



INDIAN RAILWAY FINANCE CORPORATION LIMITED

Our Company was incorporated as Indian Railway Finance Corporation Limited on December 12, 1986, as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana ("RoC"). Thereafter, our Company received a certificate of commencement of business from the RoC on December 23, 1986. The MCA, through its notification dated October 8, 1993, classified our Company as a Public Financial Institution under Section 4(A) of the Companies Act, 1956 (now defined in Section 2(72) of the Companies Act, 2013). Subsequently, our Company was registered with RBI under Section 45-IA of the RBI Act to carry on the business of a non-banking financial institution without accepting public deposits, pursuant to a certificate of registration bearing No.14.00013 dated February 16, 1998. Subsequently, vide a fresh certificate of registration bearing No.14.00013, dated March 17, 2008, RBI classified our Company as a non-deposit accepting asset finance non-banking financial company. Thereafter, our Company was re-classified as an NBFC-ND-IFC by RBI, through a fresh certificate of registration bearing No. B-14.00013, dated November 22, 2010. For further details, including details of change in registered office of our Company, see "History and Certain Corporate Matters" on page 124 of the Draft Red Herring Prospectus filed by the Company.

Registered and Corporate Office: UG-Floor, East Tower, NBCC Place, Bisham Pitamah Marg, Pragati Vihar, Lodhi Road, New Delhi – 110 003; **Tel:** +91 (11) 2436 9766

Contact Person: Vijay Babul Shirode, Company Secretary and Compliance Officer; **Tel:** +91 (11) 2436 8068;

E-mail: cs@irfc.nic.in; **Website:** www.irfc.nic.in;

Corporate Identification Number: U65910DL1986GOI026363

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED JANUARY 16, 2020: NOTICE TO INVESTORS (THE "ADDENDUM")

THIS IS IN RELATION TO THE INITIAL PUBLIC OFFERING OF UP TO 1,782,069,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF INDIAN RAILWAY FINANCE CORPORATION LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE "ISSUE PRICE") AGGREGATING TO ₹ [●] MILLION ("ISSUE") CONSISTING OF A FRESH ISSUE OF UP TO 1,188,046,000 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 594,023,000 EQUITY SHARES BY THE PRESIDENT OF INDIA, ACTING THROUGH THE MoR ("SELLING SHAREHOLDER"), AGGREGATING TO ₹ [●] MILLION ("OFFER FOR SALE"). THE ISSUE INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES AGGREGATING TO ₹5.00 MILLION FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREIN) ("EMPLOYEE RESERVATION PORTION"). THE ISSUE LESS EMPLOYEE RESERVATION PORTION IS REFERRED TO AS THE NET ISSUE. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE UP TO 13.64% AND UP TO [●] % RESPECTIVELY, OF THE POST ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

***Retail Discount of ₹ [●] per Equity Share to the Issue Price may be offered to the Retail Individual Bidders and Employee Discount of ₹ [●] per Equity Share to the Issue Price may be offered to the Eligible Employees Bidding in the Employee Reservation Portion.**

Potential Bidders may note the following:

- The Draft Red Herring Prospectus currently includes the Restated Financial Statements (as defined in the Draft Red Herring Prospectus), as at and for the six months period ended September 30, 2019 and for the financial years ended March 31, 2019, 2018 and 2017 (proforma). Due to the efflux of time, and on account of availability of updated financial information, the section titled "Financial Statements" has been updated to provide the updated Restated Financial Statements ("Updated Restated Financial Statements"), which includes financial data for the financial years ended March 31, 2020, 2019 and 2018. Additionally, certain other sections of the Draft Red Herring Prospectus have been updated in this Addendum, being the sections titled "Basis for Issue Price", "Summary of this Offer Document", "Dividend Policy", "Capitalisation Statement", "Selected Statistical Information" and "Other Regulatory and Statutory Disclosures". Please note that all other details and updates will be carried out in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC.
- The Draft Red Herring Prospectus currently includes details of Directors of the Company, namely, Manjula Rangarajan, Kishor Jinabhai Devani, Kumar Vinay Pratap, Aditi Sengupta Ray and Niraj Kumar Chhabra, whose terms have expired, and they are no longer on the Board. Due to the appointment of new Directors and the re-designation of our (earlier) managing director, Amitabh Banerjee as the Chairman and Managing Director of our Company, the section titled "Our Management" has been updated to incorporate, brief profiles, including educational qualification and prior work experience of the new Directors, namely Shelly Verma as the Director (Finance) and Chief Financial Officer, Anand Prakash (Part-time Government Director) and Baldeo Purushartha (Part-time Government Director) in this Addendum. Please note that all other details and updates will be carried out in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC;
- The Draft Red Herring Prospectus currently contemplates an initial public offering of up to 1,407,069,000 Equity Shares comprising of a fresh issue of up to 938,046,000 Equity Shares and an offer for sale of up to 469,023,000 Equity Shares, which, pursuant to a resolution of the Board dated May 29, 2020 and resolution of the Shareholders dated September 30, 2020, has been revised to comprise of an initial public offering of up to 1,782,069,000 Equity Shares comprising of a Fresh Issue of up to 1,188,046,000 Equity Shares and an Offer for Sale of up to 594,023,000 Equity Shares ("Updated Issue Size"). By virtue of the Updated Issue Size, certain other sections of the Draft Red Herring Prospectus have been updated, being the Cover Page and the sections titled "Definitions and Abbreviations", "Summary of this Offer Document", "The Issue" and "Capital Structure". Further, while the Draft Red Herring Prospectus currently does not specify the quantum of the Employee Reservation Portion (as hereinafter defined), this Addendum reflects a quantum of ₹5.00 million as the Employee Reservation Portion.
- The section titled "Capital Structure" of the Draft Red Herring Prospectus has been suitably updated in this Addendum in various respects, to reflect an additional allotment of Equity Shares made by the Company to the Promoter on March 30, 2020 as well as an increase in the authorised share capital of the Company.
- The section titled "Government and Other Approvals" of the Draft Red Herring Prospectus has been suitably updated in this Addendum to reflect the updated applicability of the DTL Circulars (as defined in the Draft Red Herring Prospectus) to our Company.
- The Addendum includes updated factual information in relation to the "General Information" section of the Draft Red Herring Prospectus, including:
 - updated details of the Board;
 - email address of the Company Secretary and Compliance Officer has been changed;
 - name of one of the Book Running Lead Managers, IDFC Securities Limited, has changed to DAM Capital Advisors Limited. Their logo and correspondence details have also changed;
 - changes in correspondence details of the Domestic Legal Counsel to the Company and the Selling Shareholder has been changed; and
 - details in relation to a change in the Statutory Auditors of the Company.
- The section "Industry Overview" has been updated for factual updates.
- Our Company and the Selling Shareholder in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors, on a discretionary basis.

The above is to be read in conjunction with the Draft Red Herring Prospectus. The information in this notice supplements the Draft Red Herring Prospectus and updates the information in the Draft Red Herring Prospectus, as applicable. Please note that the changes pursuant to this Addendum and all other details and updates will be appropriately included in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC. All capitalised terms used in this notice shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

Place: New Delhi Date: October 23, 2020	On behalf of Indian Railway Finance Corporation Limited Sd/ Vijay Babul Shirode Company Secretary and Compliance Officer
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BOOK RUNNING LEAD MANAGERS

DAM Capital Advisors Limited (Formerly known as IDFC Securities Limited) One BKC, Tower C, 15th Floor Unit No. 1511, Bandra Kurla Complex Bandra (East), Mumbai – 400 051. Telephone: +91 22 4202 2500 E-mail: irfc.ipo@damcapital.in Investor grievance e-mail: complaint@damcapital.in Contact Person: Kunal Thakkar Website: www.damcapital.in SEBI Registration No.: MB/INM000011336	HSBC Securities and Capital Markets (India) Private Limited 52/60, Mahatma Gandhi Road, Fort, Mumbai-400001, Maharashtra, India Telephone: +91 (22) 2268 5555 E-mail: irfcipo@hsbc.co.in Investor grievance e-mail: investorgrivance@hsbc.co.in Contact Person: Sanjana Maniar Website: www.business.hsbc.co.in/en-gb/in/generic/ipo-open-offer-and-buyback SEBI Registration No.: INM000010353	ICICI Securities Limited ICICI Center, H.T. Parelk Marg, Churchgate, Mumbai – 400020, Maharashtra, India Telephone: +91 (22) 2288 2460/70 E-mail: irfc.ipo@icicisecurities.com Investor grievance e-mail: customercare@icicisecurities.com Contact Person: Shekher Asnani/Anurag Byas Website: www.icicisecurities.com SEBI Registration No.: INM000011179

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE ISSUE

SBI Capital Markets Limited 202, Maker Tower 'E', Cuffe Parade, Mumbai – 400 005, Maharashtra, India Telephone: +91 (22) 2217 8300 E-mail: irfc.ipo@sbicaps.com Investor grievance e-mail: investor.relations@sbicaps.com Contact Person: Aditya Deshpande Website: www.sbicaps.com SEBI Registration No.: INM000003531	KFin Technologies Private Limited (formerly known as "Karvy Fintech Private Limited") Selenium Tower-B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad 500 032, Telangana, India Telephone: +91 40 6716 2222 Email: einward.ris@kfinetech.com Investor grievance email: irfc.ipo@kfinetech.com Contact Person: M.Murali Krishna Website: www.kfinetech.com SEBI Registration No: INR000000221

BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON	[●]
BID/ISSUE CLOSES ON (FOR QIBs) *	[●]
BID/ISSUE CLOSES ON (FOR OTHER BIDDERS)	[●]

*Our Company and the Selling Shareholder, in consultation with the BRLMs, may consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with SEBI ICDR Regulations.

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DEFINITIONS AND ABBREVIATIONS

This Addendum uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline, or policy shall be to such legislation, act, regulation, rule, guideline, or policy, as amended, supplemented, or re-enacted from time to time.

Issue related terms

Term	Description
Addendum	This addendum dated October 23, 2020 to the draft red herring prospectus dated January 16, 2020, which does not contain complete particulars of the Issue, including the Issue Price at which the Equity Shares will be Allotted and the size of the Issue including any addenda or corrigenda thereto
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who shall Bid for an amount of at least ₹100 million
Auditors/Statutory Auditors	The present statutory auditors of our Company, namely, M/s. K B D S & CO, Chartered Accountants
Book Running Lead Managers/BRLMs	The book running lead managers to the Issue, in this case being, DAM Capital Advisors Limited, HSBC Securities and Capital Markets (India) Private Limited, ICICI Securities Limited and SBI Capital Markets Limited
Chairman and Managing Director	The Chairman and Managing Director of our Board, namely, Amitabh Banerjee
DAM Capital	DAM Capital Advisors Limited (Formerly known as IDFC Securities Limited) In relation to the merchant banking registration of IDFC Securities Limited, SEBI has taken on record the change of name from IDFC Securities Limited to DAM Capital Advisors Limited on September 21, 2020, under the same registration number.
Eligible Employee	Permanent employees, working in India or outside India (excluding such employees who are not eligible to invest in the Issue under applicable laws), of the Company, as on the date of the filing of the RHP with the RoC and who continues to be a permanent employee of our Company, until the submission of the Bid cum Application Form. Directors, Key Managerial Personnel and other employees of our Company involved in the Issue Price fixation process cannot participate in the Issue (as per Model Conduct, Discipline and Appeal Rules of CPSEs and Office memorandum of DPE dated June 16, 2009 and July 28, 2009) and will not constitute eligible employees for the purposes of this Issue. An employee of our Company who is recruited against a regular vacancy but is on probation as on the date of submission of the ASBA Form will also be deemed a “permanent employee” of our Company
Employee Reservation Portion	The portion of the Issue being up to [●] Equity Shares aggregating up to ₹5.00 million, available for allocation to Eligible Employees, on a proportionate basis.
Erstwhile Statutory Auditors	The erstwhile statutory auditors of our Company, namely M/s SPMG & Co. Chartered Accountants
Fresh Issue	The fresh issue of up to 1,188,046,000 Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ [●] million by our Company
Issue	The initial public offering of up to 1,782,069,000 Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ [●] million comprising the Fresh Issue and the Offer for Sale. The Issue comprises, the Net Issue and the Employee Reservation Portion
Offer for Sale	Offer for sale of up to 594,023,000 Equity Shares, aggregating up to ₹ [●] million by the Selling Shareholder at the Issue Price
Offered Shares	Up to 594,023,000 Equity Shares, offered by the Selling Shareholder, in the Issue
Updated Restated Financial Statements	The restated statement of assets and liabilities as at March 31, 2020, March 31, 2019 and March 31, 2018 and the restated statement of profit and loss (including other comprehensive income), Restated cash flow statement and the Restated Statement of changes in equity for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 of our Company together with the statement of significant accounting policies, and other explanatory information thereon (collectively, the “ Updated Restated Financial Statements ”)

SUMMARY OF THIS OFFER DOCUMENT

Issue Size

Issue	Up to 1,782,069,000 Equity Shares, aggregating up to ₹ [●] million*
<i>of which</i>	
Fresh Issue⁽¹⁾	Up to 1,188,046,000 Equity Shares, aggregating up to ₹ [●] million*
Offer for Sale⁽²⁾	Up to 594,023,000 Equity Shares, aggregating up to ₹ [●] million*
<i>Of which:</i>	
Employee Reservation Portion⁽³⁾	Up to [●] Equity Shares, aggregating up to ₹ 5.00 million*
Net Issue	Up to [●] Equity Shares, aggregating up to ₹ [●] million*

(1) Our Board of Directors has approved the Issue pursuant to a resolution passed at their meeting held on May 29, 2020 and our Shareholders have approved the Issue pursuant to a resolution passed at the AGM held on September 30, 2020.

(2) The Selling Shareholder has approved the Offer for Sale of 594,023,000 Equity Shares of our Company and has conveyed its consent for inclusion of the Offered Shares in the Issue vide its letter dated October 22, 2020. The Equity Shares being offered by the Selling Shareholder are eligible for being offered for sale in terms of Regulation 8 of the SEBI ICDR Regulations.

(3) The Selling Shareholder has approved the allocation and allotment of Equity Shares amounting to ₹ 5.00 million in the Issue to Eligible Employees of our Company under the Employee Reservation Portion, vide an office memorandum dated October 14, 2020.

*To be updated upon finalization of the Issue Price.

Pre-Issue shareholding of our Promoter

S. No.	Category of Shareholder	No. of Equity Shares	% of total paid up Equity Share capital
1.	Promoter	11,880,460,000*	100.00

*Includes Equity Shares held by nominees on behalf of our Promoter.

Summary of Updated Restated Financial Statements

(₹ million, other than share data)

Particulars	Financial Year		
	2020	2019	2018
Equity Share Capital	1,18,804.60	93,804.60	65,264.60
Net worth	3,09,624.34	2,50,286.53	2,03,719.09
Total Revenue from operations	1,38,384.64	1,11,335.94	92,675.07
Profit / (loss) for the period from continuing operations	36,924.24	22,546.61	20,490.86
Earnings per Equity Share*			
- Basic (in ₹)	3.93	3.43	3.14
- Diluted (in ₹)	3.93	3.43	3.14
Net asset value per Equity Share (in ₹)	26.06	26.68	31.21
Total borrowings	23,43,767.21	17,39,326.75	13,40,055.28

* With effect from September 12, 2017, 65,264,600 equity shares of face value of ₹ 1,000 each were split into 6,526,460,000 equity shares of the face value of ₹ 10 each.

