involved. The Bonds have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this Disclosure Document.

**Issuer's Absolute Responsibility:** The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Disclosure Document contains all information with regard to the Issuer, and the Issue, which is material in the context of the Issue, that the information contained in this Disclosure Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Disclosure Document or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**Credit Rating:** Senior & Subordinated (Lower) Tier II Bonds : ICRA 'LAA+' (L Double A plus with a Stable outlook), and CRISIL 'AA+/Negative' (Double A plus with Negative outlook)

For details of the above rating definitions, the investors are advised to refer Section XXI on 'Credit Rating' (page 28) of the Disclosure Document.

The Rating(s) are not a recommendation to buy, sell or hold securities and Investors should take their own decisions. The rating may be subject to revision or withdrawal at any time by the assigning Rating Agency on the basis of new information. Each rating should be evaluated independent of any other rating.

**Listing** : The Bonds are proposed to be listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE).

**Registrars to the Issue**

Investors Services of India Ltd. (ISIL),  
IDBI Building, Plot No.39-41, Sector 11,  
CBD Belapur, Navi Mumbai – 400 614

**Trustees to the Bondholders**

IDBI Trusteeship Services Ltd. (ITSL)  
Asian Building, Ground Floor,  
17, R. Kamani Marg,  
Ballard Estate, Mumbai – 400 021

*This Schedule under SEBI guidelines dated June 6, 2008 for private placement of bonds is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the bonds to be issued by Issuer.*

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**I. Name and Address of the Registered Office****IDBI BANK LIMITED**

Regd. Office: IDBI Tower, WTC Complex, Cuffe Parade, Mumbai - 400 005

**II. Names and Addresses of the Directors on the Board as on June 1, 2009**

Sr.No.	Name of Directors with addresses
1.	Shri Yogesh Agrawal CMD IDBI Bank Ltd., IDBI Tower, WTC Complex, Cuffe Parade, Mumbai-400 005
2.	Shri O.V Bundellu DMD IDBI Bank Ltd., IDBI Tower, WTC Complex, Cuffe Parade, Mumbai-400 005
3.	Shri Girish Chandra Chaturvedi Additional Secretary, Department of Financial Services, Ministry of Finance, Government of India, Jeevan Deep Building, 10, Parliament Street, New Delhi – 110 001.
4.	Shri Ajay Shankar Secretary, Ministry of Commerce and Industry, Department of Industrial Policy & Promotion, Government of India, Udyog Bhavan, New Delhi – 110 001.
5.	Shri Analjit Singh Executive Chairman, Max India Ltd., Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 110 020.
6.	Ms. Lila Firoz Poonawalla Chairperson – Lila Consulting Services, Akshay Park, 1st Floor, Office No.8, Thergoan, Pune – 411 033.

7.	Shri K. Narasimha Murthy Partner – Narasimha Murthy & Co., (Cost Accountants Firm), 3-6-365, 104-105, Pavani Estate, Himayatnagar, Hyderabad – 500 029.
8.	Shri Hiralal Zutshi D-25, Defence Colony, New Delhi – 110 024.
9.	Shri Arumugam Sakthivel Chairman – Poppys Group 33, M.P. Nagar, Kongu Nagar, Tirupur - 641 607 Tamil Nadu
11.	Shri Subhash Tuli S.Tuli & Co., Chartered Accountants, 8-Halwasia Court, Hazratganj, Lucknow – 226 001.

### **III. Brief History of IDBI Bank Ltd.**

Industrial Development Bank of India (IDBI) was established in 1964 by the Government of India (GoI) under an Act of Parliament, the Industrial Development Bank of India Act, 1964 (the IDBI Act), as a wholly-owned subsidiary of Reserve Bank of India (RBI) to provide credit and extend other facilities for the development of industry. In 1976, the ownership of IDBI was transferred to the GoI and it was entrusted with the additional responsibility of acting as the principal financial institution for coordinating the activities of institutions engaged in financing, promotion or development of industry.

Over the last four decades, IDBI's role as catalyst to industrial development has encompassed a broad spectrum of activities. IDBI had extended finance to all types of industrial concerns covered under the provisions of the IDBI Act irrespective of the size or form or sector of organization. IDBI primarily provided finance to large and medium industrial enterprises engaged or to be engaged in the manufacture, processing or preservation of goods, mining, shipping, transport, hotel industry, information technology, medical and health, leasing, generation and distribution of power, maintenance, repair, testing, servicing of vehicles; setting up of industrial estates as also in the research and development for promotion of industrial growth. IDBI had also been assigned a special role for coordinating the activities of institutions engaged in financing, promoting or developing industries.

In the past, the GoI had provided direct and indirect financial assistance and support to IDBI including access to low cost funds and assistance by way of restructuring of high cost liabilities. Though GoI has no legal obligation to provide financial assistance or extend support to IDBI, it had done so from time to time considering the unique role assigned to IDBI in the industrial development of the country. The structural changes in the industrial sector including the opening up of the economy and the ongoing disintermediation in the financial sector had changed the credit profile of IDBI. IDBI always kept itself adapted with the structural changes in the industrial sector including the opening up of the economy and the ongoing disintermediation in the financial sector in order to avail the opportunities and meeting the challenges thereupon. The sources and availability of cheap long term funds declined resulting in difficulties in operations as a stand alone DFI. To impart more flexibility in its operations and enable it to diversify on both asset and liability side and thereby expand its scope of operations, IDBI Ltd. took up banking operations with effect from October 1, 2004 in consonance with the provisions of the IDBI Repeal Act, 2003 and the Memorandum and Articles of Association of IDBI Ltd. Consequent on the repeal of IDBI Act, IDBI Ltd. is a banking

company incorporated under the Companies Act, 1956 and Banking Regulation Act 1949. IDBI Ltd. also continues as a Public Financial Institution (PFI) under section 4A of the Companies Act, 1956.

#### **Merger of erstwhile IDBI Bank Ltd.**

To create a more conducive environment for the transition and to give fillip to the business operations of the new entity (IDBI Ltd.), the then IDBI's Board decided that for effective transition to a banking company, IDBI Ltd. should leverage on its banking subsidiary, IDBI Bank Ltd. The scheme of Amalgamation/Merger of IDBI Bank Ltd. with IDBI Ltd became effective from October 1, 2004 after the same was approved separately by the respective General Body of Shareholders and by RBI, in terms of the provisions of the Banking Regulation Act, 1949 .

The merger has brought in benefits in terms of enhanced size and improved quality of balance sheet, lower cost of funds, extended branch network, a higher technology platform, lean workforce, along with a wide array of retail and wholesale products. This has benefited the various stakeholders by increased value creation, along with the convenience of a universal bank. The benefits of economies of scale and the convenience of single-window servicing to clients is a major advantage. The opportunity for the Bank has come from the access to cheaper short-term retail funds. This has enabled the Bank to lower its overall cost of liability and price the products competitively. Enlarging the clientele base through market penetration, product diversification or market development, market segmentation and providing structured products under a single roof are the other advantages for the Bank. Also, the enlarged capital base of the Bank has provided impetus to expanding business. The in-house knowledge and expertise in long term finance, including project finance, coupled with the skill of retail financing, has enabled the merged entity to emerge as a preferred source of finance from all segments of the market. IDBI Ltd. has, therefore, become a banking company, having a wide array of wholesale and retail products.

#### **Merger of erstwhile United Western Bank Ltd. (UWB)**

The Government of India, by a notification dated September 30, 2006, conveyed its approval of the amalgamation of erstwhile UWB with IDBI Ltd., with effect from October 3, 2006. Following the amalgamation of erstwhile UWB into IDBI, the Bank's delivery channels now comprise 558 branches, 956 ATMs spread across 344 centers. Further, the acquisition of UWB has, inter alia, helped growing IDBI's low-cost CASA deposit base and priority sector business volumes.

#### **Change of Name**

To properly reflect the business of banking being carried on by it, the name of 'Industrial Development Bank of India Limited' has been changed to 'IDBI Bank Limited' w.e.f. May 07, 2008, the date on which the Registrar of Companies, Maharashtra, issued fresh certificate of incorporation. Subsequently, the change of name was notified by Reserve Bank of India, vide DBOD.BP.BC.NO.21.01.002/2007-08 dated May 16, 2008, which was published in Government Gazette dated on June 14, 2008.