Auditor qualifications in the Updated Restated Financial Statements:

The Updated Restated Financial Statements do not contain any qualifications by the Erstwhile Statutory Auditors. However, the Erstwhile Statutory Auditors, in their examination report dated September 29, 2020, on the Updated Restated Financial Statements, has drawn attention to a “matter of emphasis”, which is reproduced below:

“We draw attention to the Comptroller & Audit General (C&AG) of India Auditor’s observations regarding the presentation/classification of the “Advance given against railway infrastructure assets to be Leased” out to the railways and advance funding against National projects into “Non financial Assets-Capital Advances” instead of “Other Financial Assets” as treated by the company. The total amount under observation is Rs. 6,99,916.58

Millions as at March 31, 2019. As agreed with C & AG, the company has referred the matter to the Expert Advisory Committee of the Institute of Chartered Accountants of India for an expert opinion. The reply from ICAI is awaited.

As informed to us by the management of the company, the company is still waiting for the Expert opinion from The Institute of Chartered Accountants of India, the same accounting treatment has been followed while preparing the financials as on March 31, 2020. The total amount under the head “Other Financial Assets” is Rs. 11,11,080.22 Millions as on March 31, 2020. Our opinion is not modified in respect of this matter”.

Subsequently, the Company has received an opinion from the Expert Advisory Committee of the Institute of Chartered Accountants of India dated October 13, 2020, *inter alia* stating that the classification of pre-lease disbursement along with interest accrued thereon as a “financial asset” and its presentation in the balance sheet of the PSU under “other financial assets” is appropriate.

For further details, including observations of the Erstwhile Statutory Auditor with respect to their “Other Legal and Regulatory Requirements” observations, see “Financial Statements” beginning on page 38 of this Addendum.

Average cost of acquisition

The average cost of acquisition per Equity Share at which the Equity Shares were acquired by our Promoter (including its nominees) as on the date of this Addendum, is as below:

Name of Promoter	Number of Equity Shares held	Average cost of acquisition (in ₹ per Equity Share)
President of India, acting through the MoR	11,880,460,000*	₹ 10/-**

*Inclusive of Equity Shares held by nominees of the Promoter.

** With effect from September 12, 2017, 65,264,600 equity shares of face value of ₹1,000 each were split into 6,526,460,000 equity shares of the face value of ₹ 10 each. All the equity shares, as mentioned above, have been acquired for cash by the Promoter at ₹10/- per equity share.

Weighted average price at which the Equity Shares were acquired by our Promoter in the one year preceding the date of this Addendum

During the one year preceding the date of this Addendum, our Company allotted 2,500,000,000 Equity Shares to our Promoter on March 30, 2020, through a rights issue. The weighted average price at which such Equity Shares were acquired, is ₹ 10.

THE ISSUE

The following table summarises the details of the Issue:

Issue	Up to 1,782,069,000 Equity Shares, aggregating up to ₹ [●] million*
of which:	
(i) Fresh Issue⁽¹⁾	Up to 1,188,046,000 Equity Shares, aggregating up to ₹ [●] million*
(ii) Offer for Sale⁽²⁾	Up to 594,023,000 Equity Shares, aggregating up to ₹ [●] million*
of which:	
Employee Reservation Portion⁽³⁾	Up to [●] Equity Shares, aggregating up to ₹ 5.00 million*
Net Issue	Up to [●] Equity Shares, aggregating up to ₹ [●] million*
of which:	
A) QIB Portion	Not more than [●] Equity Shares
of which:	
Available for allocation to Mutual Funds only (5% of the QIB Portion)	[●] Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion	Not less than [●] Equity Shares
C) Retail Portion	Not less than [●] Equity Shares
Pre and post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	11,880,460,000 Equity Shares
Equity Shares outstanding after the Issue	13,068,506,000 Equity Shares**

* To be updated upon finalization of the Issue Price.

** Assuming full subscription in the Issue.

- (1) The Issue has been authorised by our Board pursuant to a resolution passed at its meeting held on May 29, 2020 and by our Shareholders pursuant to a resolution passed at the AGM held on September 30, 2020.
- (2) The Selling Shareholder has approved the Offer for Sale of up to 594,023,000 Equity Shares of our Company and has conveyed its consent for inclusion of the Offered Shares in the Issue vide its letter dated October 22, 2020. The Equity Shares being offered by the Selling Shareholder are eligible for being offered for sale in terms of Regulation 8 of the SEBI ICDR Regulations.
- (3) The Selling Shareholder has approved the allocation and allotment of Equity Shares amounting to ₹ 5.00 million in the Issue to Eligible Employees of our Company under the Employee Reservation Portion, vide an office memorandum dated October 14, 2020.

Notes:

- The Issue and Net Issue shall constitute up to 13.64% and up to [●]%, respectively of our post-Issue equity share capital.
- The Issue comprises the Fresh Issue which shall constitute up to 9.09% of our post-Issue equity share capital and the Offer for Sale shall constitute up to 4.55% of our post-Issue equity share capital.

GENERAL INFORMATION

Company Secretary and Compliance Officer

Vijay Babulal Shirode is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

Vijay Babulal Shirode

UG-Floor, East Tower
NBCC Place, Bisham Pitamah Marg
Pragati Vihar, Lodhi Road
New Delhi - 110 003, India
Tel: +91 (11) 2436 8068
Email: cs@irfc.nic.in

Book Running Lead Manager

DAM Capital Advisors Limited (Formerly known as IDFC Securities Limited)

One BKC, Tower C, 15th Floor
Unit No. 1511, Bandra Kurla Complex
Bandra (East),
Mumbai – 400 051.
Telephone: +91 22 4202 2500
E-mail: irfc.ipo@damcapital.in
Investor grievance e-mail: complaint@damcapital.in
Contact Person: Kunal Thakkar
Website: www.damcapital.in
SEBI Registration No.: MB/INM000011336

In relation to the merchant banking registration of IDFC Securities Limited, SEBI has taken on record the change of name from IDFC Securities Limited to DAM Capital Advisors Limited on September 21, 2020, under the same registration number.

Domestic Legal Counsel to the Company and the Selling Shareholder

Khaitan & Co

One World Centre
10th & 13th Floors, Tower 1C
841 Senapati Bapat Marg
Mumbai – 400 013
Maharashtra, India
Tel: +91 (22) 6636 5000

Changes in our Statutory Auditors

Except as mentioned below, there has been no change in our statutory auditors in the three years preceding the date of this Addendum:

Name of statutory auditor	Date of change	Reason
M/s SPMG & Co. 3322-A, 2 nd Floor, Bank Street, Karol Bagh, New Delhi- 110005 Tel: +91 (11) 28728769, +91 (11) 28727385 Firm Registration No: 509249C Email: vinod@spmgingdia.in Peer Review No: 009901*	September 30, 2020	Completion of term as statutory auditors of our Company
M/s. K B D S & CO. Chartered Accountants Flat No. 4, Pocket G-4, 1 st Floor	September 30, 2020	Appointment as Statutory Auditors of our Company

Name of statutory auditor	Date of change	Reason
Opp. Jain Bharati Model School Sector - 16 Rohini, Delhi - 110 089 Tel: +91 (11) 47580181 Firm Registration No: 323288E Email: kbdsandco@gmail.com Peer Review No: Existing – 007828** (fresh applied on September 22, 2020)		

** The Peer Review Certificate dated April 21, 2017 was valid up to April 20, 2020. However, pursuant to the announcement dated May 29, 2020, issued by the Institute of Chartered Accountants of India, the Peer Review Certificate has been further extended until April 19, 2021.*

***Expired on February 08, 2018.*

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Addendum, is set forth below:

(in ₹, except share data)

Particulars	Aggregate nominal value (except Securities Premium Account)	Aggregate value at Issue Price#
A. Authorised Share Capital		
25,000,000,000 Equity Shares [^]	250,000,000,000 [^]	-
B. Issued, subscribed and paid up Equity Share capital before the Issue		
11,880,460,000 Equity Shares	118,804,600,000	-
C. Present Issue in terms of this Addendum*		
Up to 1,782,069,000 Equity Shares	Up to ₹ 17,820,690,000	
Of which:		
Fresh Issue of up to 1,188,046,000 Equity Shares	Up to ₹ 11,880,460,000	[●]
Offer for Sale of up to 594,023,000 Equity Shares by the Selling Shareholder	Up to ₹ 5,940,230,000	[●]
D: Which includes:		
Employee Reservation Portion up to [●]** Equity Shares	[●]	Up to ₹ 5.00 million
Net Issue to the Public		
Up to [●] Equity Shares	Up to ₹ [●]	[●]
E. Issued, subscribed, and paid up Equity Share capital after the Issue		
Up to 13,068,506,000 Equity Shares***	Up to ₹130,685,060,000****	
F. Securities Premium Account		
Before the Issue	Nil	
After the Issue	[●]#	

[^]Our Company has, in relation to the increase in its authorised share capital from ₹150,000,000,000 to ₹250,000,000,000, made requisite filings with RoC. As on the date of this Addendum, such filings are currently under process with RoC.

*Our Board of Directors has approved the Issue pursuant to a resolution passed at their meeting held on May 29, 2020 and our Shareholders have approved the Issue pursuant to a resolution passed at the AGM held on September 30, 2020. The Selling Shareholder has approved the Offer for Sale of 594,023,000 Equity Shares of our Company and conveyed its consent for inclusion of the Offered Shares in the Issue vide its letter dated October 22, 2020. The Equity Shares being offered by the Selling Shareholder are eligible for being offered for sale in terms of Regulation 8 of the SEBI ICDR Regulations.

**The Selling Shareholder has approved the allocation and allotment of Equity Shares amounting to ₹ 5.00 million in the Issue to Eligible Employees of our Company under the Employee Reservation Portion, vide an office memorandum dated October 14, 2020.

*** Assuming full subscription in the Issue.

#To be included upon finalisation of the Issue Price.

Notes to the Capital Structure:

1. Equity Share capital history of our Company:

Date of allotment	Number of equity shares allotted	Face value (₹)	Issue price per equity share (₹)	Consideration (cash, bonus, consideration other than cash)	Nature of allotment and names of allottees*
December 12, 1986	1	1,000	1,000	Cash	Allotment to Mr. Prakash Narain as initial subscriber to MOA
	1	1,000	1,000	Cash	Allotment to Mr. Prakash Narain as initial subscriber to MOA
	1	1,000	1,000	Cash	Allotment to Mr. Srinivasa

Date of allotment	Number of equity shares allotted	Face value (₹)	Issue price per equity share (₹)	Consideration (cash, bonus, consideration other than cash)	Nature of allotment and names of allottees*
					Ramaswamy as initial subscriber to MOA
	1	1,000	1,000	Cash	Allotment to Mr. Saroj Kumar Mitra as initial subscriber to MOA
	1	1,000	1,000	Cash	Allotment to Mr. Satish Mohan Vaish as initial subscriber to MOA
	1	1,000	1,000	Cash	Allotment to Mr. Raj Kumar Jain as initial subscriber to MOA
	1	1,000	1,000	Cash	Allotment to Mr. Rameshwar Prasad Singh as initial subscriber to MOA
	1	1,000	1,000	Cash	Allotment to Mr. Amar Nath Wanchoo as initial subscriber to MOA
December 24, 1986	499,992	1,000	1,000	Cash	Further allotment
August 4, 1987	300,000	1,000	1,000	Cash	Further allotment
September 30, 1987	200,000	1,000	1,000	Cash	Further allotment
March 23, 1989	600,000	1,000	1,000	Cash	Further allotment
November 15, 1989	720,000	1,000	1,000	Cash	Further allotment
April 25, 2007	2,680,000	1,000	1,000	Cash	Private placement
June 2, 2009	3,000,000	1,000	1,000	Cash	Further allotment
January 27, 2010	2,910,000	1,000	1,000	Cash	Further allotment
December 21, 2010	5,110,000	1,000	1,000	Cash	Further allotment
March 3, 2012	5,000,000	1,000	1,000	Cash	Further allotment
May 4, 2012	2,500,000	1,000	1,000	Cash	Further allotment
May 13, 2013	5,999,995	1,000	1,000	Cash	Further allotment
	5	1,000	1,000	Cash	Further allotment
March 24, 2014	4,000,000	1,000	1,000	Cash	Further allotment
April 24, 2014	2,319,600	1,000	1,000	Cash	Further allotment
May 11, 2015	5,425,000	1,000	1,000	Cash	Rights issue
February 16, 2016	4,000,000	1,000	1,000	Cash	Further allotment
May 11, 2016	20,000,000	1,000	1,000	Cash	Rights issue
With effect from September 12, 2017, 65,264,600 equity shares of face value of ₹ 1,000 each were split into 6,526,460,000 equity shares of the face value of ₹10 each.					
March 26, 2019	2,854,000,000	10	10	Cash	Rights issue
March 30, 2020	2,500,000,000 [#]	10	10	Cash	Rights issue
Total	11,880,460,000				

* All issuances were made to the President of India or as nominees of the President of India, acting through the MoR.

2,500,000,000 Equity Shares were issued to the President of India, through Chairman/ Railway Board, and Ex-Officio Principal Secretary to the Government of India, MoR, and the nominees of the President of India, acting through MoR, on a rights issue basis ("2020 Rights Issue") on March 30, 2020. SEBI has by way of letter dated August 3, 2020, exempted the Company from compliance with Regulation 25(6) read with Schedule XVI and Regulation 56 of the SEBI ICDR Regulations, in respect of the 2020 Rights Issue.

- Other than allotment of 2,500,000,000 Equity Shares made by our Company on March 30, 2020, pursuant to a rights issue, details of which have been disclosed in "Capital Structure-Notes to the Capital Structure" on page 7 of this Addendum, our Company has not made any issue of Equity Shares at a price that may be lower than the Issue Price during the preceding one year from the date of this Addendum.

3. Details of shareholding of our Promoter in our Company

(a) As on the date of this Addendum, our Promoter (directly and through its nominees) holds 11,880,460,000 Equity Shares, equivalent to 100% of the issued, subscribed and paid-up Equity Share capital of our Company.

(b) Build-up of Promoters' shareholding in our Company

The build up of the equity shareholding of our Promoter since incorporation of our Company is set forth in the table below:

Date of allotment	Number of equity shares allotted	Face value (₹)	Issue price per equity share (₹)	Consideration (cash, bonus, consideration other than cash)	Nature of allotment and names of allottees**	Percentage of total pre-Issue paid-up capital^	Percentage of total post-Issue paid-up capital^*
December 12, 1986	1	1,000	1,000	Cash	Allotment to Mr. Prakash Narain as initial subscriber to MOA	0.00%	0.00%
	1	1,000	1,000	Cash	Allotment to Mr. Prakash Narain as initial subscriber to MOA	0.00%	0.00%
	1	1,000	1,000	Cash	Allotment to Mr. Srinivasa Ramaswamy as initial subscriber to MOA	0.00%	0.00%
	1	1,000	1,000	Cash	Allotment to Mr. Saroj Kumar Mitra as initial subscriber to MOA	0.00%	0.00%
	1	1,000	1,000	Cash	Allotment to Mr. Satish Mohan Vaish as initial subscriber to MOA	0.00%	0.00%
	1	1,000	1,000	Cash	Allotment to Mr. Raj Kumar Jain as initial subscriber to MOA	0.00%	0.00%
	1	1,000	1,000	Cash	Allotment to Mr. Rameshwar Prasad Singh as initial subscriber to MOA	0.00%	0.00%
	1	1,000	1,000	Cash	Allotment to Mr. Amar Nath Wanchoo as initial subscriber to MOA	0.00%	0.00%
December 24, 1986	499,992	1,000	1,000	Cash	Further allotment	0.42%	0.38%
August 4, 1987	300,000	1,000	1,000	Cash	Further allotment	0.25%	0.23%
September 30, 1987	200,000	1,000	1,000	Cash	Further allotment	0.17%	0.15%
March 23, 1989	600,000	1,000	1,000	Cash	Further allotment	0.51%	0.46%
November 15, 1989	720,000	1,000	1,000	Cash	Further allotment	0.61%	0.55%

Date of allotment	Number of equity shares allotted	Face value (₹)	Issue price per equity share (₹)	Consideration (cash, bonus, consideration other than cash)	Nature of allotment and names of allottees**	Percentage of total pre-Issue paid-up capital^	Percentage of total post-Issue paid-up capital^*
April 25, 2007	2,680,000	1,000	1,000	Cash	Private placement	2.26%	2.05%
June 2, 2009	3,000,000	1,000	1,000	Cash	Further allotment	2.53%	2.30%
January 27, 2010	2,910,000	1,000	1,000	Cash	Further allotment	2.45%	2.23%
December 21, 2010	5,110,000	1,000	1,000	Cash	Further allotment	4.30%	3.91%
March 3, 2012	5,000,000	1,000	1,000	Cash	Further allotment	4.21%	3.83%
May 4, 2012	2,500,000	1,000	1,000	Cash	Further allotment	2.10%	1.91%
May 13, 2013	5,999,995	1,000	1,000	Cash	Further allotment	5.05%	4.59%
	5	1,000	1,000	Cash	Further allotment	0.00%	0.00%
March 24, 2014	4,000,000	1,000	1,000	Cash	Further allotment	3.37%	3.06%
April 24, 2014	2,319,600	1,000	1,000	Cash	Further allotment	1.95%	1.77%
May 11, 2015	5,425,000	1,000	1,000	Cash	Rights issue	4.57%	4.15%
February 16, 2016	4,000,000	1,000	1,000	Cash	Further allotment	3.37%	3.06%
May 11, 2016	20,000,000	1,000	1,000	Cash	Rights issue	16.83%	15.30%
With effect from September 12, 2017, 65,264,600 equity shares of face value of ₹1,000 each, were split into 6,526,460,000 equity shares of the face value of ₹10 each.							
March 26, 2019	2,854,000,000	10	10	Cash	Rights Issue	24.02%	21.84%
March 30, 2020	2,500,000,000#	10	10	Cash	Rights Issue	21.04%	19.13%
Total	11,880,460,000					100.00%	90.91%

*Assuming full subscription in the Issue.

^After considering and giving effect to the split of the face value of the equity shares of the Company from ₹1,000 to ₹10 with effect from September 12, 2017.

** All issuances were made to the President of India or as nominees of the President of India, acting through the MoR.

2,500,000,000 Equity Shares were issued to the President of India, through Chairman/ Railway Board, and Ex-Officio Principal Secretary to the Government of India, MoR, on a rights issue basis ("2020 Rights Issue") on March 30, 2020. SEBI has by way of letter dated August 3, 2020, exempted the Company from compliance with Regulation 25(6) read with Schedule XVI and Regulation 56 of the SEBI ICDR Regulations, in respect of the 2020 Rights Issue.

4. Details of Promoter's contribution locked in for three years:

As per Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully-diluted post-Issue capital of our Company held by our Promoter shall be considered as Promoter's contribution and locked in for a period of three years from the date of Allotment ("Promoter's Contribution") and our Promoter's holding in excess of 20% (excluding the Equity Shares transferred in the Offer for Sale) shall be locked in for a period of one year from the date of Allotment.

Our Promoter, pursuant to its letter dated October 22, 2020, granted consent to include upto 2,613,701,200 Equity Shares held by them as Promoter's Contribution and have agreed not to sell or transfer, charge or pledge or otherwise encumber in any manner, the Promoter's Contribution from the date of filing this Addendum until the commencement of the lock-in period specified above.

(a) Details of Promoter's shareholding that is eligible for Promoter's contribution is as provided below:

Name of the Promoter	No. of equity shares locked-in	Date of allotment/transfer	Face value (₹)	Issue/Acquisition price per equity share (₹)	Number of equity shares pledged	Nature of transaction	% of pre-Issue share capital	% of post-Issue share capital**
Equity Shares eligible for Promoter's contribution								
President of India	499,992	December 24, 1986	1,000	1,000	Nil	Further allotment	0.42%	0.38%

Name of the Promoter	No. of equity shares locked-in	Date of allotment/transfer	Face value (₹)	Issue/Acquisition price per equity share (₹)	Number of equity shares pledged	Nature of transaction	% of pre-issue share capital	% of post-issue share capital**
	300,000	August 4, 1987	1,000	1,000	Nil	Further allotment	0.25%	0.23%
	200,000	September 30, 1987	1,000	1,000	Nil	Further allotment	0.17%	0.15%
	600,000	March 23, 1989	1,000	1,000	Nil	Further allotment	0.51%	0.46%
	720,000	November 15, 1989	1,000	1,000	Nil	Further allotment	0.61%	0.55%
	2,680,000	April 25, 2007	1,000	1,000	Nil	Private placement	2.26%	2.05%
	3,000,000	June 2, 2009	1,000	1,000	Nil	Further allotment	2.53%	2.30%
	2,910,000	January 27, 2010	1,000	1,000	Nil	Further allotment	2.45%	2.23%
	5,110,000	December 21, 2010	1,000	1,000	Nil	Further allotment	4.30%	3.91%
	5,000,000	March 3, 2012	1,000	1,000	Nil	Further allotment	4.21%	3.83%
	2,500,000	May 4, 2012	1,000	1,000	Nil	Further allotment	2.10%	1.91%
	2,617,020	May 13, 2013	1,000	1,000	Nil	Further allotment	2.20%	2.00%
<i>With effect from September 12, 2017, equity shares of face value of ₹1,000 each were split into Equity Shares of the face value of ₹10 each.</i>								
TOTAL	2,613,701,200						22.00%[^]	20.00%[^]

** Assuming full subscription in the Issue.

[^] After considering and giving effect to the split of face value of the equity shares of the Company from ₹1,000 to ₹10 with effect from September 12, 2017.

5. Our Shareholding Pattern

The table below presents the shareholding pattern of our Company as on the date of this Addendum:

Category (I)	Category of the Shareholder (II)	No. of Shareholders (III)	No. of fully paid up equity shares held (IV)	No. of partly paid-up equity shares held (V)	No. of shares underlying depository receipts (VI)	Total No. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) (VIII)	No. of Voting Rights held in each class of securities (IX)			No. of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No. of Voting Rights					Total as a % of total voting rights	No. (a)	As a % of total shares held (b)	No. (a)		As a % of total shares held (b)
								Class eg: X	Class eg: Y	Total								
(A)	Promoter & Promoter Group*	11*	11,880,460,000	--	--	11,880,460,000	100	11,880,460,000	--	11,880,460,000	100	--	--	--	--	--	11,880,460,000	
(B)	Public	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
(C)	Non Promoter-Non Public	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
(1)	Shares underlying Custodian/Depository Receipts	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
(2)	Shares held by Employee Trusts	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	Total (A)+(B)+(C)	11*	11,880,460,000	--	--	11,880,460,000	100	11,880,460,000	--	11,880,460,000	100	--	--	--	--	--	11,880,460,000	

* As on the date of this Addendum, 1,200 Equity Shares are held by 10 nominees on behalf of our Promoter.

6. Other details of shareholding of our Company

- (a) Set forth below is a list of shareholders holding 1% or more of the paid-up Equity Share Capital of our Company, on a fully diluted basis, as on the date of this Addendum.

Name of the Shareholders	No. of Equity Shares	Percentage of the pre-Issue Equity Share Capital as on the date of this Addendum (%)
President of India, acting through the MoR	11,880,460,000	100.00%

** Inclusive of Equity Shares held by nominees of the Promoter.*

- (b) Set forth below is a list of shareholders holding 1% or more of the paid-up Equity Share Capital of our Company, on a fully diluted basis, as of 10 days prior to the date of this Addendum.

Name of the Shareholders	No. of Equity Shares	Percentage of the pre-Issue Equity Share Capital as of 10 days prior to the date of this Addendum (%)
President of India, acting through the MoR	11,880,460,000	100.00%

** Inclusive of Equity Shares held by nominees of the Promoter.*

- (c) Set forth below is a list of shareholders holding 1% or more of the paid-up Equity Share Capital of our Company, on a fully diluted basis, as of one year prior to the date of this Addendum.

Name of the Shareholders	No. of Equity Shares	Percentage of the pre-Issue Equity Share Capital as of one year prior to the date of this Addendum (%)
President of India, acting through the MoR	9,380,460,000	100.00%

** Inclusive of Equity Shares held by nominees of the Promoter.*

- (d) Set forth below is a list of shareholders holding 1% or more of the paid-up Equity Share Capital of our Company, on a fully diluted basis, as of two years prior to the date of this Addendum.

Name of the Shareholders	No. of Equity Shares	Percentage of the pre-Issue Equity Share Capital as of two years prior to the date of this Addendum (%)
President of India, acting through the MoR	6,526,460,000	100.00%

** Inclusive of Equity Shares held by nominees of the Promoter.*

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company and the Selling Shareholder in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

Some of the qualitative factors which form the basis for the Issue Price are:

1. Strategic role in financing growth of Indian Railways;
2. Competitive cost of borrowings based on strong credit ratings in India and diversified sources of funding;
3. Consistent financial performance and cost-plus model;
4. Low risk business model;
5. Strong asset-liability management; and
6. Experienced senior management and committed team.

Quantitative Factors

The information presented below relating to our Company is based on the Updated Restated Financial Statements prepared in accordance with Indian AS and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. Basic and Diluted Earnings per Share (“EPS”):

As per the Updated Restated Financial Statements:

Year ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2020	3.93	3.93	3
March 31, 2019	3.43	3.43	2
March 31, 2018	3.14	3.14	1
Weighted Average	3.63	3.63	

Notes:

1. *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year / Total of weights*
2. *The figures disclosed above are based on the Updated Restated Financial Statements of our Company.*
3. *Earnings per Share (₹) = Profit for the period before Other Comprehensive Income attributable to equity shareholders / Weighted Average No. of equity shares*
4. *Basic EPS and Diluted EPS calculations are in accordance with Ind-AS 33 'Earnings per Share', notified under Section 133 of Companies Act, 2013 read together along with paragraph 7 of the Companies (Accounts) Rules, 2014.*
5. *The above statement should be read with Significant Accounting Policies and the Notes to the Updated Restated Financial Statements as appearing in Note 32.*

2. Price/Earning (P/E) ratio in relation to the Issue Price of ₹[●] per Equity Share:

Particulars	
P/E based on basic and diluted EPS at the lower end of the Price Band for Fiscal 2020	[●]
P/E based on basic and diluted EPS at the higher end of the Price Band for Fiscal 2020	[●]

3. Industry P/E Ratio

Not applicable, as there are no listed entities similar to our line of business and operating profile.

4. Return on average Net Worth (“RoNW”):

As per the Updated Restated Financial Statements:

Period ended	RoNW (%)	Weight
March 31, 2020	13.19	3
March 31, 2019	9.93	2
March 31, 2018	12.60	1
Weighted Average	12.01	

Note:

- (1) *Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year / Total of weights*
- (2) *Return on average Net Worth (%) = Net Profit for the relevant year/period as a percentage of average of our Company's Net worth as of the last day of the relevant year/period and our Company's Net worth as of the last day of the immediately preceding year/period*

5. Net Asset Value (“NAV”) per Equity Share

- (i) Net asset value per Equity Share as on March 31, 2020 is ₹26.06.

After the Issue:

- At the Floor Price: [●]
- At the Cap Price: [●]

Issue Price: [●]

Notes:

1. *Net Asset Value Per Equity Share = $\frac{\text{Net worth as per the Updated Restated Financial Statements}}{\text{Number of equity shares outstanding as at the end of year/period}}$*
2. *Net worth means the aggregate value of the Equity Share Capital of our Company and Other Equity.*

6. Comparison with Listed Industry Peers

There are no listed companies in India in the same line of business as that of the Company. Hence, industry comparison in relation to the Company is not applicable

7. The Issue price is [●] times of the face value of the Equity Shares.

The Issue Price of ₹ [●] has been determined by our Company and the Selling Shareholder, in consultation with the BRLMs on the basis of assessment of demand from investors for the Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

Bidders should read the above-mentioned information along with “Risk Factors” section of the DRHP and “Financial Statements” beginning on page 38 of this Addendum, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in the “Risk Factors” section of the DRHP and you may lose all or part of your investments.

INDUSTRY OVERVIEW

Unless stated otherwise or the context otherwise requires, industry data used in this section has been obtained or derived from publicly available information as well as industry publications and sources, including from various government publications and websites. Further, certain industry related data in this section has been procured from the MoR, vide its letter dated September 28, 2020. The contents of websites or websites linked directly or indirectly to such websites are not incorporated by reference into this Red Herring Prospectus and should not be relied upon. Neither we nor any other person connected with the Issue have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

GLOBAL OUTLOOK

Amongst a loss of momentum across geographies, escalation of trade tensions between China and the US, uncertainty over Brexit, and heightened geo-political risks, the global economy grew at its slowest pace in 2019 post global financial crisis. Further, when these factors started to ease their grip towards the end of 2019, the novel coronavirus (COVID-19) broke out and rapidly exploded into a pandemic, dimming the global economic prospects and imparting extreme uncertainty about the outlook. (Source: RBI Annual Report 2019-20)

According to the International Monetary Fund (the “IMF”), the global growth is projected at negative 4.9% in 2020, 1.9 percentage points below the April 2020 World Economic Outlook forecast. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecasted. In 2021, the global growth is projected at 5.4%. Overall, this would result in 2021’s Gross Domestic Product (“GDP”) approximately 6 and a half percentage points lower than in the pre-COVID-19 projections of January 2020. The adverse impact on low-income households is particularly acute, risking the significant progress made in reducing extreme poverty in the world since the 1990s. (Source: IMF – World Economic Outlook Update, June 2020)

INDIAN ECONOMY

India’s Real GDP or GDP at constant (2011-12) prices in the year 2019-20 is now estimated to attain a level of ₹ 145.66 lakh crore, as against the First Revised Estimate of GDP for the year 2018-19 of ₹ 139.81 lakh crore, released on January 31, 2020. The growth in GDP during 2019-20 is estimated at 4.2% as compared to 6.1% in 2018-19. (Source: Press Note on Provisional Estimates of Annual National Income 2019-2020 and Quarterly Estimates of Gross Domestic Product (GDP) for the Fourth Quarter of (Q4) of 2019-2020 dated May 29, 2020, National Statistics Office, Ministry of Statistics & Programme Implementation, Government of India)