#### **Government Holding**

As on May 29, 2009, the Central Government's shareholding in IDBI Bank Ltd. is 52.68%. The provisions of Memorandum and Articles of Association of IDBI Ltd. require that the "Central Government being a shareholder of the Company, shall at all times maintain not less than 51% of the issued capital of the Company. **IDBI Bank Ltd. has been categorised as "Other Public Sector Bank" by the RBI. Further, the Central Government has advised all its Ministries that the Bank "may be treated on par with Nationalised Banks/State Bank of India by Government Departments/Public Sector Undertakings/ other entities for all purposes, including deposits/bonds/ investments/ guarantees and government business".**

#### **IV. Brief Summary of the Business/Activities of IDBI Bank Limited**

Following its transformation into commercial banking and the aforesaid mergers, the organizational structure of the merged entity has been realigned to give a clear focus on retail banking and development banking activities.

**(i) Commercial Banking :**

IDBI Bank Ltd's banking operations are divided into two areas; (i) Corporate Banking and (ii) Retail Banking.

**(a) Corporate Banking:** In the Corporate Vertical, the Bank has Infrastructure & Conglomerates segment, the Large Corporate segment and the Mid-corporate segment. IDBI Bank Ltd. provides financial services (both fund based and non-fund based) to large and mid sized corporates. A wide range of banking products & services is offered to corporate customers based on their profile and business requirements. The Bank provides both fund based and non fund based assistance. Various products & services offered are as under:

**Fund based :** Fund based assistance primarily comprises term loans, cash credit, demand loans, bridge loan facilities etc. towards project finance, non project finance and working capital.

**Project finance** - Project finance is provided for acquisition of capital equipments and meeting other fixed expenses for setting up green-field projects as also for expansion, modernization and diversification purposes of existing projects/ companies. Such assistance is extended over the medium and long term, with a provision of repricing at regular intervals.

**Infrastructure finance** - Financing infrastructure projects have been the key focus area of IDBI Bank Ltd. since the opening up of the infrastructure sector to the private sector. The Bank has been providing assistance to the key infrastructure industries viz. electricity generation, telecom services, roads & bridges, seaports/ airports etc., for acquisition of capital equipments and meeting other fixed expenses. The assistance is usually extended over the long term with an option to reprice the loan at regular intervals over the medium term.

**Corporate Finance** - IDBI Bank Ltd. also provides non-project finance in the form of corporate loans to finance acquisition of non project related capital goods, normal capital expenses, general corporate expenses as also to meet core working capital requirements. Such loans are extended for relatively shorter maturity, usually upto three/five years.

**Working Capital Finance** - Working Capital finance is provided in the form of cash credit facilities, demand loans, overdraft facilities to meet operating expenses of the company.

**Film financing** - Under this product, assistance is provided for production of films. The entire assistance is recovered before exhibition/release of the film.

**Trade Finance** - Fund based trade finance products are for export purpose which include pre-shipment credit in Indian Rupees and Packing Credit in Foreign Currency and also post shipment credit by way of discounting bills. Appropriate security package is stipulated by the Bank for the above assistance.

**Non fund based :** Non fund based assistance comprises Letters of Credit and Bank Guarantees. The facilities are offered for both imports and exports depending on the need of the clients.

To give a full complement of products to the Corporate clients, IDBI Bank Ltd. also provides :

**Debt syndication for projects including infrastructure projects:** The facilities are designed to help Project Sponsors achieve financial closure.

**Forex Services:** Forward Covers, Derivatives, Swaps, options and other hedging facilities.

**Cash Management Services (CMS)** (collection and payment solutions) as also collection and payment services for taxes and other statutory dues.

Liability products in the form of current accounts, corporate term deposits, corporate payroll account, arranging short term requirements by way of CDs, etc. are also provided to corporate clients.

**Merchant appraisal** (opinion on projects for third parties) and Financial structuring : IDBI Bank Ltd. also carries out independent appraisal for projects to assess risks and also suggest possible risk mitigants. The appraisal helps the project achieve financial closure. Such appraisal is carried out without any financial commitments. The Bank earns a fee income from such assignments.

**(b) Retail Banking :** In the Retail vertical, the Bank has the Personal Banking Segment, SME segment and the Agri Business Segment.

Personal Banking: IDBI Bank Ltd. offers a suite of personal banking products including retail liability, retail asset products, retail payment products and retail investment/insurance products. The Retail liability products include savings account, term deposits and customized products for retail individuals as well as certain target groups such as high networth individuals, Senior citizens, defense personnel, salaried employees as well as Non Residents Indians (NRIs). Retail asset products include home loans, personal loans, IPO loans, loans against securities etc. Assistance is also extended to doctors and other professionals/ small business to meet the special needs of this sector. The services are provided by branch banking facilities as well as internet banking facilities. The range of retail payment services include International Debit cards and Gift cards and several technology-driven products like online rail and air booking, card to card money transfers, mobile banking, travel and currency cards, etc. In addition, the Bank has a “preferred” offering for its affluent and high net worth customers, offering financial advice and a range of wealth management products and services.

IDBI Bank Ltd. undertakes distribution of third party products viz., Life and Non Life Insurance products as well as Mutual Fund products through its branches. The Bank along with ICMS (IDBI Capital Market Services Ltd), its wholly owned subsidiary, offers (a) Portfolio Management Service (PMS) and Portfolio Investment Service (PIS) to NRI and Resident Indians, and (b) demat and trading portal for securities trading for its clients. The banking account in all these products is opened with the Bank.

In order to provide technologically superior services to customers and making transactions with the bank convenient, IDBI Bank Ltd. has developed a wide network of inter-connected retail branches, ATMs, Retail Asset Centers, internet banking, Mobile/phone banking and call centers. All the branches of the Bank are covered by 'Core Banking Solutions (CBS)' and provide ready connectivity. All retail operations are centralized in automated central/regional processing units.

Remittance Services: is provided by IDBI Bank Ltd. for individual inward remittances by Non Resident Indians (NRIs) through bank to bank transfers, online Money Transfer as well as other web based transfer.

SME sector lending: To give focused attention in a coordinated manner to the SME sector, a dedicated vertical has been created within the Bank. The SME vertical generally handles all cases with a sales turnover upto Rs.100 crore. A host of transaction-banking products and services (current accounts, cash management, forex services) are offered to SME customers. Fund based assistance is extended for meeting capital expenditure requirements by way of term loan, as also working capital requirements of the sector by way of cash credit, demand loan etc. Non fund based assistance includes Letters of Credit and Bank Guarantees. The facilities are offered for both imports and exports depending on the need of the clients. The Bank has also created a special fund (Entrepreneurial Development Fund) with an initial corpus of Rs.10 crore to subscribe to equity in SME projects in deserving cases, to enable the entrepreneur to achieve financial closure.

Agricultural Sector: IDBI Bank Ltd. provides fund based assistance to the Agricultural sector for Crop Loans, purchasing of seeds and fertilizers, and also Capital equipments viz. farming implements, including Tractors. Agribusiness loans are extended to both farm and non farm sectors as well as to companies / corporates engaged in Agricultural business. Apart from the loans to sector mentioned above, the Bank finances procurement of food grains and also extends assistance against Warehouse Receipts.

Self Help Groups (SHGs) / Micro Finance Agencies (MFIs): IDBI Bank Ltd. also extends assistance to Self Help Groups and Micro Finance Institutions/ Agencies by way of Line of Credit for onlending in the Agricultural and Rural Sector, primarily as small/ micro loans. Appraisal/ due diligence of these proposals, disbursement and recovery is handled by the assisted SHGs/ MFIs and not by the Bank.

Priority Sector Assistance: As stipulated by RBI, Domestic Commercial Banks in India are required to extend 40% of the net bank credit to the Priority Sector comprising of Agricultural loans, loans to small business/ professionals, educational loans, Housing Loans upto Rs.20 lakh etc. As a large part of the portfolio of IDBI Bank Ltd. did not include Priority Sector assistance at the time of its conversion into a banking company, RBI has granted time upto March 31, 2011 to meet with the stipulated norms. The Bank, through its assistance by way of the aforesaid products, is within the targets set for individual years for meeting the overall priority sector target.

**(ii) Treasury Operations**

The Treasury in IDBI Bank Ltd. operates with primary focus of maintaining adequate liquidity to meet its requirements. Treasury efficiently manages surplus funds with an appropriate portfolio mix of G-Sec and corporate securities, consistent with risk perceptions and within the investment policy framework outlined by the Board. These investments are made with the objective of maximizing returns, without compromising on safety and liquidity needs. To mitigate market risks and to generate adequate returns, the Treasury has in place an adequate Risk Management philosophy governed through risk management tools such as Duration, Modified Duration, PV01 and Value at Risk (VaR) for G-Secs. The Forex operations of treasury focus on corporate line service like providing exchange rate cover on clients' foreign currency (FC) exchange both on Principal and Interest rate. The Treasury Department of the Bank has also been providing interest rate and forex derivative hedging products to cover the underlying liabilities/receivables of Corporates. All hedging/ Derivative products are offered in compliance with RBI guidelines and within the permitted Risk Limits.