India’s GDP at constant (2011-12) prices in the first quarter of 2020-2021 is estimated at ₹ 26.90 lakh crore, as against ₹ 35.35 lakh crore in the first quarter of 2019-20, showing a contraction of 23.9% as compared to 5.2% growth in the first quarter of 2019-20. Quarterly gross value added at basic price at constant (2011-12) prices for the first quarter of 2020-21 is estimated at ₹ 25.53 lakh crore, as against ₹ 33.08 lakh crore in the first quarter of 2019-20, showing a contraction of 22.8% (Source: Press Note on Estimates of Gross Domestic Product for the First Quarter (April-June) 2020-2021 dated August 31, 2020, National Statistics Office, Ministry of Statistics & Programme Implementation, Government of India)

Union Budget 2020 - 2021

The Government of India announced the Union Budget 2020 – 2021 on February 1, 2020 with a number of proposals in the railway sector. The Union Budget proposed a capital expenditure of ₹ 1,610 billion for the Railways Ministry for Fiscal 2021. This is the highest-ever allocation for the Indian Railways, surpassing Fiscal 2020’s capital expenditure of ₹ 1,480.64 billion. The capital outlay for Fiscal 2021 comprises ₹ 702.50 billion

from gross budgetary support, ₹ 75 billion from internal resources and ₹ 832.92 billion from extra budgetary resources. While ₹ 269.71 billion has been allocated for construction of new lines, gauge conversion received ₹ 28.43 billion, doubling ₹ 215.45 billion, rolling stock ₹ 388.98 billion, and signalling and telecom received ₹ 16.50 billion. The allocation for passenger amenities was ₹ 74.26 billion. (Source: Ministry of Railways)

National Infrastructure Pipeline

The National Infrastructure Pipeline (“NIP”) is a unique first kind of overall Government exercise to provide outstanding infrastructure across India, and improve the quality of life for all citizens. It aims to improve project preparation, attract investments (both domestic and foreign) into infrastructure. To draw up the NIP, a High-Level Task Force was constituted under the chairmanship of the Secretary, Department of Economic Affairs, Ministry of Finance. The Task Force on NIP submitted its final report on NIP for FY 2019-25 to the Union Minister for Finance & Corporate Affairs, Smt. Nirmala Sitharaman on April 29, 2020. (Source: Press Information Bureau, Ministry of Finance dated April 29, 2020 - <https://pib.gov.in/PressReleasePage.aspx?PRID=1619236>)

The NIP has been made on a best effort basis by aggregating the information provided by various stakeholders including line ministries, departments, state governments and private sector across infrastructure sub-sectors, as identified in the ‘Harmonised Master List of Infrastructure’. All projects (greenfield or brownfield, under conceptualization or under implementation or under development) of project cost greater than ₹ 100 crore per project were sought to be captured. (Source: Press Information Bureau, Ministry of Finance dated April 29, 2020 - <https://pib.gov.in/PressReleasePage.aspx?PRID=1619236>)

It is estimated that India would need to spend \$ 4.51 trillion, as per CRIS estimates, on infrastructure by 2030 to realise the vision of a \$5 trillion economy by 2025, and to continue on an escalated trajectory until 2030. The endeavour of the NIP is to ensure this is achieved in an efficient manner. (Source: National Infrastructure Pipeline, Report of the Task Force, Department of Economic Affairs, Ministry of Finance, Government of India – Volume I)

The total capital expenditure in infrastructure sectors in India during Fiscals 2020 to 2025 is projected at approximately ₹ 111 lakh crore. The annual projected capital expenditure in Indian Railways is as follows:

Fiscal Year	Expenditure (₹ crore)
2020	133,387
2021	262,465
2022	308,800
2023	273,831
2024	221,209
2025	167,870
Total (Fiscals 2020- 2025)	1,367,563

(Source: National Infrastructure Pipeline, Report of the Task Force, Department of Economic Affairs, Ministry of Finance, Government of India – Volume I)

INDIAN RAILWAYS

Background

The Indian Railways is a departmental undertaking of the GoI, which owns and operates India’s rail transport, through the Ministry of Railways, GoI (“MoR”). The Indian Railways is the largest rail network in Asia, running approximately 13,523 passenger trains every day in Fiscal 2019 to transport approximately 23.12 million passengers per day in Fiscal 2019 (Source: http://indianrailways.gov.in/railwayboard/view_section_new.jsp?lang=0&id=0,1,261 and Indian Railways - Year Book 2018-19, Ministry of Railways). As of March 31, 2019, the total running track kilometres (total all gauges) was 95,981 kilometres (Source: Indian Railways – Year Book 2018-19, Ministry of Railways). Further, the total freight carried per day (including non-revenue) was 3.36 million tonnes in Fiscal 2019 (Source: Indian Railways - Year Book 2018-19, Ministry of Railways). As of March 31, 2019, the Indian Railways had 1.23 million regular employees (Source: Indian Railways – Year Book 2018-19, Ministry of Railways). Indian Railways’ revenue increased from approximately ₹ 1,787.25 billion in Fiscal 2018 to ₹ 1,899.07 billion in Fiscal 2019 (Source: Indian Railways - Year Book 2018-19, Ministry of Railways).

Based on the data of the World Bank, in 2017, India had one of the lowest rail route kilometre per million population internationally.

Country	Route kilometre per million population (2017)
United States of America	464
Russia	592
Japan	134
France	437
China	49
India	50
Germany	405

(Source: World Bank)

The Indian Railways has deployed 12,147 locomotives, 67,597 passenger service vehicles, 289,185 wagons and 6,406 other coaching vehicles as of March 31, 2019. (Source: Indian Railways - Year Book 2018-19, Ministry of Railways) There were 7,318 (revised) and 7,321 railway stations in India as of March 31, 2018 and as of March 31, 2019, respectively (Source: Indian Railways – Year Book 2018-19, Ministry of Railways).

The Indian Railways earns its internal revenue primarily from passenger and freight traffic. In Fiscal 2019, the Indian Railways earned approximately ₹ 1,225.80 billion from freight traffic excluding demurrage/ wharfage and approximately ₹ 510.67 billion from passenger traffic. The number of originating passengers on Indian Railways increased from 8,286 million in Fiscal 2018 to 8,439 million in Fiscal 2019 and amounted to 8,109 million in Fiscal 2020. Further, the passenger earnings also increased from ₹ 486.43 billion in Fiscal 2018 to ₹ 510.67 billion in Fiscal 2019 and amounted to ₹ 506 billion in Fiscal 2020. In addition, freight earnings, excluding demurrage/ wharfage, increased from ₹ 1,135.24 billion in Fiscal 2018 to ₹ 1,225.80 billion in Fiscal 2019. In Fiscal 2020, freight earnings, excluding demurrage/ wharfage, amounted to ₹ 1,231 billion. (Source: Indian Railways – Year Book 2018-19, Ministry of Railways and Ministry of Railways)

The Indian Railways has constantly expanded its network, developed, and grown across various parameters including freight and passenger revenues as detailed below:

Freight Volumes

The Indian Railways along with national highways and ports is the backbone of India's transportation infrastructure. Currently approximately 30% of total freight traffic (in terms of tonne kilometres) of India moves on rail. Nine commodities including coal, iron, steel, iron ore, food grains, fertilizers and petroleum products primarily support freight business for the Indian Railways. Freight remains the major revenue-earning segment for the Indian Railways, it utilises one-third of its capacity and generates two-thirds of Indian Railway's revenues. (Source: "Reform, Perform and Transform" – Report by the Indian Railways, July 2017)

The table below sets out details of tonnage originated and earnings from freight carried in the periods indicated:

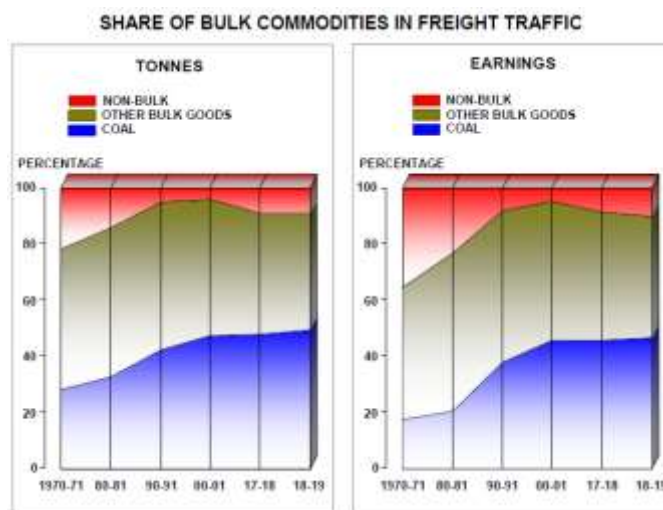
Particulars	Fiscal										
	2001	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Tonnes originating (million tonnes)	504	926	975	1,014	1,059	1,101	1,109	1,111	1,163	1,225	1,208
Earnings from freight carried* (₹ billion)	230	607	677	835	916	1,031	1,069	1,020	1,135	1,226	1,231

*Excluding wharfage & demurrage charges

(Source: Statistical Summary – Indian Railways - http://www.indianrailways.gov.in/railwayboard/uploads/directorate/stat_econ/IRSP_2016-17/Annual_Report_Accounts_Eng/Statistical_Summary.pdf; Indian Railways – Year Book 2018-19, Ministry of Railways and Ministry of Railways)

The Indian Railways has always played a key role in India's social and economic development as it is a cheap and affordable means of transportation for millions of passengers. Further, as a carrier of bulk freight, such as ores and minerals, iron and steel, cement, mineral oils, food grains and fertilizers, and containerized cargo, the Indian Railways plays a significant role in various industries, including agriculture. The Indian Railways generates most of its freight revenue from the transportation of coal, cement, iron ore, iron and steel, and food-grains, which accounted for 46.47%, 8.29%, 7.65%, 6.87% and 6.21%, respectively, of the total earnings from bulk commodities in Fiscal 2019. (Source: Indian Railways - Year Book 2018-19, Ministry of Railways). The Indian Railways goods earnings increased from approximately ₹ 1,170.55 billion in Fiscal 2018 to

approximately ₹ 1,274.33 billion in Fiscal 2019 (Source: Indian Railways – Year Book 2018-19, Ministry of Railways).



(Source: Indian Railways - Year Book 2018-19, Ministry of Railways)

In order to improve freight traffic the MoR has implemented several policies/initiatives/ schemes such as: (i) automatic freight rebate scheme for traffic loaded in empty flow directions (routes with low freight traffic), (ii) entering into long term tariff contracts with key freight customers, (iii) liberalized wagon investment scheme, (iv) wagon leasing scheme, (v) special freight train operators scheme and automobile freight train operator scheme, and (vi) development of private freight terminals. (Source: Standing Committee on Railways, 'Ministry of Railways (Railway Board), Twenty Second Report Demand for Grants', 2018-2019 - http://164.100.47.193/lssccommittee/Railways/16_Railways_22.pdf)

Passenger Traffic

Passenger trains utilise two-thirds of capacity, however, generate only one-third of revenues for the Indian Railways. (Source: "Reform, Perform and Transform" – Report by the Indian Railways, July 2017)

The table below sets out details of passengers originated and passenger earnings in the periods indicated:

Particulars	Fiscal										
	2001	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Passengers originating (million)	4,833	7,651	8,224	8,421	8,397	8,224	8,107	8,116	8,286	8,439	8,109
Passenger earnings (₹ billion)	105	257	282	313	365	422	443	463	486	510	506

(Source: Statistical Summary – Indian Railways - http://www.indianrailways.gov.in/railwayboard/uploads/directorate/stat_econ/IRSP_2016-17/Annual_Report_Accounts_Eng/Statistical_Summary.pdf; Indian Railways – Year Book 2018-19, Ministry of Railways and Ministry of Railways)

Train travel remains the preferred means for long-distance travel for a majority of Indians and with urbanisation, improving income standards and increasing population, passenger traffic is expected to grow further, which will entail major investments and capital outlay. The Indian Railways is planning certain reforms for passenger convenience such as, amongst others, refurbishment of coaches with amenities such as WiFi, vending machines and auto doors. (Source: "Reform, Perform and Transform" – Report by the Indian Railways, July 2017)

Track/Route kilometres

The Indian Railways has constantly added tracks to enable wider reach and focus on connectivity throughout India. The capacity augmentation including electrification remains a focus area for the Indian Railways and GoI provides for a significant share in the Indian Railways budget for electrification every year. (Source: Mission Electrification Report by Ministry of Railways)

The total running track kilometres have expanded from 81,865 as of March 31, 2001 to 95,981 as of March 31, 2019. The Indian Railways has increased the electrified running track kilometres from 27,937 as of March 31, 2001 to 59,142 as of March 31, 2019. (Source: *Statistical Summary – Indian Railways – 17/Annual_Report_Accounts_Eng/Statistical_Summary.pdf*, *Indian Railways – Year Book 2018-19, Ministry of Railways and Ministry of Railways*) Major parts of the electrification of the railway tracks have been done during the period between Fiscal 2015 and Fiscal 2019.

As of March 31, 2019, the Indian Railways had 34,319 route kilometres of network commissioned on electric traction (Source: *Indian Railways – Year Book 2018-19, Ministry of Railways*). This constituted approximately 52% of the total network and carried approximately 65% of freight and approximately 54% of coaching traffic. The rate of electrification has accelerated in India and a total of 38,000 route kilometres have been identified for electrification by 2021. (Source: *Press Information Bureau of India, Ministry of Finance dated July 4, 2019*)

The table below sets out the details of total running track kilometres, total route kilometres, electrified running track kilometres and electrified route kilometres in the period indicated:

Particulars	As of March 31,									
	2001	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total running track kilometres	81,865	87,114	89,801	89,236	89,919	90,803	92,081	93,902	94,270	95,981
Route kilometres	63,028	64,460	64,600	65,436	65,808	66,030	66,687	67,368	66,935	67,415
Electrified running track kilometres	27,937	36,007	38,669	38,524	39,661	41,038	43,357	48,239	51,242	59,142
Electrified route kilometres	14,856	19,607	20,275	20,884	21,614	22,224	23,555	25,367	29,228	34,319

(Source: *Statistical Summary – Indian Railways – 17/Annual_Report_Accounts_Eng/Statistical_Summary.pdf* and *Indian Railways – Year Book 2018-19, Ministry of Railways and Ministry of Railways*)

The MoR, with a goal of transforming Indian Railways into ‘Green Railways’ by 2030 has undertaken a number of major initiatives towards mitigation of global warming and combating climate change. Railway electrification, improving energy efficiency of locomotives and trains, and fixed installations, green certification for installations/ stations, fitting bio toilets in coaches and switching to renewable sources of energy are parts of MoR’s strategy of achieving net zero carbon emission. (Source: *Press Information Bureau of India, Ministry of Railways dated July 13, 2020 - https://pib.gov.in/PressReleasePage.aspx?PRID=1638269*)

The Indian Railways has completed electrification of more than 40,000 route kilometres (63% of broad gauge routes) in which 18,605 kilometres electrification work has been done during 2014 and 2020. Previously, only 3,835 kilometres electrification work was completed during the period 2009 and 2014. The Indian Railways has fixed a target of electrification of 7,000 route kilometres for the year 2020-2021. All routes on the broad gauge network have been planned to be electrified by December 2023. The Indian Railways is focusing on electrification of last mile connectivity and missing links. Accordingly, 365 kilometres major connectivity work has been commissioned during the COVID-19 pandemic period as well. Source: *Press Information Bureau of India, Ministry of Railways dated July 13, 2020 - https://pib.gov.in/PressReleasePage.aspx?PRID=1638269*)

Number of stations

In line with improving connectivity, the Indian Railways has added stations over a period. The following table provides the number of stations in India as of the periods indicated:

Particulars	As of March 31,									
	2001	2011	2012	2013	2014	2015	2016	2017	2018	2019
Number of stations (in units)	6,843	7,133	7,146	7,172	7,112	7,137	7,216	7,309	7,318	7,321

(Source: *Statistical Summary – Indian Railways – 17/Annual_Report_Accounts_Eng/Statistical_Summary.pdf*; and *Indian Railways – Year Book 2018-19, Ministry of Railways*)

There is also significant focus on redevelopment of stations, wherein the GoI is focussing on modernising the stations (Source: “Reform, Perform and Transform” – Report by the Indian Railways, July 2017). In February 2017, 23 stations were identified for the first phase for station development program (Source: Indian Railways Stations Re-development Project, Ministry of Railways)

Capital Investments in Railways

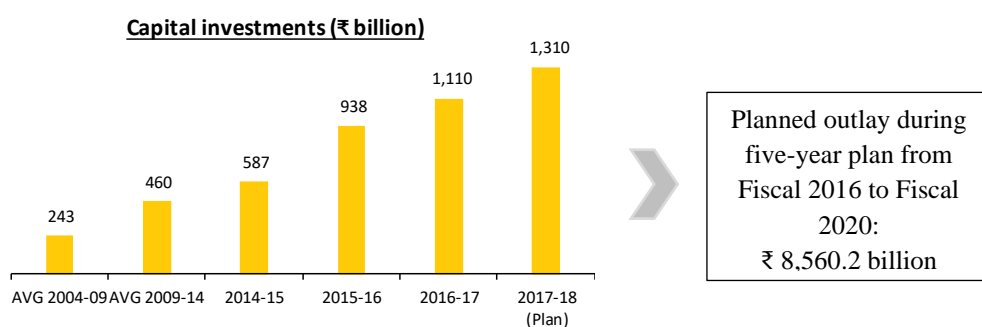
Historical background

While the Indian Railways network is large, a significant proportion of the infrastructure was built during the British era. The British made significant investments in building the railway infrastructure to facilitate fast movement of goods and troops. Post-Independence, the network growth of the Indian Railways was constrained due to lower investments.