**(iii) Investment Banking**

Investment Banking Services being offered by IDBI Bank Ltd. include Debt Syndication, Equity placements, IPO monitoring, Carbon Credit Advisory, Securitization, Project Advisory, Mergers & Acquisitions Advisory and Merchant appraisal. Investment Banking activities are also being carried out through the bank's subsidiary, IDBI Capital Market Services Ltd.(ICMS) which has the license to carry out these operations. ICMS concentrates on smaller sized deals, placement of Debt in the secondary market and primary equity issues which are not handled by the Bank.

**Financial Highlights of IDBI Bank Ltd. for the last 3 years :**

	(Rs. Crore)		
As at the year-end (March 31)	2008-09	2007-08	2006-07
Capital	725	725	724
Reserves & Surplus	8,697	8,097	7,576
Employees' Stock Options (Grants) o/s	2	2	
Deposits	112,401	72,998	43,354
Borrowings	44,417	38,612	42,404
Other Liabilities & Provisions	6,160	10,262	9,781
<b>Total Liabilities</b>	<b>172,402</b>	<b>1,30,694</b>	<b>1,03,839</b>
Cash & Balances with RBI	8,591	6,695	5,407
Balances with Banks and Money at Call & Short Notices	2,629	2,064	1,505
Investments	50,048	32,803	25,675
Advances	103,428	82,212	62,471
Fixed & Other Assets	7,706	6,920	8,782
<b>Total Assets</b>	<b>172,402</b>	<b>1,30,694</b>	<b>1,03,839</b>
<b>For the Period</b>	<b>2008-09</b>	<b>2007-08</b>	<b>2006-07</b>
Total Income (net of Provisions )	12,630	9,146	7,148
Total Expenses	11,644	8,323	6,466
Profit Before Tax	986	823	682
Provision for Tax	127	93	52
Profit After Tax	859	730	630

**V. Details of the Bonds (Debt Securities) proposed to be issued and sought to be listed**

**IDBI Omni Bonds – Senior Debt** : Unsecured, redeemable unsubordinated non-convertible bonds in dematerialized form governed by the Industrial Development Bank of India (Issue and Management of Bonds) Rules, 2004 . The Bonds shall rank pari passu along with other uninsured, unsecured creditors of the Bank. These Bonds will rank superior to all the existing and future unsecured subordinated borrowings of the Bank.

**Maturity period**

The minimum maturity period of the bonds shall be 5 years.

**Rate of interest**

The bonds may be issued with a Fixed or Floating rate of interest. Floating rate of interest shall be referenced to a suitable benchmark rate as may be decided by IDBI Bank Ltd.

**CREDIT RATING** : 'LAA+' by ICRA and 'AA+/ Negative' by CRISIL (Section XXI gives the Rating Definition)

**The summary term sheet for the proposed bond issue is given in Section XXIII of this Disclosure Document.**

**Authority for the Placement**

The proposed Issue of Bonds is being made pursuant to Articles 75 and 76 of the Articles of Association of IDBI Bank Ltd. and relevant provisions of the Companies Act, 1956. The private placement of Bonds under the terms of this Disclosure Document is being made pursuant to the approval accorded by the Board of Directors of the Bank, on an ad-hoc basis, in its meeting held on March 20, 2009 for raising an amount up to Rs.5,000 crore during FY 2009–10, comprising Rs.4,000 crore of Senior Bonds/ Subordinated (lower) Tier II bonds and Rs.1,000 crore of Upper Tier II Bonds. The aforesaid approval by the Board is within the overall borrowing limit of Rs.1,25,000 crore on outstanding basis under Section 293(1)(d) of the Companies Act, 1956, as approved by the shareholders at its meeting held on September 29, 2004.

The Issue is also made in accordance with SEBI (Disclosure and Investor Protection) Guidelines, 2000 and SEBI (Issue and Listing of Debt Securities) Regulations, 2008.

RBI, vide its circular DBOD No. BP. BC. 90 /21.01.002/ 2003-04 dated June 11, 2004, has permitted banks to issue long-term bonds with a minimum maturity of 5 years to the extent of their exposure of residual maturity of more than 5 years to the infrastructure sector. RBI, vide its letter dated August 10, 2006, has also permitted IDBI Bank Ltd. to issue bonds, on reimbursement basis, to meet financing requirements of long-term projects other than infrastructure projects.

Apart from the above, a liability restructuring scheme had been formulated under the aegis of Gol, at the time of conversion of IDBI into a commercial bank, under which investments of select banks/ institutions in IDBI bonds made upto March 01, 2003 are being reinvested on maturity in IDBI Omni Bonds at prevailing market rates at the time of fresh investment and with a maturity equivalent to the maturity of the original bonds.

The Bank can undertake the proposed issue of bonds in conformity with the aforesaid approvals and no further approval from any government authority(ies)/ RBI is required by the Bank in this regard.

**VI. Issue Size**

Senior Bonds of Rs.1 crore.

**VII. Details of Utilization of the Issue Proceeds**

The Issue is for augmenting the long term rupee resources of the Bank for the purpose of carrying out its functions authorized under the Memorandum and Articles of Association.

The Main Object Clause of IDBI Bank Ltd. as contained in the Memorandum and Articles of Association enables the Bank to undertake the activities for which the funds are being raised in the present issue. Also, the main

objects as contained in Memorandum and Articles of Association adequately cover its existing and proposed activities. The funds raised by way of this issue will be utilized for on-lending/ investment in shares/debenture including lending to infrastructure projects, debt servicing and such other activities as may be permitted under the Memorandum and Articles of Association.

**VIII. Material contracts/agreements involving financial obligations and other documents**

1. Memorandum and Articles of Association of IDBI Bank Ltd.
2. Copy of the letter from the RBI dated April 15, 2005 classifying IDBI Ltd. under the new category 'Other Public Sector Banks'
3. Copy of Notification dated May 16, 2008 issued by Reserve Bank of India regarding change of the name of the Bank 'Industrial Development Bank of India Limited' to 'IDBI Bank Limited' (published in the Government Gazette on June 14, 2008)
4. Annual Report 2007-08 of IDBI Bank Ltd and Financial Results for FY 2009-10.
5. IDBI Ltd. (Issue and Management of Bonds) Rules, 2004.
6. Resolution under section 293(1)(d) of the Companies Act regarding borrowing powers passed at the Extra Ordinary General Meeting (EGM) of the shareholders of IDBI Ltd. held on April 29, 2005.
7. Resolutions of the Board of Directors of IDBI Bank Ltd. passed at the meeting held on March 20, 2009 authorising Deputy Managing Director (in charge of Resources), Chief General Manager (Domestic Resources Department) and General Manager (Domestic Resources Department) severally to finalize and file (including any updation thereof) the Disclosure Document, on behalf of the Board of Directors, with the Stock Exchanges, for individual tranche of IDBI Omni Bonds during FY 2009-10 for an amount upto Rs.5,000 crore.
8. Letter from ICRA dated April 16, 2009 assigning a "LAA+" rating for Senior/ Subordinated (lower) Tier II bond issues for an aggregate amount of Rs.4,000 crore.
9. Letter from CRISIL dated April 27, 2009 assigning a 'AA+/Negative' rating for Senior/ Subordinated (lower) Tier II bond issues for an aggregate amount of Rs.4,000 crore.
10. Tripartite Agreement between IDBI, NSDL and ISIL dated March 4, 2003.
11. Tripartite Agreement between IDBI, CDSL and ISIL dated October 17, 2005.
12. Letter of Consent dated May 27, 2009 of Investor Services of India Ltd. to act as Registrar for IDBI Omni Bond Issues 2009-10.
13. Letter of Consent dated June 10, 2009 of IDBI Trusteeship Services Ltd. to act as Bond Trustee for IDBI Omni Bond Issues 2009-10.