The Indian Railways has been facing certain challenges such as overstretched infrastructure, with approximately 60% of the routes being more than 100% utilized and inadequate carrying capacity leading to decreasing modal share in freight and substantial unmet passenger demand (Source: “Reform, Perform and Transform” – Report by the Indian Railways, July 2017). Further, due to low passenger fares, passenger trains utilized two-third of the capacity and generated one-third of revenues, whereas high freight traffic lead to railway freight being out priced in the market. Hence, it was identified to increase investment in the Indian Railways as a top priority area.

The MoR has made substantial progress in initiating railway infrastructure. The amount of investment made during Fiscal 2015 and Fiscal 2017, was approximately 75% of the total investment made in the Indian Railways during the prior 10 Fiscals, i.e. Fiscal 2004 to Fiscal 2014. (Source: Indian Railways – Three Year Performance Report)

Investments in the Indian Railways:



(Source: Standing Committee on Railways, ‘Ministry of Railways (Railway Board), Nineteenth Report Demand for Grants’, 2018-2019 and “Reform, Perform and Transform” – Report by the Indian Railways, July 2017)

The Indian Railways had laid down a capital expenditure plan from Fiscal 2016 to Fiscal 2020 of ₹ 8,560.2 billion. (Source: “Reform, Perform and Transform” – Report by the Indian Railways, July 2017)

The table below shows the detailed breakup for the ₹ 8,560.2 billion capital expenditure plan from Fiscal 2016 to Fiscal 2020:

	₹ billion	% allocation
Network decongestion (including DFC + electrification, Doubling + electrification & traffic facilities)	1,993	23%
Network expansion (including electrification)	1,930	23%
Safety (Track renewal, bridge works, ROB, RUB and S&T)	1,270	15%
Rolling stock (Locomotives, coaches, wagons – production & maintenance)	1,020	12%
Station redevelopment + logistics park	1,000	12%
High speed rail & elevated corridor	650	8%
National projects (North eastern & Kashmir connectivity projects)	390	5%
Passenger Amenities	125	1%
Information technology/ Research	50	1%
Others	132	2%
Total	8,560	

(Source: “Reform, Perform and Transform” – Report by the Indian Railways, July 2017)

The capital expenditure plan from Fiscal 2016 to Fiscal 2020 differs from the previous investment plans by focussing on improving freight carrying capacity through capacity augmentation to achieve network decongestion, which will be done by enhancing outlay for doubling third and fourth line projects and through connectivity to logistic park. Further, this capital expenditure plan focuses on improving competitiveness of the Indian Railways through cost optimisation through electrification and improving customer experience by increasing outlay for safety, station redevelopment and passenger amenities.

In addition, as a part of the investment reform agenda for the Indian Railways, the Indian Railways is setting up various joint ventures with State governments to ensure faster development of rail infrastructure.

The capital expenditure plan from Fiscal 2016 to Fiscal 2020 focuses on certain key area for investments as follows:

Network Decongestion

Network decongestion was a key area of concern wherein the Indian Railways identified that for the past 64 years till March 31, 2014, the freight loading grew by 1,344%, passenger kilometres grew by 1,642%, however, the route kilometres grew by only 23% and that approximately 161 sections out of the total 247 sections in 2014, i.e., 65% of the sections, were running at 100% or above line capacity on high-density network routes. (Source: Indian Railways – Three Year Performance Report)

The planned investments have placed a high focus on improving freight and passenger carrying capacity through capacity augmentation to achieve network decongestion (Source: Reform, Perform and Transform” – Report by the Indian Railways, July 2017).

The Government of India has undertaken various policy interventions in order to liberalise the freight sector as follows:



(Source: Indian Railways – Three Year Performance Report)

- *Enhancing outlay for doubling third and fourth line projects*

During the period between 2009 and 2014, average broad gauge lines commissioned every year was 1,528 kilometres whereas the planned outlay for Fiscal 2018 is to more than double the average to 3,500 kilometres (Source: “Reform, Perform and Transform” – Report by the Indian Railways, July 2017). All meter gauge lines have been eliminated in the North East region of India and 481 kilometres of new broad gauge lines have been added in Fiscal 2017 while the average of broad gauge lines commissioned from Fiscal 2009 to Fiscal 2014 was 100 kilometres (Source: Indian Railways – Three Year Performance Report). Further, the speed of infrastructure creation (doubling of tracks) has increased from four kilometres per day in 2014 to seven kilometres per day in July 2017. The Indian Railways is targeting to increase the doubling of tracks to 9.5 kilometres per day in Fiscal 2018 and to reach 19 kilometres per day by 2022. (Source: “Reform, Perform and Transform” – Report by the Indian Railways, July 2017)

- *Developing dedicated freight corridors*

The Golden Quadrilateral linking Delhi, Mumbai, Chennai and Howrah along with its two diagonals between Delhi and Chennai and Mumbai and Howrah, accounts for only 16% of the Indian Railways’ route network, but more than 58% of revenue earning freight traffic. The existing routes between Howrah and Delhi on the eastern corridor and Mumbai and Delhi on the western corridor are highly saturated. To address this issue, the MoR decided to develop high speed Dedicated Freight Corridors (“DFC”) for freight movement. These DFC’s are expected to provide a cheaper and efficient means for transportation *vis-à-vis* rail freight. Accordingly, the Dedicated Freight Corridor Corporation of India (“DFCCIL”), a wholly-owned special purpose vehicle of the Indian Railways, was incorporated in October 2006.(Source: <http://www.dfccil.com/Home/DynemicPages?MenuId=3>)

The MoR has sanctioned implementation of DFC’s, namely, Western DFC (1,504 kilometres) and Eastern DFC (1,856 kilometres, which are targeted to be completed in phases by December 2021. (Source: Press Information Bureau, Ministry of Railways dated August 24, 2020 - <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1648203>) The projects, when commissioned, are expected to take up more than 70% of the Indian Railways freight traffic on to their faster, longer and heavier trains. The total investment for the two freight corridors is envisaged at ₹ 814.6 billion. (Source: Dedicated Freight Corridors, Ministry of Railways, Press Information Bureau, dated July 21, 2017 - <https://pib.gov.in/newsite/erelease.aspx?relid=91718>). The funding of the projects is being done by the World Bank, Japan International Cooperation Agency and through GBS.

Decongestion of network and the DFC commissioning are expected to release capacity, which would lead to operational streamlining and hence higher punctuality. Predictive maintenance regime is incorporated to further enhance asset reliability.

Network Expansion including electrification

With its focus on improving connectivity in India, the Indian Railways has continuously added running track kilometres to its foray. The total running track kilometres, which was 81,865 kilometres as of March 31, 2001, have increased to 95,981 kilometres as of March 31, 2019. The total route kilometres which was 63,028 kilometres as of March 31, 2001 have increased to 67,415 kilometres as of March 31, 2019. (Source: Statistical Summary – Indian Railways - http://www.indianrailways.gov.in/railwayboard/uploads/directorate/stat_econ/IRSP_2016-17/Annual_Report_Accounts_Eng/Statistical_Summary.pdf; Indian Railways – Year Book 2018-19, Ministry of

Railways; and Ministry of Railways)

Considering the economic as well as environmental benefits associated with the electrification, an action plan to electrify 90% of the existing broad gauge lines by 2020 has been drawn. The above target is nearly 3.5 times of the actual electrification of railway tracks carried out previously. During the period between Fiscal 2009 and Fiscal 2014, electrification was done at an average of 1,184 route kilometres every year whereas the plan is to increase the pace of electrification to almost 4,000 route kilometres every year from Fiscal 2018. (Source: “Reform, Perform and Transform” – Report by the Indian Railways, July 2017)

Annual Railway Electrification (route kilometres)

Fiscal	Electrified kilometres
	(in route kilometres)
2015	1,375
2016	1,730
2017	2,013
2018	4,087
2019	5,276

(Source: Indian Railways - Year Book 2018-19, Ministry of Railways)

The detailed targets for each year are as follows:

Fiscal	Targets
	(in route kilometres)
2020	6,200
2021	6,200

(Source: “Mission Electrification” report by Ministry of Railways)

In these directions, the Research Design and Standards Organisation has cleared mechanized foundation and all future railway electrification projects shall be with minimum 50% of mechanized execution. This is expected to reduce project execution time. Further, routes have been identified and targeted for commissioning on yearly basis till Fiscal 2021 to set a clear direction to the “Mission Electrification”. (Source: Mission Electrification Report by Ministry of Railways)

Safety

Keeping in mind the thrust of improving customer experience, the Indian Railways is showing renewed vigour on safety works. In the capital expenditure plan from Fiscal 2016 to Fiscal 2020, the planned outlay for safety has seen a significant increase. In addition, safety works have received a big boost through higher allocation from the Central Road Fund. The Indian Railways is targeting elimination of all unmanned level crossings going ahead to avoid accidents. The number of unmanned crossings eliminated were at an average of 1,139 during Fiscal 2009 and Fiscal 2014, which has increased to 1,503 in Fiscal 2017. Further, the Indian Railways is planning to eliminate all unmanned level crossings on broad gauge in the next three Fiscals between Fiscal 2018 and Fiscal 2020. The Indian Railways has also increased the number of new railways over bridges/under bridges constructed from an average of 762 between Fiscal 2009 and Fiscal 2014 to 1,354 in Fiscal 2017. (Source: Indian Railways - Three Year Performance Report)

Expenditure on safety has increased from ₹ 306.61 billion in 2009-2010 to ₹ 730.65 billion in Fiscal 2019 (budget estimates). Rashtriya Rail Sanraksha Kosh (“RRSK”) has been introduced in Fiscal 2018 for financing critical safety related works under capital segment of budget with an amount of ₹ 1,000 billion over a period of five years having an annual outlay of ₹ 200 billion. Funds under RRSK are deployed to finance identified works under plan heads track renewal, bridge works, signalling and telecommunication works, road safety works of level crossing and road over/ under bridges, rolling stock, traffic facilities, electrical works, machinery and plant, workshops, passenger amenities, training/ human resource development and other specified works. (Source: Initiatives for Railway Safety, Ministry of Railways, Press Information Bureau dated January 2, 2019 - <http://pib.nic.in/newsite/PrintRelease.aspx?relid=187095>)

The Indian Railways plans to move towards zero fatalities in five years. Accordingly, the Indian Railways has identified four sub-themes for improving the safety standards of the railways, infrastructural changes, technological interventions, root cause investigations and resource mobilisation. (Source: Indian Railways -

Station Redevelopment

The Indian Railways targets to modernise over 400 stations to world class standards. The Indian Railways is planning to redevelop the stations to enable improvement in service as well as to provide opportunities for generating significant non-tariff revenues. This is the largest transit-oriented development program with an overall targeted program cost of ₹ 1,000 billion. Pursuant to this program, approximately 2,200 acres of prime real estate land available across the top 100 cities will be tapped in the first phase of redevelopment. (Source: *First Phase of the Station Redevelopment Program comprising 23 major Railway Stations of Indian Railways, Press Information Bureau dated February 8, 2017 - <https://pib.gov.in/newsite/mbErel.aspx?relid=158286>*)

Redevelopment of stations is planned through leveraging of commercial development of vacant land/ air space in and around stations. Therefore, no funds have been earmarked for the purpose. Such projects shall generally be cost neutral to railways. (Source: *Redevelopment of Railway Stations, Ministry of Railways, Press Information Bureau dated July 18, 2018 - <http://www.pib.gov.in/PressReleseDetail.aspx?PRID=1538991>*)

Indian Railway Stations Development Corporation Limited (“**IRSDC**”) has been entrusted with redevelopment of Anand Vihar, Bijwasan, Chandigarh, Gandhinagar, Habibganj (Bhopal), and Surat railway stations. An MoU between Rail Land Development Authority (“**RLDA**”) and NBCC India Limited has been entered into for development of the following 10 stations: Tirupati, Delhi Sarai Rohilla, Nellore, Madgaon, Charbagh, Gomtinagar, Kota, Thane new, Ernakulam Junction and Puducherry. (Source: *Redevelopment of Railway Stations, Ministry of Railways, Press Information Bureau dated July 18, 2018 - <http://www.pib.gov.in/PressReleseDetail.aspx?PRID=1538991>*)

Contracts have been finalised for Gomtinagar and bids have been invited for Charbagh (Lucknow) station and Tirupati stations. All the above works have been offered to indigenous companies/ firms. (Source: *Redevelopment of Railway Stations, Ministry of Railways, Press Information Bureau dated July 18, 2018 - <http://www.pib.gov.in/PressReleseDetail.aspx?PRID=1538991>*)

*High Speed Railway (“**HSR**”) and Elevated Corridors*

The Indian Railways has formulated a plan to develop a HSR network in the country. These HSR services, having speed of approximately 250 to 300 kilometres per hour have already been developed in other countries. The HSR network can compete with airlines for customers and routes that have travel time of two-three hours.

The Mumbai-Ahmedabad Rail corridor is a sanctioned High Speed Rail Project in the country implemented with technical and financial assistance of Government of Japan. The estimated cost of the project is ₹ 1,080 billion. Government of Japan has agreed to provide a soft loan of 81% of total project cost with 0.1% rate of interest per annum. The time period for repayment of loan is 50 years with a 15 year grace period. (Source: *High Speed Rail Corridors, Ministry of Railways, Press Information Bureau dated March 27, 2018 - <http://pib.nic.in/newsite/PrintRelease.aspx?relid=178068>*)

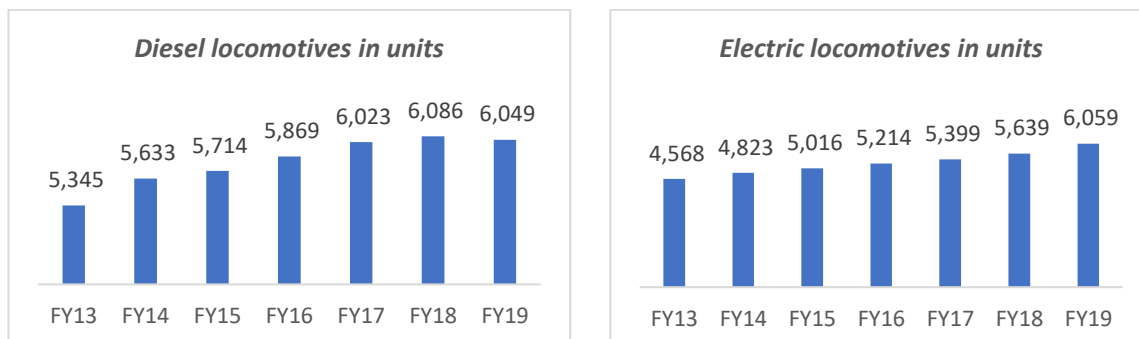
Six corridors on the ‘Diamond Quadrilateral’ connecting metropolitan cities and growth centres of the country (Delhi, Mumbai, Chennai and Kolkata) have been identified for a feasibility study for high speed rail connectivity, comprising: (i) Delhi-Mumbai, (ii) Mumbai-Chennai, (iii) Chennai-Kolkata, (iv) Kolkata-Delhi and both diagonals i.e. (v) Delhi-Chennai and (vi) Mumbai-Kolkata routes. As high speed projects are highly capital and technology intensive sanction of high speed projects is subject to its technical feasibility, financial viability and availability of resources. (Source: *High Speed Rail Corridors, Ministry of Railways, Press Information Bureau dated March 27, 2018 - <http://pib.nic.in/newsite/PrintRelease.aspx?relid=178068>*)

Rolling Stock

With the expansion of the freight network and passengers demand, the requirement of rolling stock will increase substantially. Indian Railway Finance Corporation Limited (“**IRFC**”) is responsible for financing the acquisition of the majority of the rolling stock purchased by the IRFC and leased to the MoR. In Fiscals 2017, 2018, 2019 and 2020, IRFC was responsible for financing 72%, 93%, 84% and 76%, respectively, of the Indian Railway’s total rolling stock (Source: *Ministry of Railways*).

Locomotives

The Indian Railway's locomotive fleet has seen significant changes over time. Initially, led by steam locomotives at the time of independence, the shift in favour of diesel locomotives has been gradual. Now, electric locomotives are expected to dominate the future in the Indian Railways. The following charts show cumulative locomotives over the Fiscals across diesel and electric locomotive units:

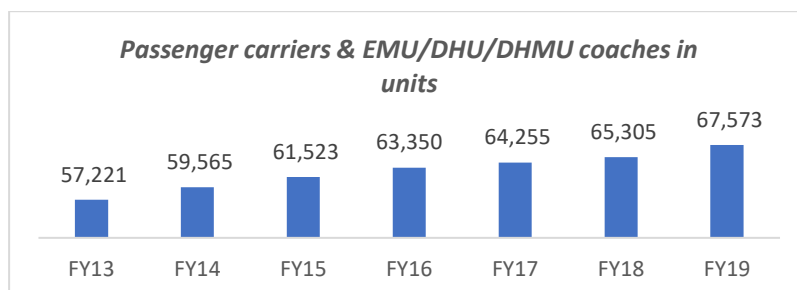


(Source: Statistical Summary – Indian Railways - http://www.indianrailways.gov.in/railwayboard/uploads/directorate/stat_econ/IRSP_2016-17/Annual_Report_Accounts_Eng/Statistical_Summary.pdf, Indian Railways - Year Book 2018-19, Ministry of Railways)

Coaches

There has been an increase in demand for electric multiple unit (“EMU”) and diesel electric multiple units (“DEMU”) driven by rising demand from suburban traffic as well as efficiency considerations. Passenger carriers are also expected to be in demand with the increasing passenger usage. It is expected that the demand for coaches shall outstrip supply of coaches.

The following charts shows cumulative coaches deployed over the years – Passenger carriers and EMU/DMU/ diesel hydraulic multiple unit (“DHMU”) coaches.

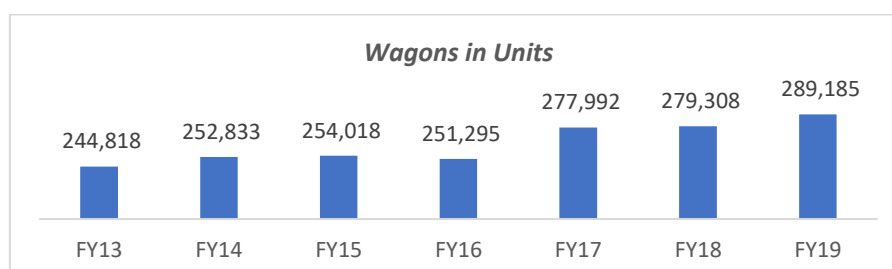


(Source: Statistical Summary – Indian Railways - http://www.indianrailways.gov.in/railwayboard/uploads/directorate/stat_econ/IRSP_2016-17/Annual_Report_Accounts_Eng/Statistical_Summary.pdf, Indian Railways - Year Book 2018-19, Ministry of Railways and Ministry of Railways)

Wagons

Wagons manufacturing got a boost post the economic reforms in early 1990s with annual production figures reaching as high as 26,000.

The following charts shows cumulative wagons over the various Fiscals:



(Source: Statistical Summary – Indian Railways - http://www.indianrailways.gov.in/railwayboard/uploads/directorate/stat_econ/IRSP_2016-17/Annual_Report_Accounts_Eng/Statistical_Summary.pdf, Indian Railways - Year Book 2018-19, Ministry of Railways and Ministry of Railways)

Sources of Funding

The capital expenditure plan from Fiscal 2016 to Fiscal 2020 as laid above is funded through various sources of financing for the Indian Railways. The primary sources of funds for the planned capital outlay of the Indian Railways are GBS, internally generated funds, public private partnerships and market borrowings leasing through IRFC and other sources (EBR-IF), railway safety fund and RRSK.

The capital expenditure of Indian Railways for 2020-21 was ₹ 161,042 crore, which was higher than the revised estimate of 2019-2020 by ₹ 4,690.03 crore. This is 2.99% higher than the revised estimate for 2019-2020. The Gross Budgetary Support (excluding Nirbhaya Fund) of ₹ 70,000 crore includes ₹ 5,000 crore towards RRSK and ₹ 18,500 crore as Indian Railway's share from the Central Road and Infrastructure Fund. The Gross Budgetary Support in 2020-2021 is 3.19% more than revised estimate for 2019-2020. (Source: Press Information Bureau, Ministry of Railways dated February 4, 2020 - <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1601878>)

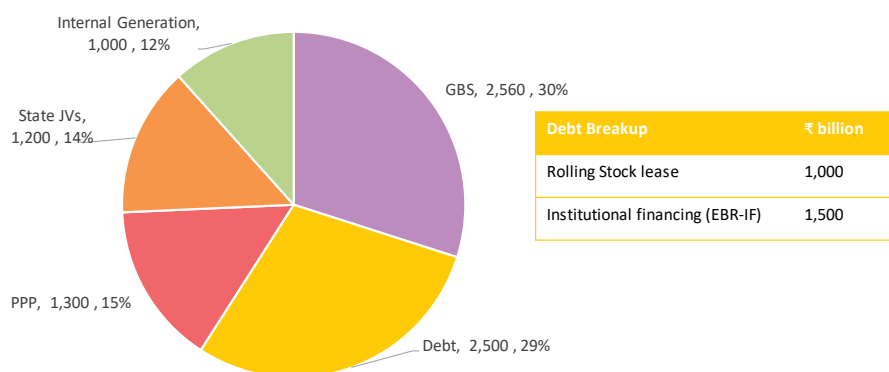
The following table provides for the details of the Indian Railways actual capital outlay and its sources of financing:

Period	Capital Outlay	Gross Budgetary Support	Internally Generated Funds	Public Private Partnership	Market Borrowings		Railway Safety Fund	RRSK
					IRFC	EBR-IF through IRFC		
(₹ billion)								
<i>Fiscal 2021*</i>	1,610	467	25	253	300	280	85	200
<i>Fiscal 2020</i>	1,481	456	17	126	334	329	69	150
<i>Fiscal 2019</i>	1,334	349	16	243	237	279	30	180
<i>Fiscal 2018</i>	1,020	270	18	221	188	146	16	161
<i>Fiscal 2017</i>	1,083	345	105	268	143	115	107	-
<i>Fiscal 2016</i>	935	350	168	151	141	99	26	-
<i>Fiscal 2015</i>	587	301	153	-	110	-	22	-
<i>Fiscal 2014</i>	540	271	97	-	152	-	20	-
<i>Fiscal 2013</i>	503	241	95	-	151	-	16	-

*Budgetary Estimates

(Source: Ministry of Railways)

The breakup of the capital expenditure plan from Fiscal 2016 to Fiscal 2020 amounting to ₹ 8,560.20 billion is as follows:



(₹ billion. Source: *Achievements and Plans of Indian Railways* - <http://www.indianrailways.gov.in/Presentation%20on%20Achievements%20&%20%20Plans%20of%20Indian%20Railways.pdf>)

Gross Budgetary Support

The central Government supports Indian Railways in the form of a gross budgetary support in order to expand its network and invest in capital expenditure. The gross budgetary support from the central Government increased from ₹ 349 billion in Fiscal 2019 to ₹ 456 billion in Fiscal 2019 and the budgetary estimate for Fiscal 2021 is ₹ 467 billion (Source: *Ministry of Railways*).

Internally Generated Funds

The Indian Railways' internal resources are primarily utilized for replacement, renewals, upgrades and modernization of existing infrastructure i.e., track renewal, signalling replacement, other electrical works and safety (road over bridge/ road under bridge). The internal resource generation is significantly dependent on the economic growth which impacts freight revenues.

Flexi fare was introduced from September 9, 2016. During the periods from September 2016 to March 2017, Fiscal 2018, and April 2018 to June 2018, the Indian Railways earned approximately ₹ 3.71 billion, ₹ 8.60 billion, and ₹ 2.62 billion, respectively, as additional earnings from trains offering flexi fare. (Source: *Revenue Generation by Railways, Ministry of Railways, Press Information Bureau dated 30 July 2018* - <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1540623>)

The Indian Railways is focussing on further enhancing the share of non-fare revenues through initiatives, such as, "Train branding" which includes internal and external advertising on trains; "Railway display network" which includes creating a new medium for advertising and information dissemination, sole advertising rights for the entire zonal railways and on-board entertainment. (Source: *"Reform, Perform and Transform" – Report by the Indian Railways, July 2017*)

Railway Safety Fund and RRSK

The railway safety fund actual capital outlay has increased from ₹ 16 billion in Fiscal 2018 to ₹ 30 billion in Fiscal 2019 and further to ₹ 69 billion in Fiscal 2020, and the budgetary estimates for Fiscal 2021 is 85 billion (Source: *Ministry of Railways*). The Union Budget 2018 introduced the RRSK fund for works relating to renewal, replacement, upgradation of critical safety assets under the capital segment of Union Budget. The fund has an amount ₹ 1,000 billion over a period of five years, with an annual outlay of ₹ 200 billion. The fund is intended to be utilized to finance track renewals, bridge works, signalling and telecommunication works, road safety works of level crossings and road over/ under bridges, rolling stock, traffic facilities, electrical works, machinery and plant, workshops, passenger amenities and training. (Source: *Railway Safety Fund, Ministry of Railways, Press Information Bureau dated July 25, 2018* - <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1540105>) In Fiscals 2018, 2019 and 2020, expenses of ₹ 161 billion, ₹ 180 billion and ₹ 150 billion, respectively, was utilised in relation to this fund and the budgetary

estimate for Fiscal 2021 is ₹ 200 billion (*Source: Ministry of Railways*).

Public Private Partnerships

The Indian Railways has laid emphasis on public private partnerships to implement initiatives such as rail connectivity for ports, station redevelopment, rail-side logistics parks and warehousing as well as satellite terminals. The Indian Railways proposed capital expenditure plan from Fiscal 2016 to Fiscal 2020 comprises ₹ 1,300 billion in public private partnerships. This proposed investment of the Indian Railways in relation to public private partnerships will primarily be engaged in station development, logistic parks and new lines on BOT. The Indian Railways has also approved two new locomotives factories in Bihar with a combined order book of ₹ 400 billion over ten years. These projects are one of the largest foreign direct investment projects of the Indian Railways in India. (*Source: Standing Committee on Railways (2017 – 2018), Sixteenth Lok Sabha, Ministry of Railways (Railway Board), Nineteenth Report, Demands for Grants (2018 – 19) - http://164.100.47.193/lssccommittee/Railways/16_Railways_19.pdf and Indian Railways - Vision & Plans – 2017 - 2019, January 2017, Indian Railways - <http://www.indianrailways.gov.in/Railways%20Presentation.pdf>) Public private partnerships contributed ₹ 126 billion in Fiscal 2020 and is estimated to contribute ₹ 253 billion in Fiscal 2021. (*Source: Ministry of Railways*)*

A joint venture company has been formed with Pipavav Port authorities to provide broad gauge connectivity to Pipavav Port. MoUs have been signed between Ministry of Railways and the State governments of Andhra Pradesh, Karnataka, Maharashtra, West Bengal, Tamil Nadu and Jharkhand in developing rail infrastructure in these States. (*Source: http://www.indianrailways.gov.in/railwayboard/view_section.jsp?lang=0&id=0,1,261*)

Market Borrowings/ Debt

Extra budgetary resource support from the central Government is proposed to be ₹ 833 billion in Fiscal 2021, which has increased from ₹ 789 billion in Fiscal 2020 (*Source: Ministry of Railways*).