**IX. Details of past borrowings including debt securities**

The details of borrowings and deposits of IDBI Bank Limited as on March 31, 2009 are as under :

(Rs. Crore)		
As at 31-03-2009		
<b>Borrowings</b>		<b>44417</b>
1. Borrowings in India		
i. RBI	0	
ii. Other Banks	949	
iii. Govt borrowings	1	
iv. Tier I bonds issued to Govt	2131	
v. Tier I bonds (IPDI)	332	
v. Upper Tier II Bonds	1500	
vi. Subordinated (lower) Tier II Bonds	4923	
vii. Bonds guaranteed by Govt	3492	
viii. Others	26912	40240
2. Borrowings outside India		4177

<b>Deposits (in India)</b>		<b>112401</b>
<b>Total</b>		<b>156818</b>

**(A) Public Issues of unsecured IDBI Bonds (Flexi Bonds)**

Details of all outstanding public issues of bonds as on May 31, 2009 are furnished in the following table:

Year of Issue	Type of Issue	Amount Outstanding (Rs. Crore)	Deemed date of allotment	Redemption date	Rating at the time of issue
March 2001 Flexi – 2A	Floating Rate Bond	0.16	May 1, 2001	01/05/2011	'AAA' by CARE and 'AAA' by CRISIL
September 1998 Flexi – 4	Education Bond	2.74	November 16, 1998	16/11/2007-12	
February 1999 Flexi – 6	Retirement Bond	0.72	April 5 1999	5/5/2005-09 & 5/5/2008-13	
July 1999 Flexi – 7	Retirement Bond	1.00	September 11, 1999	11/09/04-09 & 11/09/04-13	
December 2001 Flexi – 11	Regular Income Bond Money Multiplier Bond	48.15	February 5, 2002	5/2/2012 5/5/2009	'AA+' by CRISIL & 'LAA+' by ICRA
February 2002 Flexi – 12	Regular Income Bond Retirement Bond Infrastructure (Tax-Saving) Bond	46.68	March 15, 2002	15/3/2009 & 2012 15/3/2009 -12 15/03/2009	'AA+' by CRISIL, 'LAA+' by ICRA & 'IndAA+' by Fitch
March 2002 Flexi – 13	Regular Income Bond Money Multiplier Bond  Retirement Bond	52.83	April 30, 2002	30/4/2009 & 2012 30/9/2009 & 30/11/11 30/4/2009 -12	'AA+' by CRISIL, 'Ind AA+' by Fitch & 'LAA' by ICRA
July 2002 Flexi – 14	Regular Income Bond Money Multiplier Bond Retirement Bond	144.20	September 12, 2002	12/9/2009 12/2/10 & 12/4/12 12/09/09 -12	'AA+' by CRISIL, 'IndAA+' by Fitch & 'LAA' by ICRA

Year of Issue	Type of Issue	Amount Outstanding (Rs. Crore)	Deemed date of allotment	Redemption date	Rating at the time of issue
October 2002 Flexi – 15	Infrastructure (Tax Saving Bond) Money Multiplier Bond Regular Income Bond	96.95	November 25, 2002	25/5/09 25/5/2010 & 25/9/12 25/11/09	'AA+' by CRISIL, 'AA+(Ind)' by Fitch and 'LAA' by ICRA
January 2003 Flexi - 17	Infrastructure (Tax – Saving) Bond Money Multiplier Bond Regular Income Bond	44.31	March 4, 2003	4/4/10 & 4/5/12 4/3/10 & 13	'AA+' by CRISIL, 'AA+(Ind)' by Fitch and 'LAA' by ICRA
March 2003 Flexi – 18	Infrastructure (tax Saving) Bond Money Multiplier Bond Regular Income Bond	36.56	April 25, 2003	25/10/10 & 12 25/4/10 & 13	
December 2003 Flexi – 19	Infrastructure (Tax Saving) Bond Money Multiplier Bond Retirement Bond Regular Income Bond	223.81	January 12, 2004	12/1/09 12/1/11 & 15 12/ 1/ 11- 14 12/1/11 & 14	
January 2004 Flexi 20	Infrastructure (Tax Saving) Bond Money Multiplier Bond Floating Rate Bond Regular Income Bond	31.83	March 5, 2004	5/3/09 5/2/11 & 5/8/15 5/3/09 5/3/11 & 14	'AA+' by CRISIL, 'AA+(Ind)' by Fitch and 'LAA' by ICRA
March 2004 Flexi – 21	Infrastructure (Tax Saving) Bond Floating Rate Bond Retirement Bond Regular Income Bond	34.08	March 29, 2004 April 20, 2004	20/4/2009 20/04/09 20/4/11 & 14 20/4/11 & 14 or 19	'AA+' by CRISIL, 'AA+(Ind)' by Fitch and 'LAA' by ICRA
January 2005 Flexi – 22	Infrastructure (Tax Saving) Bond Growing Interest Bond Retirement Bond Regular Income Bond	99.47	25.02.05	25/02/010 & 12 25/02/10 25/02/10 25/02/12 & 15	'AA+' by CRISIL, 'AA+(Ind)' by Fitch and 'LAA+' by ICRA
March 2005 Flexi – 23	Infrastructure (Tax Saving) Bond	279.07	20.04.05	20.04.10	'AA+' by CRISIL, 'AA+(Ind)' by Fitch & 'LAA+' by ICRA

Flexibonds 2–23 are listed on BSE and NSE. State Bank of India, Mumbai Main Branch, Mumbai Samachar Marg, Fort, Mumbai -400 023 is the debenture trustee for Flexibonds series 4–7 and Bank of Maharashtra, Lokmangal, 1501, Shivajinagar, Pune – 411 005, is the debenture trustee for Flexibonds series 3. IL&FS Trust Co. Ltd. is the bond trustee for Flexibonds 11-23.

**(B) Private placements of Omni Bonds during FY 2006, 2007, 2008 & 2009**

Year of Issue	Type of Issue	Amount mobilized (Rs. Crore)	Month & Year of Allotment	Rating at the time of issue
<b>2005-06</b>	IDBI Omnibonds Tier II Series IV	210	Apr-05	AA+' by CRISIL, 'AA+(ind)' by FITCH & 'LAA' by ICRA
	IDBI Omnibonds Tier II Series V	100	Apr-05	
	OMNI 2005G	20	Apr-05	
	OMNI 2005H	25	Apr-05	
	OMNI 2005I	25	Apr-05	
	OMNI 2005J	100	May-05	
	OMNI 2005K	95	May-05	

Year of Issue	Type of Issue	Amount mobilized (Rs. Crore)	Month & Year of Allotment	Rating at the time of Issue
2005-06	IDBI Omnibonds Tier II Series VI	15	May-05	'AA+' by CRISIL, 'AA+(ind)' by FITCH & 'LAA+' by ICRA
	OMNI 2005L	5	May-05	
	IDBI Omnibonds Tier II Series VII	173	Jun-05	
	OMNI 2005M	8	Jun-05	
	OMNI 2005N	50	Jun-05	
	IDBI Omnibonds Tier II Series VIII	251	Jul-05	
	OMNI 2005O	300	Jul-05	
	OMNI 2005 P	150	Aug-05	
	OMNI 2005 Q	250	Aug-05	
	IDBI Omnibonds Tier II Series IX	103	Sep-05	
	OMNI 2005R	265	Oct-05	
	OMNI 2005 S	95	Oct-05	
	OMNI 2005 T	100	Oct-05	
	OMNI 2005 V	479	Nov-05	
	OMNI 2005 W	10	Nov-05	
	OMNI 2005U	698	Nov-05	
	OMNI 2005X	33	Dec-05	
	OMNI 2005 Y	500	Dec-05	
	IDBI Omni bonds 2006A	685	Jan-06	
	IDBI Omni bonds 2006B	156	Feb-06	
	IDBI Omni bonds 2006C	5		
	IDBI Omni bonds 2006D	1000	Mar-06	
	IDBI Omni bonds 2006E	500		
	IDBI Omni bonds 2006F	88		
	IDBI Omni bonds 2006G	94		
	IDBI Omni bonds 2006H	10		
	IDBI Omni bonds 2006I	510		
	IDBI Omni bonds 2006J	75		
IDBI Omni bonds 2006K	70			
IDBI Omni bonds 2006L	60			
IDBI Omni bonds 2006M	50			
IDBI Omni bonds 2006N	15			
IDBI Omni bonds 2006O	5			
IDBI Omni bonds 2006P	500			
IDBI Omni bonds 2006Q	5			
IDBI Omni bonds 2006R	5			
2006-07	IDBI Omni bonds 2006 Sr. I	283	Apr-06	'AA+' by CRISIL, 'AA+(ind)' by FITCH & 'LAA+' by ICRA
	IDBI Omni bonds 2006 Sr. II	100	May-06	
	IDBI Omni bonds 2006 Sr. III	746		
	IDBI Omni bonds 2006 Sr. IV	5		
	IDBI Omni bonds 2006 Sr. V	25	Jul-06	
	IDBI Omni bonds 2006 Sr. VI	130		
	IDBI Omni bonds 2006 Sr. VII	200		
	IDBI Omni bonds 2006 Sr. VIII	10	Jul-06	
	IDBI Omni bonds 2006 Sr. IX	30		
	IDBI Omni bonds 2006 Sr. X	10	Aug-06	
	IDBI Omni bonds 2006 Sr. XI	3		
	IDBI Omni bonds 2006 Sr. XIII	30	Sep-06	
	IDBI Omni bonds 2006 Tier II Sr. XII	346		
	IDBI Omni bonds 2006 Sr. XIV	40	Nov-06	
	IDBI Omni bonds 2006 Sr. XV Tier II	250		
	IDBI Omni bonds 2006 Sr. XVI Tier II	448	Dec-06	
	IDBI Omni bonds 2006 Sr. XVII Tier II	300		
	IDBI Omnibonds 2007 Tier II Sr. I	34	Feb-07	
IDBI Omni bonds 2007 Sr. II	100			