In this regard, the Standing Committee on Railways directed the MoR to furnish reasons for emphasising on budgetary support and extra budgetary resource for funding the annual plan rather than increasing internal resources for capital funding and also to state the interest liability on Indian Railways for extra borrowings. The MoR, in their written replies, submitted that higher outlays have been provided through budgetary support and extra budgetary resources to meet increasing requirement for project execution and procurement of rolling stock, as internal resource generation was not adequate for plan financing, due to adverse impact of implementation of Seventh Central Pay Commission recommendations, which has been applicable since Fiscal 2017. However, a higher provision of ₹ 115 billion has been made in Fiscal 2019 under internal resources, compared to ₹ 109 billion of Fiscal 2018 (revised estimate). (*Source: Standing Committee on Railways (2018 – 2019), Sixteenth Lok Sabha, Ministry of Railways (Railway Board), Twenty Second Report, Demands for Grants (2018 – 19) - http://164.100.47.193/lssccommittee/Railways/16_Railways_22.pdf*)

In budget estimates for Fiscal 2019, outlay from extra budgetary resources was kept at ₹ 819.40 billion (₹ 285 billion from market borrowings through bonds, ₹ 264.40 billion from institutional financing and ₹ 270 billion as investment under extra budgetary resource. The higher outlays were kept in order to meet increasing requirement for project execution and procurement of rolling stock. The estimated interest liability for extra borrowings in Fiscal 2019 in respect of rolling stock and extra budgetary resource (institutional finance) will be ₹ 134.35 billion (for rolling stock over a period of 15 years and for extra budgetary resource (IF) over a period of 30 years). (*Source: Standing Committee on Railways (2017 – 2018), Sixteenth Lok Sabha, Ministry of Railways (Railway Board), Nineteenth Report, Demands for Grants (2018 – 19) - http://164.100.47.193/lssccommittee/Railways/16_Railways_19.pdf*)

The Indian Railways/ RVNL has borrowed an amount of ₹ 236.86 billion, ₹ 274.88 billion, ₹ 335.22 billion, ₹ 525.35 billion and ₹ 704.72 billion in Fiscal 2016, Fiscal 2017, Fiscal 2018, Fiscal 2019 and Fiscal 2020, respectively, from IRFC. For Fiscal 2021, the MoR, through its letter dated April 10, 2020, indicated its intention to borrow ₹ 580.00 billion from IRFC. As of March 31, 2020, the cumulative funding by IRFC to the MoR amounted to ₹ 3,390.00 billion.

The MoR signed a memorandum of understanding with Life Insurance Corporation of India (“LIC”), a public sector undertaking of the GoI, for funding assistance of ₹ 1.5 trillion for financing railway projects over a period of five years (*Source: “Reform, Perform and Transform” – Report by the Indian Railways, July 2017*). As LIC funding will be of 30 years tenor, it matches the Indian Railways’ requirement of long term funds for investment

in projects. LIC funds will carry low interest rates and are linked with the government security with a small margin over it and with the lowering of interest rates, the cost of funds is expected to come down further over a period of time. These funds are flowing to the Indian Railways through IRFC. In Fiscal 2020, LIC provided funding assistance of ₹ 43.00 billion to IRFC. As of March 31, 2020, IRFC had raised ₹ 205.00 billion from LIC for providing funding assistance to the Indian Railways for its projects.

Foreign Direct Investment

The Government of India has permitted 100% Foreign Direct Investment (“**FDI**”) on automatic route in the following activities/areas of railway infrastructure:

- (i) Suburban corridor projects through Public Private Partnership;
- (ii) High speed train projects;
- (iii) Dedicated freight lines;
- (iv) Rolling stock including train sets, and locomotives or coaches manufacturing and maintenance facilities;
- (v) Railway Electrification;
- (vi) Signalling systems;
- (vii) Freight terminals;
- (viii) Passenger terminals;
- (ix) Infrastructure in industrial park pertaining to railway lines or sidings including electrified railway lines and connectivities to main railway line; and
- (x) Mass Rapid Transport Systems.

(Source: Non-fare Revenue and FDI in Indian Railways, Press Information Bureau of India, Ministry of Railways dated November 27, 2019)

OUR MANAGEMENT

Post the filing of the Draft Red Herring Prospectus some of the Directors of the Company, namely, Manjula Rangarajan, Kishor Jinabhai Devani, Kumar Vinay Pratap, Aditi Sengupta Ray and Niraj Kumar Chhabra, whose terms have expired, are no longer on the Board and three new directors have been appointed namely Shelly Verma, Anand Prakash and Baldeo Purushartha. Further the managing director of our Company, Amitabh Banerjee has been re-designated as the Chairman and Managing Director of our Company.

The brief profiles of our new Directors, are as below:

Shelly Verma is the Director (Finance) and Chief Financial Officer of our Company, with effect from September 1, 2020. She holds a bachelor's degree in commerce from the University of Delhi and is also a fellow member of the Institute of Chartered Accountants of India. She has more than 30 years of experience in power sector financing. Prior to her appointment to the Board, she has served in various capacities, including, most recently, as an executive director with Power Finance Corporation Limited.

Anand Prakash is a Part-time Government Director of our Company, with effect from July 22, 2020. He is an officer of the Indian Railway Accounts Service. He holds the charge of executive director finance (budget) at the Railway Board since 2016. He holds a master's degree in physics from Allahabad University and a master's degree of philosophy in social sciences from Punjab University. He has more than 30 years of experience in the railways accounts services, in multiple capacities, including at the Railway Board (New Delhi), Ministry of Road Transport & Highways and Northern Railway.

Baldeo Purushartha is a Part-time Government Director of our Company, with effect from June 3, 2020. He is an IAS officer and a Joint Secretary at the Department of Economic Affairs, Ministry of Finance, GoI. He holds a bachelor's degree and a master's degree in history, from the University of Delhi. He is on the board of several institutions, including the India Infrastructure Finance Company Limited, ONGC Videsh Limited, Indian Railway Stations Development Corporation Limited and Asian Infrastructure Investment Bank. In the past, he has discharged several governmental roles, including Secretary to the Government of Punjab, Municipal Commissioner, Chandigarh Municipal Corporation, Secretary, Lokpal, Punjab, Chandigarh and Divisional Commissioner, Jalandhar. He has also been the recipient of several awards and accolades, national and international.

DIVIDEND POLICY

The details of dividend paid by our Company during the last three financial years is presented below:

Particulars	Fiscal 2020#	Fiscal 2019	Fiscal 2018**
Face value of Equity Shares (in ₹ per Equity Share)	10	10	10
Total Dividend (in ₹ million)*	2,000.00	3,750.00	2,335.24
Total Dividend per Equity Share (₹)	0.21	0.48	0.36
Total Dividend Rate (%)	2.13	4.81	3.57
Dividend Tax (%)	20.56	20.56	20.36

**Dividend paid during the relevant Fiscal, which is inclusive of interim dividend for that particular fiscal and final dividend for previous year.*
***The face value of Equity shares was sub-divided from ₹ 1,000 to ₹ 10 in the Annual General Meeting held on September 12, 2017. However, for the purpose of this table, to ensure comparability, all the numbers, amounts and other information have been determined by assuming that the sub-division of the face value of equity shares from ₹ 1,000 to ₹ 10 occurred on March 31, 2017.*
#Further, for Fiscal 2020, an amount of ₹ 5,000.00 million has been declared as the final dividend, in the AGM held on September 30, 2020.

SELECTED STATISTICAL INFORMATION

The following financial, statistical and operational information is included for analytical purposes and should be read in conjunction with the Financial Statements beginning on page 38 of this Addendum as well as the section “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 250 of the DRHP.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. However, note that these non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other financial services companies.

Return and Leverage Metrics

The following table sets forth, for the years indicated, selected financial information relating to the return on equity, return on assets and leverage metrics for our Company:

Particulars	As of/ for the year ended March 31,		
	2018	2019	2020
	(₹ million, except percentages and per share data)		
Net Profit ⁽¹⁾	20,490.86	22,546.61	36,924.24
Average Total Assets ⁽²⁾	1,451,093.97	1,840,360.10	2,412,688.90
Average Net Worth ⁽³⁾	1,62,659.28	227,002.81	279,955.44
Average Liabilities	1,288,434.69	1,613,357.29	2,132,733.46
Total Debt ⁽⁴⁾	1,340,055.28	1,739,326.75	2,343,767.21
Average Debt ⁽⁵⁾	1,197,974.07	1,539,691.01	2,041,546.98
Return on Average Total Assets (%) ⁽⁶⁾	1.41%	1.23%	1.53%
Return on Average Net Worth (%) ⁽⁷⁾	12.60%	9.93%	13.19%
Average Debt / Average Net Worth	7.36	6.78	7.29
Net Gearing Ratio ⁽⁸⁾	6.58	6.95	7.57
Average Net Worth as a percentage of Average Total Assets	11.21%	12.33%	11.60%
Earnings per Share ⁽⁹⁾ (in ₹)	3.14	3.43	3.93
Book Value per Share ⁽¹⁰⁾ (in ₹)	31.21	38.08	32.96

Notes:

1. Net Profit represents profit after tax for the relevant year.
2. Average Total Assets represents the average of our Company’s total assets as of the last day of the relevant year and our Company’s total assets as of the last day of the immediately preceding year.
3. Average Net Worth represents the average of our Company’s net worth (aggregate value of the Equity Share Capital and Other Equity) as of the last day of the relevant year and our Company’s net worth as of the last day of the immediately preceding year.
4. Total Debt represents the aggregate of all our Company’s borrowings as of the last day of the relevant year.
5. Average Debt represents the average of our Company’s total debt as of the last day of the relevant year and our Company’s total debt as of the last day of the immediately preceding year.
6. Return on Average Total Assets is calculated as the Net Profit for the relevant year as a percentage of Average Total Assets in such year.
7. Return on Average Net Worth is calculated as the Net Profit for the relevant year as a percentage of Average Net Worth in such year.
8. Net Gearing Ratio represents Total Debt, less cash and cash equivalents at the end of the relevant year, divided by the Net Worth at the end of the relevant year.
9. Earnings per Share has been provided on a diluted basis.
10. Book Value per Share represents the net worth for the relevant year divided by number of equity shares outstanding as at the end of the year.

Selected Financial Information and Ratios

The following table sets forth, for the years/periods indicated, certain selected financial information and ratios for our Company:

Particulars	As of / for the year ended March 31,		
	2018	2019	2020
	₹ million, except percentages		
AUM ⁽¹⁾	1,545,346.66	2,009,373.33	2,661,369.90
AUM Growth (%)	24.73%	30.03%	32.45%
Average AUM ⁽²⁾	1,392,163.37	1,777,360.00	2,335,371.62
Disbursements ⁽³⁾	367,222.50	525,351.85	713,920.69
Disbursement Growth (%)	33.59%	43.06%	35.89%
Adjusted Interest Income ⁽⁴⁾	107,893.00	138,433.89	184,810.04
Adjusted Finance Costs ⁽⁵⁾	81,749.51	109,155.63	147,561.45
Net Interest Income ⁽⁶⁾	26,143.49	29,278.26	37,248.59
Adjusted Total Income ⁽⁷⁾	26,299.34	29,505.34	37,586.83
Operating Expense ⁽⁸⁾	383.17	214.06	641.91
Credit Cost ⁽⁹⁾	-	275.44	21.41
Cost of Borrowings ⁽¹⁰⁾	6.82%	7.09%	7.23%
Net Interest Margin ⁽¹¹⁾	1.88%	1.65%	1.59%
Cost to Income Ratio ⁽¹²⁾	1.46%	0.73%	1.71%
Operating Expense/ Average AUM (%)	0.03%	0.01%	0.03%
Gross NPA/ Net NPA	-	-	-

Notes:

1. Assets Under Management ("AUM") represents sum of total lease receivables, loans to Other PSU Entities and advances against leasing of Project Assets.
2. Average AUM represents the average of AUM as of the last day of the relevant period and AUM as of the last day of the immediately preceding year.
3. Disbursements represent the aggregate funding for acquisition and leasing of Rolling Stock Assets, loans to Other PSU Entities, and advances against leasing of Project Assets in the relevant year.
4. Adjusted Interest Income represents lease income, interest income from loans, interest income and capitalized finance cost on advances for funding Project Assets pending commencement of lease in the relevant year.
5. Adjusted Finance Costs represents the sum of interest on debt securities, interest on borrowings, discount on commercial paper, interest on delayed payments to the MoR, interest to income tax authorities, and other borrowing costs including bond issue expenses and expenses on loans and bond/loan syndication servicing expenses in the relevant year without reducing the capitalized finance cost on advances for funding Project Assets pending commencement of lease in the relevant year.
6. Net Interest Income represents Adjusted Interest Income reduced by Adjusted Finance Costs in the relevant year.
7. Adjusted Total Income represents sum of Net Interest Income and other operating revenues (including interest income from deposits, investments, interest income on application money and dividend income).
8. Operating Expense represents employee benefit expense, depreciation and amortization expenses and other expenses in the relevant year.
9. Credit Cost represents NPA provisions, contingency provisions against standard assets, and write-offs in the relevant year.
10. Cost of Borrowings represents the ratio of Adjusted Finance Costs to the Average Debt in the relevant year.
11. Net Interest Margin represents the ratio of the Net Interest Income to the Average AUM in the relevant year.
12. Cost to Income Ratio represents the ratio of Operating Expense to Adjusted Total Income

Funding Sources

The following table sets forth certain information relating to our funding sources for the periods indicated:

Particulars	As of March 31,					
	2018		2019		2020	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
	₹ million	(%)	₹ million	(%)	₹ million	(%)
Long Term Borrowings						
Secured Long Term Borrowings						

Particulars	As of March 31,					
	2018		2019		2020	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)
Bonds from Indian Capital Market	873,886.91	67.72%	974,548.03	57.83%	1,157,599.36	50.72%
Rupee Term Loans from Banks	42,000.00	3.26%	277,905.00	16.49%	496,250.00	21.74%
Foreign Currency Term Loans	784.36	0.06%	625.44	0.04%	454.58	0.02%
Others - National small saving fund	100,000.00	7.75%	175,000.00	10.38%	175,000.00	7.67%
Unsecured Long Term Borrowings						
Bonds from International Capital Market	62,579.67	4.85%	69,571.19	4.13%	151,671.11	6.64%
Bonds from Indian Capital Market	162,000.00	12.55%	162,000.00	9.61%	205,000.00	8.98%
Foreign Currency Term Loans	49,136.46	3.81%	25,618.35	1.52%	96,539.07	4.23%
Total (a)	1,290,387.40	100.00%	1,685,268.01	100.00%	2,282,514.12	100.00%
Short Term Borrowings						
Secured Short Term Borrowings						
Loan against Term Deposits	-	-	-	-	-	-
Working Capital Demand Loan	-	-	-	-	-	-
Unsecured Short Term Borrowings						
Rupee Term Loan from Banks	39,692.00	79.91%	24,198.97	44.76%	22,619	36.93%
Commercial Paper	9,975.88	20.09%	29,859.77	55.24%	38,634.09	63.07%
Total (b)	49,667.88	100.00%	54,058.74	100.00%	61,253.09	100.00%
Grand Total (a) + (b)	1,340,055.28		1,739,326.75		2,343,767.21	

Interest Coverage Ratios

The following table sets forth interest coverage ratios for our Company for the periods indicated:

Interest Coverage Ratios	Fiscal		
	2018	2019	2020
	(₹ million, except ratios)		
(i) Profit before tax	25,924.91	29,015.85	36,924.24
(ii) Non-Cash Expenses ⁽¹⁾	3.54	279.62	25.99
(iii) Adjusted Finance Costs ⁽²⁾	81,749.51	109,155.63	147,561.45
(iv) Total [(i)+(ii)+(iii)]	107,677.96	138,451.10	184,511.68
(v) Interest Coverage Ratio [(iv)/(iii)]	1.32	1.27	1.25

Notes:

- (1) Non-cash expenses includes depreciation and amortization, and provision for impairment of loss as of the end of the relevant year.
- (2) Adjusted Finance Costs represents the sum of interest on debt securities, interest on borrowings, discount on commercial paper, interest on delayed payments to the MoR, interest to income tax authorities, and other borrowing costs including bond issue expenses and expenses on loans and bond/loan syndication servicing expenses in the relevant year without reducing the capitalized finance cost on advances for funding Project Assets pending commencement of lease in the relevant year.