Year of Issue	Type of Issue	Amount mobilized (Rs. Crore)	Month & Year of Allotment	Rating at the time of Issue
2007-08	IDBI Omni bonds 2007 Tier II Sr. III	480	Apr-07	AA+' by CRISIL, 'AA+(ind) by FITCH & 'LAA+' by ICRA
	IDBI Omni bonds 2007 Tier II Sr. IV	48	May-07	
	IDBI Omni bonds 2007 Tier II Sr. V	300	Aug-07	
	IDBI Omni bonds 2007 Sr. VI	40	Sep-07	
	IDBI Omni bonds 2007 Sr. VII	4		
	IDBI Omni bonds 2007 Tier II Sr. VIII	40	Jan-08	
	IDBI Omni bonds 2008 Tier II Sr. I	500		
	IDBI Omni bonds 2008 Sr. II	2	Feb-08	
	IDBI Omni bonds 2008 Sr. III	380	Mar-08	
	IDBI Omni bonds 2008 Sr. IV- RRB I	85		
	IDBI Omni bonds 2008 Sr. IV- RRB II	400		
IDBI Omni bonds 2008 Sr. V	500			
IDBI Omni bonds 2008 Sr. VI	220			
2008-09	IDBI Omni bonds 2008 Sr. VII	200	Apr-08	'AA+' by CRISIL, 'AA+(ind) by FITCH & 'LAA+' by ICRA
	IDBI Omni bonds 2008 Tier II Sr. VIII	150	Jun-08	
	IDBI Omni bonds 2008 Sr. IX	1192	Sep-08	'AA+/Stable' from CRISIL,
	IDBI Omni bonds 2008 Sr. X	20	Sep-08	'AA+(ind) from FITCH & 'LAA+' from ICRA
	IDBI Omni bonds 2008 Tier II Sr. XI	40	Sep-08	
	IDBI Omni bonds 2008 Upper Tier II Sr. XII	650	Sep-08	'LAA' from ICRA
	IDBI Omni bonds 2008 Sr. XIII	20	Oct-08	'AA+/Negative' from CRISIL, 'AA+(ind) from FITCH & 'LAA+' from ICRA
	IDBI Omni bonds 2008 Upper Tier II Sr XIV	500	Oct-08	'LAA' from ICRA, 'AA/Negative' from CRISIL
	IDBI Omni bonds 2008 Sr. XV	1835	Dec-08	'AA+(ind)' from FITCH, 'AA+/Negative' from CRISIL & 'LAA+' from ICRA
	IDBI Omni bonds 2008-09 Perpetual Tier I Sr.XVI	332	March- 09	'LAA' from ICRA & 'AA/Negative' from CRISIL
	IDBI Omni bonds 2008-09 Sr. XVII	2	March-09	'AA+(ind)' from FITCH & 'AA+/Negative' from CRISIL
	IDBI Omni bonds 2008-09 Sr. XVIII	902	March-09	'AA+(ind)' from FITCH & 'AA+/Negative' from CRISIL
	IDBI Omni bonds 2008-09 Upper Tier II Sr. XIX	350	March-09	'LAA' from ICRA, 'AA-(ind)' from FITCH & 'AA/Negative' from CRISIL

Above Omnibonds Series are listed on BSE & NSE. IDBI Trusteeship Services Ltd. is the Bond Trustee for all the issues.

#### **X. Material event/ development at the time of issue**

##### **Highlights of IDBI Bank's FY09 financial results (FY09 Vs FY08)**

- **Net profit** up 17.7 % to Rs.859 Crore during FY09 (up 28.2% to Rs.314 Crore for Q4 of FY08)
- **Fee based income** grew by 79% to Rs.901 Crore (previous year Rs.504 Crore)
- **NII** grew by 96% to Rs.1326 Crore (previous year Rs.676 Crore)
- **Business** up 39% to Rs.2,15,829 Crore (previous year Rs.1,55,211 Crore)
- **Deposits** increased by 54% to Rs.1,12,401 Crore (previous year Rs.72,998 Crore)
- **Advances** up by 26% to Rs.1,03,428 Crore (previous year Rs.82,213 Crore)
- **Total assets** grew by 32% to Rs.1,72,402 Crore (previous year Rs.1,30,694 Crore)
- **Gross NPAs** reduced to Rs.1436 Crore (1.38%) from Rs.1565 Crore (1.87%) in the previous year
- **Net NPAs** reduced to Rs.949 Crore (0.92%) from Rs.1083 Crore (1.30%) in the previous year
- **Dividend** recommended to increase to 25% compared to 20% in the previous year

The audited financial results for the year ended March 31, 2009 are as under :

<b>Working results:</b>		<i>(Rs. Crore)</i>		
	<b>Q4 (2008-09)</b>	<b>Q4 (2007-08)</b>	<b>FY 2008-09</b>	<b>FY 2007-08</b>
<b>Total Income</b>	<b>3734</b>	<b>2647</b>	<b>13022</b>	<b>9622</b>
Interest Income	3262	2255	11632	8041
Non-Interest Income	472	392	1390	1581
<b>Total Expenses</b>	<b>3251</b>	<b>2323</b>	<b>11644</b>	<b>8323</b>
Interest expenses	2781	2014	10306	7364
Operating expenses	470	309	1338	959
<b>Operating Profit</b>	<b>483</b>	<b>324</b>	<b>1378</b>	<b>1299</b>
<b>Provisions (net)</b>	<b>170</b>	<b>79</b>	<b>519</b>	<b>570</b>
<b>Net Profit</b>	<b>314</b>	<b>245</b>	<b>859</b>	<b>729</b>

**Profitability:**

IDBI Bank reported a **net profit** of Rs.314 crore for the quarter and Rs.859 crore for the year ended March 31, 2009, as against Rs.245 crore and Rs.729 crore in the corresponding quarter and year ended March 31, 2008. This amounts to an increase in net profit by 17.7% for the year and 28.2% for the quarter, compared to corresponding period of last year.

**Net Interest Income** (NII) for the quarter ended March 31, 2009 stood at Rs.481 crore as against Rs.241 crore in the corresponding quarter of the previous year, recording a growth of 100%. NII for the year ended March 31, 2009, stood at Rs.1326 crore as against Rs.676 crore in the previous year, recording a growth of 96%.

**Fee based income** during the year has shown considerable improvement to Rs.901 Crore as against Rs.504 Crore in the previous year, recording a growth of 79%.

**Business:**

As of March 31, 2009, IDBI Bank's **total business** (deposits and advances) stood at Rs.215829 crore as against Rs.155211 crore as of March 31, 2008, registering a growth of 39%.

**Deposits** increased to Rs.112401 Crore at end-March 2009 from Rs.72998 crore at end-March 2008, with a robust growth of 54%.

**Advances** also increased by 26% to Rs.103428 crore, as compared to Rs. 82213 crore as at end- March 2008.

As of March 31, 2009, **aggregate assets** stood at Rs.172402 crore as against Rs.130694 crore as on March 31, 2008, registering a growth of 32%.

**Gross NPAs** reduced to Rs.1436 Crore (1.38%) from Rs.1565 Crore (1.87%) in the previous year, despite slowdown in economy.

**Net NPAs** reduced to Rs.949 Crore (0.92%) from Rs.1083 Crore (1.30%) in the previous year.

**CAR:**

IDBI Bank continued to maintain a sound capital base as indicated by its Capital Adequacy Ratio (CAR). As against the stipulated RBI norm of 9%, the Bank's CAR (post dividend) stood at 11.57% (Tier-I: 6.81%) as of March 31, 2009.

**XI. Particulars of Debt Securities Issued**

(i) for consideration other than cash (ii) at a premium or discount (iii) in pursuance of an option

No such issue has been made by IDBI Bank Ltd.

**XII. List of highest ten holders of each class or kind of securities of the issuer**

LIST OF TOP 10 SHAREHOLDERS AS ON 29-05-2009				
Sr. No.	Name of Holder	Address	Current Holding	% of Total
1	PRESIDENT OF INDIA	NEW DELHI	381778000	52.68
2	LIFE INSURANCE CORPORATION OF INDIA	INVESTMENT DEPARTMENT CENTRAL OFFICE YOGAKSHEMA, JEEVAN BIMA MARG MUMBAI- 400021	41312108	5.7
3	LIC OF INDIA - MARKET PLUS	---Do---	31348613	4.33
4	SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	4TH FLOOR PLOT NO C-11 G BLOCK, BANDRA KURLA COMPLEX, BANDRA (EAST) MUMBAI- 400051	15000000	2.07
5	LIC OF INDIA MONEY PLUS	INVESTMENT DEPARTMENT CENTRAL OFFICE YOGAKSHEMA, JEEVAN BIMA MARG MUMBAI- 400021	12916794	1.78
6	UNITED INDIA INSURANCE COMPANY LIMITED	24, WHITES ROAD, CHENNAI - 600014	8629675	1.19
7	GMO EMERGING MARKETS FUND	CITIBANK N.A. CUSTODY SERVICES 77, RAMNORD HOUSE DR.A.B.ROAD WORLI, MUMBAI - 400018	5176200	0.71
8	ARJAV DIAMOND INDIA PVT. LTD.	411, PRASAD CHAMBERS, OPERA HOUSE, MUMBAI-400004	5000000	0.69
9	LIC OF INDIA MARKET PLUS-1	INVESTMENT DEPARTMENT CENTRAL OFFICE YOGAKSHEMA, JEEVAN BIMA MARG MUMBAI- 400021	4839903	0.67
10	SBI LIFE INSURANCE CO. LTD	SBI LIFE INSURANCE CO. LTD, 2ND FLOOR, TURNER MORRISON BUILDING, G.N. VAIDYA MARG, FORT, MUMBAI – 400023	4328498	0.6

**B. IDBI Bonds (Omni Bonds & Flexi Bonds)**

LIST OF TOP TEN BONDHOLDERS AS ON 31.05.2009				
SR NO	NAME OF HOLDER	ADDRESS	PIN Code	AMOUNT (Rs. Crore)
1	LIFE INSURANCE CORPORATION OF INDIA	INVESTMENT DEPARTMENT 6TH FLOOR, WEST WING, CENTRAL OFFICE, YOGAKSHEMA, JEEVAN BIMA MARG, MUMBAI	400021	8114
2	STATE BANK OF INDIA	SECURITIES SERVICES BRANCH, 2ND FLOOR, MUMBAI MAIN BRANCH, MUMBAI SAMACHAR MARG, MUMBAI	400023	1126
3	COAL MINES PROVIDENT FUND	ICICI SECURITIES PRIMARY DEALERSHIP LIMITED, ICICI CENTRE, H. T. PAREKH MARG MUMBAI	400020	1079
4	CBT EPF EPS A/C HSBC AMC LTD	HDFC BANK LTD CUSTODY SERVICES TRADE WORLD A WING GR FLOOR KAMALA MILLS COMPOUND S B MARG MUMBAI	400013	1024
5	CBT EPF EPF A/C ICICI PRUDENTIAL AMC LTD	HDFC BANK LTD CUSTODY SERVICES TRADE WORLD A WING GR FLOOR KAMALA MILLS COMPOUND S B MARG MUMBAI	400013	764
6	CENTRAL BOARD OF TRUSTEES EMPLOYEES PROVIDENT FUND	STATE BANK OF INDIA EPFO SECURITIES SERVICES BRANCH IIND FLOOR MUMBAI MAIN BRANCH MUMBAI	400023	749
7	UCO BANK	TREASURY BRANCH UCO BANK BUILDING MEZZANINE FLOOR MUMBAI	400001	322
8	COAL MINES PENSION FUND	STATE BANK OF INDIA SECURITIES SERVICES BRANCH MAIN BRANCH BUILDING, 2 ND FLOOR, FORT, MUMBAI	400001	294
9	BANK OF BARODA	SPECIALIZED INTEGRATED TREASURY BRANCH KALPATARU HERITAGE BUILDING	400023	291
10	RELIANCE CAPITAL TRUSTEE CO LTD- RELIANCE FIXED HORIZON FUND -IX	DB HOUSE HAZARIMAL SOMANI MARG FORT, POST BOX-1142 MUMBAI	400001	287

**XIII. Common form of transfer**

The bonds will be issued in demat form only and there would be no physical holding.

**XIV. Redemption amount, period of maturity, yield**

As disclosed in the Term Sheet at Section XXIII.

**XV. Information relating to Terms of Offer**

**A. General Terms**

**Minimum Investment**

Each Bond has a face value of Rs.10 Lakh. Minimum investment is indicated in the Summary Term Sheet (Section XXIII).

**Computation of interest**

Interest/ interest on application money will be paid at the coupon rate on actual/ 365 days basis on principal amount of the bonds outstanding from time to time.

**Effect of Holidays**

If Redemption/ Interest payment date falls on Sunday/ Bank Holiday in Mumbai, the location of the Registered Office of the Bank, then the payment will be made on the next working day along with additional interest for the intervening period at the coupon rate of the bonds.

**Investment holding and Market Lot**

Investment in the bonds shall be held in "Demat form" only. The market lot will be one bond.

**Depository Arrangement**

The Bank has entered into depository arrangements for dematerialization of bonds with National Securities Depository Limited (NSDL) and Central Depository Services Ltd. (CDSL). Investors will hold the security in dematerialized form only and deal with the same as per the provisions of Depositories Act, 1996 (as amended from time to time). Investors should indicate the necessary details in the application form.

IDBI Ltd. signed two tripartite agreements in this connection viz.

- 1) Tripartite Agreement dated March 4, 2003 between IDBI Ltd., National Securities Depository Limited (NSDL) and the Registrar, Investor Services of India Ltd.
- 2) Tripartite Agreement dated October 17, 2005 between IDBI Ltd., Central Depository Services Limited (CDSL) and the Registrar, Investor Services of India Ltd.

These agreements executed by IDBI continue to apply with full force and effect for IDBI Bank Ltd. also.

**Procedure for allotment of bonds in Demat form**

1. Investor(s) should have a Beneficiary Account with any Depository Participant of NSDL or CDSL
2. For allotment of Bonds in dematerialized form, the beneficiary account number and depository participants ID shall be specified correctly in the relevant columns of the Application Form. If incomplete/incorrect Beneficiary Account Details are given in the Application Form which do not match with the details in the Depository system, the allotment of Bonds shall be kept in abeyance till such time satisfactory demat account details are provided by the investor.
3. The Bonds allotted to investor would be directly credited to the Beneficiary Account as given in the application form after verification. Allotment advice/refund order (if any) would be sent directly to the applicant by the Registrars to the Issue but the confirmation of the credit of the bonds to the investor's Depository Account will be provided to the investor by the investor's Depository Participant.
4. Interest or other benefits with respect to the bonds held in dematerialized form would be paid to those Bondholders whose names appear on the list of beneficial owners given by the depositories to IDBI Bank Ltd. as on the Record Date. In case the beneficial owner is not identified by the depository on the Record Date due to any reason whatsoever, the Bank shall keep in abeyance the payment of interest or other benefits, till such time the beneficial owner is identified by the depository and intimated to IDBI Bank Ltd.
5. Investors may please note that the Bonds in demat form can be traded only on the stock exchanges having electronic connectivity with NSDL or CDSL.

**Tax Deduction at Source**

As per the Finance Bill 2008, new clause (ix) has been inserted in Section 193 of Income Tax Act 1961 with effect from June 1, 2008. This has excluded any interest payable on securities issued by a company in dematerialized form and listed in recognized Stock Exchanges under Securities Contracts (Regulation) Act, 1956 for the purpose of tax deduction at source. Since bonds to be issued through this Disclosure Document would be in

demat mode and listed on Stock Exchanges, tax will not be deducted at source in respect of interest paid on such bonds.

### **Capital Gains**

The difference between the sale price on transfer and the cost of acquisition of the Bond held by the bondholder as a capital asset, will be treated as long-term capital gain/loss in the hands of the investor, provided that such Bond was held for a continuous period of more than twelve months. As per Section 112 of IT Act, 1961, tax on long term capital gain arising on transfer of listed securities will be limited to 10% plus surcharge of such gain for all the assesses. IDBI Bonds, on being listed, will be eligible for this benefit. It may be noted that the Bonds, being debt instruments, will not have the benefit of cost indexation.

Investors who wish to avail of the exemption from tax on capital gains on transfer of capital asset as provided in sections 54EC or 54F of IT Act, may do so subject to the conditions as prescribed in those sections. Moreover, investors are advised to consult their tax advisors in this matter.

### **Income from the Bonds**

Interest payable on these bonds in any financial year will be taxable in that year.

### **Amendment of the Terms of the Bonds**

IDBI Bank Ltd. may amend the terms of the Bond(s), within the purview of applicable laws, at any time by a resolution passed at a meeting of the Bondholders with the consent of the Bondholders holding in the aggregate more than 50% in nominal value of the Bonds held and outstanding under the respective schemes from those present and voting.

### **Right to Purchase/ Reissue Bond(s)**

IDBI Bank Ltd. may purchase the Bonds in the open market, through market makers or otherwise. Such Bonds may be cancelled (extinguished), held, resold or reissued to any person at the discretion of the Bank. Where IDBI Bank Ltd. purchases Bonds, it shall have and shall be deemed always to have had the right to keep such Bonds alive for the purposes of resale or reissue and in exercising such right, the Bank shall have and deemed always to have had the power to resell or reissue the same Bonds or by issuing other Bonds in lieu thereof.

### **Future Borrowings / Issues**

IDBI Bank Ltd. will be entitled to borrow/ raise loans or avail of financial assistance in whatever form as also issue debentures / bonds / other securities in any manner having such ranking in priority, pari passu or otherwise and change the capital structure including the issue of shares of any class, on such terms and conditions as the Bank may think appropriate, without the consent of, or intimation to, the Bondholders or the Trustees.

## **B. Issue Procedure**

### **WHO CAN APPLY**

The eligible applicants include individuals, HUFs, Corporations, Banks (including Co-operative Banks and Regional Rural Banks), Companies, Mutual Funds, Trusts, Provident/ Super Annuation/ Gratuity/ Pension Funds, Societies, Associations of Persons, FIs, and Insurance/Investment Companies.

### **Application by Provident Funds, Superannuation Funds and Gratuity Funds**

IDBI Bank Ltd. being a Public Sector Banking company as well as a Public Financial Institution, bonds issued by it are eligible for investment by Recognized Provident Funds and Approved Superannuation & Gratuity Funds as per investment pattern stipulated by PFRDA, Govt and updated from time to time, subject to compliance of the terms and conditions of their Trust Deeds.

**Availability of Disclosure Document and Application Forms**

Copies of Disclosure Document and Application Forms may be obtained from the Head Office and select branches of IDBI Bank Ltd. Disclosure Document may also be obtained from the websites of Bombay Stock Exchange and National Stock Exchange.

**HOW TO APPLY**

Investors are advised to comply with the following General Instructions:

**1. Instructions for filling in Application Forms**

- a) Application for the Bonds must be in the prescribed form and completed in BLOCK LETTERS in English as per the instructions contained therein.
- b) A separate cheque/draft must accompany each application form. In case of payment by RTGS, payment particulars must be mentioned on each application form.

**2. Applications under Power of Attorney or by Authorized Representatives**

A certified copy of the Power of Attorney and/or the relevant authority, as the case may be, along with the names and specimen signatures of all the authorized signatories and the tax exemption certificate/document, if any, must be lodged along with the submission of the completed application form. Future modifications/additions in the Power of Attorney or Authority should also be notified with the Registrar of Issue.

**3. PAN of the Applicant**

All the applicants should mention their Permanent Account Number (PAN) allotted under the I.T. Act. In case PAN has not been allotted, or the Applicant is not assessed to income Tax, the appropriate information should be mentioned in the space provided. Application Forms without this information will be considered incomplete and are liable to be rejected.

**4. Bank Account Details/ RTGS particulars**

The applicant must fill in the relevant column in the application form giving particulars of their Bank Account number and name of the bank with whom such account is held, to enable the Registrars to the Issue to print the said details in the redemption / interest warrant. This is in the interest of the applicant for avoiding misuse of the redemption / interest warrant. Furnishing this information is mandatory and applications not containing such details are liable to be rejected. The applicants must fill in RTGS particulars of their bank accounts to enable the Bank to remit redemption/ interest payments by RTGS.

**Documents to be provided by investors**

Investors need to submit the following documentation, along with the application form, as applicable.

- Memorandum and Articles of Association/Documents Governing Constitution
- Resolution authorising investment
- Certified True Copy of the Power of Attorney
- Specimen signatures of the authorized signatories duly certified by an appropriate authority.
- Certificate issued by the Assessing Officer under Section 197(1) of I.T. Act for investors seeking exemption from Tax deduction at source from interest on the application money.
- SEBI registration Certificate (for Mutual Funds)
- PAN to be submitted.
- Demat details (DP ID & Client ID) to be submitted.

**TERMS OF PAYMENT**

The full amount of issue price of the Bonds applied for should be paid along with the application.

**PAYMENT INSTRUCTIONS**

- (a) Payment may be made by way of RTGS (**IFSC code : IBKL0000796, a/c no. : 79634920010004**) or by cheque/drafts drawn on any bank, including a Co-operative Bank which is situated at and is a member or sub-member of the Bankers' Clearing House located at the IDBI Bank Ltd. branch where the Application Form is

submitted. Outstation cheques/bank drafts or cheques/bank drafts drawn on a bank not participating in the clearing process will not be accepted.

- (b) All cheques/drafts must be made payable to "IDBI Bank Limited" and crossed "A/C PAYEE ONLY".

#### **SUBMISSION OF COMPLETED APPLICATION FORMS**

Applications, duly completed and accompanied by cheque/demand draft must be lodged, while the issue under private placement of the bond is open, with IDBI Bank Ltd.'s select branches.

#### **Acknowledgements**

No separate receipts will be issued for the application money. However, IDBI Bank's branches receiving the duly completed application form will acknowledge receipt of the application by stamping and returning to the applicant the acknowledgement slip at the bottom of each application form.

#### **Notices**

All notices to the bond holder(s) required to be given by IDBI Bank Ltd. shall be deemed to have been given if sent to the bonds holder(s) at the address stated in the application form, or at the address as notified by the bonds holder(s) in due course or may, at the sole discretion of the Bank, but without any obligation, be published in one English and one regional language daily newspaper. All notices to IDBI Bank Ltd. by the bonds holder(s) must be sent by registered post or by hand delivery to the Bank at its head office or to such person(s) at such address as may be notified by the Bank from time to time.

#### **Undertakings from the Issuer**

IDBI Bank Ltd. hereby undertakes that

- (a) The complaints in respect of the issue would be attended to expeditiously and satisfactorily.
- (b) IDBI Bank Ltd. would take necessary steps for listing the instruments on time.
- (c) IDBI Bank Ltd. shall co-operate with the rating agencies in providing true and adequate information.

#### **Basis of Allocation/ Allotment**

The Issuer will decide the basis of allotment. The issuer reserves the right to reject any/all applications at its sole discretion, without assigning any reason whatsoever.

#### **Interest in case of delay on Allotment/Despatch**

IDBI Bank Ltd. agrees that

1. As far as possible, allotment of bonds shall be made within 30 days of the date of closure of the issue;
- 2, IDBI Bank Ltd. shall pay interest as per the provision of DIP guidelines if the allotment has not been made and/or the Refund Orders have not been dispatched to the investors within 30 days from the date of closure of the Issue, for the delay beyond 30 days.

#### **Issue of duplicate redemption/interest warrant(s)**

If any, redemption/Interest Warrant(s) is lost, stolen or destroyed, then upon production of proof thereof, to the satisfaction of IDBI Bank Ltd. and upon furnishing such indemnity, as may be deemed adequate and upon payment of any expenses incurred by the Bank in connection thereof, new redemption/interest warrants shall be issued. If any redemption/interest warrant(s) is/are mutilated or defaced, then, upon surrender of such interest warrant(s), the Bank shall cancel the same and issue a duplicate interest warrant(s) in lieu thereof. The procedure for issue of the duplicate warrant shall be governed by the provisions of the Industrial Development Bank of India Ltd. (Issue and Management of Bonds) Rules, 2004.

#### **Transferability of Bonds**

The necessary transfers will be effected by the depository, NSDL/CDSL. The concerned depositories shall inform the Registrars about the rightful owners of the bonds for payment of interest and principal amount.

**Record Date**

The Record Date for all interest payments and for the repayment of the face value amount upon redemption of the Bonds will be one month prior to the due date of payment of interest or repayment of face value. Interest payment/repayment will be made to the bondholders as appearing on the record date. Interest will be paid as mentioned under the head 'Interest/ Coupon Payment Dates' under key terms in the Term Sheet (Section XXIII). In case of bonds carrying call/ put options, notice for exercise of such option will be given by IDBI Bank Ltd. to investors at least 15 days before the option date. However, the Record Date for such option shall be one month prior to the option date.

**Redemption of Bond**

On maturity of the bonds, redemption proceeds would be sent to the bondholders as appearing on the record date.

**Register of Bondholders**

The register of Bondholders containing necessary particulars will be maintained by IDBI Bank Ltd./Registrar to the Issue at their Head Offices.

**Investor Relations and Grievance Redressal**

Arrangements have been made to redress investor grievances expeditiously. All grievances related to the Issue, quoting the Folio/ Certificate No. (including prefix), number of Bonds, amount invested and the Bank's branch where the Application was submitted, may be addressed to the Registrars at the address given below.

**Registrars :**

Investor Services of India Ltd.(ISIL) has been appointed as Registrars to the Issue. The Registrar will monitor the applications while the private placement is open and will coordinate the post private placement activities of allotment, despatching interest warrants etc. Any query/complaint regarding application/ allotment/ transfer should be forwarded to ISIL at their address given below. All requests for registration of transfer along with appropriate documents should also be sent to the registrars.

**Investor Services of India Ltd.**

(Unit: IDBI Omni Bonds)  
 IDBI Building, Plot No.39-41  
 Sector 11, CBD Belapur, Navi Mumbai - 400 614  
 Tel. : (022) 27579636/ 27579640 Fax : (022) 27579650

**XVI. Discount at which the offer is being made and effective price for the investor**

Not applicable as the issue is being made at par.

**XVII. Debt Equity Ratio (before & after the proposed issue)**

Particulars	(Rs. Crore)	
	As on March 31, 2009	Post issue
<b>LOAN FUNDS</b>		
Subordinated Bonds	8886	8886
Other Long Term Borrowings	24727	24586
<b>Total</b>	<b>33613</b>	<b>33471</b>
<b>Shareholder's Fund</b>		
Equity Share Capital	725	725
Reserves & Surplus (excluding Revaluation Reserve)	6718	6718
<b>Total</b>	<b>7443</b>	<b>7443</b>
<b>Long Term Debt/Equity Ratio</b>	<b>4.52 : 1</b>	<b>4.50 : 1</b>

**XVIII. Debt Servicing Track Record**

IDBI Bank Ltd. has a consistent record of paying principal instalments and interest on all loans, bonds and deposits on due dates. No default has been committed by the Bank in servicing of its debt liabilities.

**XIX. Permission and Consent from the creditors**

The Bonds are unsecured in nature and Bank is not required to obtain any consent of the creditors for any issue to be made under this document.

**XX. Trustees to the Bondholders**

IDBI Bank Ltd. has appointed **IDBI Trusteeship Services Ltd. (ITSL)** to act as Trustees to the Bondholders. The Bank and the Trustees will enter into a Trustee Agreement, specifying, inter alia, the powers, authorities and obligations of the Trustees and the Bank. ITSL has, vide letter dated May 10, 2009, given its consent to act as the Bond Trustee for IDBI Omni Bond issues 2009-10. The Bondholders shall, without further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Bonds as the Trustees may in their absolute discretion deem necessary or required to be done in the interest of the Bondholders.

In terms of the Agreement, the Trustees will endeavor to protect the interest of the Bondholders, in the event of default in regard to timely payment of interest or repayment of principal by IDBI Bank Ltd. Any payment made by IDBI Bank Ltd. to the Trustees on behalf of the Bondholders shall discharge IDBI Bank Ltd. pro tanto to the Bondholders. No Bondholder shall be entitled to proceed directly against the Bank unless the Trustees, having become so bound to proceed, fail to do so.

**XXI. Credit Rating**

Bond issues aggregating Rs.4,000 crore proposed to be raised during FY 2009-10 by way of Senior/ Subordinated (lower) Tier II bonds have been rated by the Rating Agencies. The rating details of issues under the present Disclosure Document are given below:

Rating Agency	Instrument	Rating	Category	Rating Definition
<b>ICRA (Investment Information and Credit Rating Agency)</b>	Senior / Subordinated (lower) Tier II bonds	"LAA+" (L Double A plus with a stable outlook)	Long Term Debt	The rating indicates high credit quality. The rated instrument carries low credit risk.
<b>CRISIL (Credit Rating Information Services of India Ltd.)</b>	Senior / Subordinated (lower) Tier II bonds	"AA+/ Negative" (Double A plus with Negative outlook)	Long Term Debt	The rating indicates high degree of safety with regard to timely payment of interest and principal on the instrument.

Notes :

- (1) The signs '+' (plus) or '-' (minus) is appended to reflect comparative standing within the category.
- (2) A Rating outlook indicates the direction in which a rating may move over a medium-term horizon of one-to-two years.

The ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal or suspension at any time by the assigning rating agency on the basis of new information or unavailability of information or other circumstances, which may have an impact on the rating.

**XXII. Listing with Stock Exchanges**

Applications are being made to the National Stock Exchange of India Ltd.(NSE) and the Bombay Stock Exchange Ltd. (BSE) for permission to deal in and for official quotation of the Bonds. IDBI Bank shall complete all the formalities relating to the listing of the Bonds within seventy days from the date of closure of the respective issue. If the permissions to deal in and for an official quotation of bonds are not granted by any of the Stock Exchanges, IDBI Bank shall forthwith repay, without interest, all such moneys received from the applicants in pursuance of this Disclosure Document. If such money is not repaid within eight days after IDBI Bank becomes liable to repay (i.e. from the date of refusal or within 70 days from the date of closing of the subscription list, whichever is earlier, then IDBI Bank will be liable to repay the money, with interest, as prescribed under applicable regulations

**XXIII. Summary Term Sheet for the Issue**

**Issue of 10 Unsecured Redeemable Non-Convertible Senior Bonds of the face value of Rs.10,00,000 each at par, amounting to Rs.1 crore on Private Placement basis**

Name of the Issue	<b>IDBI Omni Bonds 2009-10 Series I</b>
Minimum subscription	10 bonds
Instrument	<b>Regular Return Bond</b>
Tenor	20 years from the deemed date of allotment
Coupon Rate	To be decided based on corresponding G-Sec yield
Coupon Payment date(s)	June 13 every year
Date of redemption	June 13, 2029
Put / call option	None
Security	The bonds are unsecured in nature
Listing	The bonds will be listed on the Wholesale Debt Market (WDM) segment of the National Stock Exchange of India Ltd. (NSE) and on the Bombay Stock Exchange Ltd. (BSE).
Rating	ICRA 'LAA+' and CRISIL 'AA+/Negative'
Issuance and Trading	Only in dematerialized form
Depository	NSDL & CDSL
Trustee	IDBI Trusteeship Services Ltd.
Registrar	Investor Services of India Ltd.
Settlement	By rollover of matured bonds

**Issue Schedule**

Issue opens on	June 13, 2009
Issue closes on	June 13, 2009
Deemed Date of Allotment	June 13, 2009

N.B. The issue is being made by way of reinvestment of matured bonds as per the Restructuring of Liabilities arrangements under the aegis of Government of India and is being exclusively placed with the bank /institution which had invested in the original issue.

### **Declaration**

All the relevant provisions of the Companies Act, 1956, Memorandum and Articles of Association of IDBI Bank Ltd., IDBI Ltd. (Issue and Management of Bonds) Rules, 2004 and the guidelines issued by the Government and/or the guidelines issued by the Securities and Exchange Board of India (SEBI) established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with. Further, the disclosure document has been prepared as per SEBI (issue and listing of Debt Securities) Regulations 2008.

IDBI Bank Ltd. accepts no responsibility for statements made otherwise than in this Disclosure Document or any other material issued by or at the instance of IDBI Bank Ltd. and anyone placing reliance on any other source of information would be doing so at his own risk.

**Signed pursuant to the authority granted by the Board of Directors of IDBI Bank Ltd. at its meeting held on the March 20, 2009.**

**(Debasish Mallick)  
General Manager  
Domestic Resources Department**

Place : Mumbai  
Date : June 12, 2009