Capital Adequacy

Our Company is subject to the capital adequacy ratio (“CAR”) requirements prescribed by the RBI. Our Company is currently required to maintain a minimum CAR of 15.00%, based on our total capital to risk-weighted assets. As a part of our governance policy, our Company ordinarily maintain capital adequacy higher than the statutorily prescribed CAR. As of March 31, 2020, March 31, 2019 and March 31, 2018, our CAR was 404.04%, 349.41% and 321.33%, respectively. For further information, see “Key Regulations and Policies” on page 120 of the DRHP.

The following table sets out our capital adequacy ratios as of the dates indicated based on the audited financial statements for the respective years/periods:

Particulars	As of March 31,		
	2018	2019	2020
	(₹ million, except percentages)		
Tier I Capital	203,713.11	250,281.85	309,620.17
Tier II Capital	-	-	-
Total Capital	203,713.11	250,281.85	309,620.17

Particulars	As of March 31,		
	2018	2019	2020
	(₹ million, except percentages)		
Total Risk Weighted Assets	63,396.43	71,629.96	76,631.71
Capital Adequacy Ratio			
Tier I Capital (as a Percentage of Total Risk Weighted Assets (%))	321.33%	349.41%	404.04%
Tier II Capital (as a Percentage of Total Risk Weighted Assets (%))	-	-	-
Total Capital (as a Percentage of Total Risk Weighted Assets (%))	321.33%	349.41%	404.04%

Classification of Assets:

Loans are classified as required by Master Direction – Non-Banking Financial Company – Systemically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016, as amended. As of March 31, 2020, we do not have any non-performing assets. Earlier, NBFCs which were government companies in terms of the Companies Act, 2013, were exempt from the prudential norms as prescribed by the Reserve Bank of India for NBFCs. This exemption has since been withdrawn with effect from May 31, 2018. However, the Reserve Bank of India has granted exemption to our Company from asset classification, provisioning and exposure norms to the extent of its exposure to the MoR. Further, we have been granted exemption by the RBI from credit concentration norms to the extent of 100% of our owned funds for our exposure to Railway entities in which the ownership of the State/Central Government is minimum 51%. Accordingly, our Company has been adhering to the prudential norms prescribed by the Reserve Bank of India for NBFC-ND-SI except its exposure to sovereign, i.e. MoR. Further, we have decided to follow the asset classification as provided by the RBI for loans / leases / advances to entities other than Indian Railways. For further information, see “*Significant Factors Affecting our Results of Operations – Government Policy and Regulation*” and “*Key Regulations and Policies*” on pages 255 and 120 of the DRHP, respectively. Also, see “*Financial Statements – Annexure VI – Note 42*” on page 113 of this Addendum.

Provisioning and Write-offs

Our Company also follows the provisioning norms as mandated by the RBI for loans/ leases/ advances to entities other than Indian Railways. Our Company makes provision on loans as per the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, as amended. Our Company has made standard assets provisioning at the rate of 0.40% for loans by it to RVNL and IRCON Limited as prescribed by RBI. For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations - Significant Factors Affecting our Results of Operations – Government Policy and Regulation*” and “*Key Regulations and Policies*” on pages 255 and 120 of the DRHP, respectively. Also, see “*Financial Statements – Annexure VI – Note 42*” on page 114 of this Addendum.

The following table sets forth certain information relating to the classification of assets:

Asset Classification	As of March 31,		
	2018	2019	2020
	(₹ million)		
Loans Outstanding (gross)			
Standard Assets	1,545,346.66	2,009,373.33	2,661,369.90
Sub-Standard Assets	-	-	-
Doubtful Assets	-	-	-
Total Loans Outstanding (gross)	1,545,346.66	2,009,373.33	2,661,369.90
Provisions			
Standard Assets	-	236.77	257.97
Sub-Standard Assets	-	-	-
Doubtful Assets	-	-	-
Total Provisions	-	236.77	257.97
Loans Outstanding (net)			
Standard Assets	1,545,346.66	2,009,136.56	2,661,111.93
Sub-Standard Assets	-	-	-
Doubtful Assets	-	-	-
Total Loans Outstanding (net)	1,545,346.66	2,009,136.56	2,661,111.93

Asset Liability Management

The following table sets forth the maturity pattern of certain items of assets and liabilities as of March 31, 2020:

	1 day to 30/31 (1 month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Grand Total
(₹ million)									
Liabilities									
Borrowings from banks	53,596.70	-	-	8,000.00	15,000.00	69,658.26	98,591.24	297,248.20	542,094.40
Borrowings from National Small Savings Fund	-	-	-	-	-	-	-	175,000.00	175,000.00
Syndicated Foreign Currency Loan from Offshore Market	-	-	-	-	-	-	-	78,985.57	78,985.57
Market borrowings	39,234.09	23,750.00	8,430.00	2,000.00	39,233.98	196,603.88	165,214.14	1,079,599.30	1,554,065.39
Capital and Reserves & Surplus	-	-	-	-	-	-	-	309,624.34	309,624.34
Other Outflows	28,276.54	-	448.95	1,466.72	21,838.32	-	-	47,541.46	99,571.99
Total Outflows (A)	121,107.33	23,750.00	8,878.95	11,466.72	76,072.30	266,262.14	263,805.38	1,987,998.87	2,759,341.69
Cumulative Total Outflows (B)	121,107.33	144,857.33	153,736.28	165,203.00	241,275.30	507,537.43	771,342.81	2,759,341.69	-
Assets									
Advances (net of provisions for non-performing assets))	64521.98	-	-	-	56814.21	257100.86	264882.95	2018049.90	2,661,369.90
Investments (net of provision for diminution for value of investments)	5.16	-	-	-	4.93	12.14	-	92.98	115.21
Cash, Cash Equivalents and other Bank Balances	1,007.63	-	-	-	-	-	-	-	1,007.63
Other Inflows	4531.14	0.12	0.12	0.35	63.12	21964.5	4667.41	65,622.19	96,848.95
Total Inflows (C)	70,065.91	0.12	0.12	0.35	56,882.26	279,077.50	269,550.36	2,083,765.07	2,759,341.69
Cumulative Total Inflows (D)	70,065.91	70,066.03	70,066.15	70,066.50	126,948.76	406,026.26	675,576.62	2,759,341.69	-
Mismatch [(E) = (C) – (A)]	(51,041.42)	(23,749.88)	(8,878.83)	(11,466.37)	(19,190.04)	12,815.36	5,744.98	95,766.20	-
Cumulative Mismatch [(F) = (B) – (D)]	51,041.42	74,791.31	83,670.13	95,136.50	114,326.54	101,511.18	95,766.20	-	-
Cumulative Mismatch as a % [(F) / (B)]	42.15%	51.63%	54.42%	57.59%	47.38%	20.00%	12.42%	-	-

FINANCIAL STATEMENTS

The restated financial statements of our Company as at and for the financial years ended March 31, 2020, 2019 and 2018 comprises of the restated statement of assets and liabilities, the restated statement of profit and loss (including other comprehensive income) and the restated cash flow statement and the restated statement of changes in equity for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 and notes therein, prepared in accordance with Ind AS and the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, together with the schedules, notes and annexures thereto.

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

To,
The Board of Directors,
Indian Railways Finance Corporation Limited
UG Floor, East Tower, NBCC Place,
Bhisham Pitamah Marg, Lodhi Road,
New Delhi-110003

Dear Sirs,

1. We have examined the attached Restated Financial Information of Indian Railways Finance Corporation Limited (the "Company") comprising the Restated Statement of Assets and Liabilities as at March 31, 2020, 2019 and 2018 the Restated Statements of Profit and Loss (including other comprehensive income), the Restated Statement of Changes in Equity, the Restated Cash Flow Statement for the years ended March 31, 2020, 2019 and 2018, the Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on September 29, 2020 for the purpose of inclusion in the Red Herring Prospectus (the "RHP") prepared by the Company in connection with its proposed initial public offering of equity shares ("IPO") prepared in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

Managements' Responsibility for the Restated Standalone Summary Statements

2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the RHP to be filed with Securities and Exchange Board of India, and BSE Limited and National Stock Exchange of India (collectively, the "Stock Exchanges") in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in para 4 below. The Board of Directors of the Company responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.



Auditor's Responsibility

3. We have examined such Restated Financial Information taking into consideration:
 - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated September 23, 2020 in connection with the proposed IPO of equity shares of the Company;
 - b) The Guidance Note, that also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
 - d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Financial Information have been compiled by the management from:
 - a) Audited Ind AS financial statements of the company as at and for the year ended March 31, 2020 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on August 28, 2020.
 - b) Audited Ind AS financial statements of the company as at and for the year ended March 31, 2019, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on September 5, 2019. The comparative information for the year ended March 31, 2018 included in such financial statements have been prepared by making Ind AS adjustments to the audited financial statements of the Company as at and for the year ended March 31, 2018, prepared in accordance with the accounting standards notified under the section 133 of the Companies Act ("Indian GAAP") which was approved by the Board of directors at their meeting held on September 10, 2018.

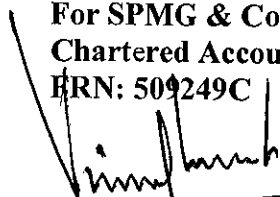
5. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information:
 - a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2020, 2019 and 2018;
 - b) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

6. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 4 above.



7. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
9. Our report is intended solely for use of the Board of Directors for the purpose set forth in the first paragraph of this report including for inclusion in the RHP to be filed with SEBI and the Stock Exchanges in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.
10. The Key Audit Matters/Other Matter/Emphasis of Matter in the auditor's report as included in Annexure A to this report are to be read with significant accounting policies and significant notes to accounts. These do not entail any adjustments in the Restated Financial Information.

Yours faithfully,
For SPMG & Co.
Chartered Accountants
ERN: 509249C



CA Vinod Gupta
(Partner)

Membership No: 090687

UDIN: 20090687AAAAGA6489



Place: Delhi

Date: September 29, 2020

Annexure A

Detail of Key Audit Matters, Emphasis of Matters, Other Matters and observations paragraph disclosed in the Independent Audit Reports for the year ended March 31, 2020, 2019 and 2018.

Para 1. Emphasis of Matters reported in the Audit Report

a). For the financial year ended March 31, 2020

We draw attention to the Comptroller & Audit General (C&AG) of India Auditor's observations regarding the presentation/classification of the "Advance given against railway infrastructure assets to be Leased" out to the railways and advance funding against National projects into "Non financial Assets-Capital Advances" instead of "Other Financial Assets" as treated by the company. The total amount under observation is Rs. 6,99,916.58 Millions as at March 31, 2019. As agreed with C & AG, the company has referred the matter to the Expert Advisory Committee of the Institute of Chartered Accountants of India for an expert opinion. The reply from ICAI is awaited.

As informed to us by the management of the company, the company is still waiting for the Expert opinion from The Institute of Chartered Accountants of India, the same accounting treatment has been followed while preparing the financials as on March 31, 2020. The total amount under the head "Other Financial Assets" is Rs. 11,11,080.22 Millions as on March 31, 2020. Our opinion is not modified in respect of this matter.

Para 2. Observations reported in report on 'Other Legal and Regulatory Requirements':-

a). For the financial year ended March 31, 2020

1. The Fixed Assets Records does not include the particulars of Fixed Assets leased to Ministry of Railways. The same are shown as lease receivables in the books of accounts.
2. The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified except leased assets.
3. Office Building including parking area has been capitalized from the date of taking possession. However, the sale/transfer deed of office building is yet to be executed in favour of the Company.
4. The Company has given an amount to Ministry of Railways under leased arrangement for financing the Railway Infrastructure Projects & National Project. However, agreement for the same is yet to be executed and list of the projects financed is yet to be received from Ministry of Railways.
5. The detail of disputed statutory dues is as disclosed in financial statement for the period ended March 31, 2020.

b). For the financial year ended March 31, 2019

1. The Fixed Assets Records does not include the particulars of Fixed Assets leased to Ministry of Railways. The same are shown as lease receivables in the books of accounts.



2. The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified except leased assets. Leased assets have been certified by the Lessee (Ministry of Railways) as to their physical existence and good working condition.
3. Office Building including parking area has been capitalized from the date of taking possession. However, the sale/transfer deed of office building is yet to be executed in favour of the Company.
4. The Company has given an amount to Ministry of Railways under leased arrangement for financing the Railway Infrastructure Projects & National Project. However, agreement for the same is yet to be executed and list of the projects financed is yet to be received from Ministry of Railways.
5. The detail of disputed statutory dues is as disclosed in financial statement for the period ended March 31, 2019.

d). For the financial year ended March 31, 2018

1. The Fixed Assets Records does not include the particulars of Fixed Assets leased to Ministry of Railways. The same are shown as lease receivables in the books of accounts.
2. The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified except leased assets. Leased assets have been certified by the Lessee (Ministry of Railways) as to their physical existence and good working condition.
3. Office Building including parking area has been capitalized from the date of taking possession. However, the sale/transfer deed of office building is yet to be executed in favour of the Company.
4. The Company has given an amount to Ministry of Railways under leased arrangement for financing the Railway Infrastructure Projects. However, agreement for the same is yet to be executed and list of the projects financed is yet to be received from Ministry of Railways.
5. The detail of disputed statutory dues is as disclosed in financial statement for the period ended March 31, 2018.

Para 3. Key Audit Matters reported in the Audit Report

a). For the financial year ended March 31, 2020

S.No.	Key Audit Matters	Auditor's Response
1.	<p>The government has introduced new section 115BAA by the Taxation Law (Amendment) Ordinance, 2019 w.e.f F.Y 2019-20, which provides an option to opt for a income tax rate of 22%, Surcharge 10% & Health and Education Cess at 4% by any domestic company.</p> <p>By opting this total effective tax rate will be at 25.168% (under normal provision of income tax) as against earlier effective tax</p>	<ul style="list-style-type: none"> • After adoption of irrevocable option of section 115BAA of Income Tax Act, 1961, the taxable income under the normal provision income tax may become NIL. Further after adoption of section 115BAA, the company will be outside the scope and applicability of MAT Provision under section 115JB of Income Tax Act, 1961. Hence, no tax liability may be there w.e.f F.Y 2019-20 on the company. • However, the accumulated MAT Credit of Rs.



	<p>rate of 34.944% (under normal provision of income tax).</p> <p>However, the earlier effective tax rate under MAT was 21.549% which was applicable on the company.</p>	<p>36,836.86 Millions as on 31.03.2019 by adoption of section 115BAA is not going to be claimable by the company against their future tax liability under normal provisions of Income Tax Act, 1961. As per the past records, the company was not able to adjust/claim MAT Credit against the normal tax liability and the same has not been provided in the books of accounts accordingly.</p> <ul style="list-style-type: none"> • In view of above, the company is not likely to loose any amount against the accumulated MAT credit of Rs. 36,836.86 Millions. • Hence no tax provision has been created for the year ended March 31, 2020.
2.	<p>The Ministry of Corporate Affairs has notified the Companies (Share Capital and Debentures) Amendments Rules, 2019 on 16th August, 2019 which exempts NBFC listed companies registered with Reserve Bank of India under section 45-IA of the RBI Act, 1934 from creation of Debenture Redemption Reserve. However the Company is required to invest or deposit a sum of not less than fifteen percent of the amount of debentures maturing during the year ending on the 31st day of March of the next year as prescribed under these rules</p>	<p>The Bond Redemption Reserve as on 31.03.2019 amounting to Rs. 57,145.59 Millions has been transferred to General Reserve.</p>
3.	<p>The Ministry of Corporate Affairs, Government of India vide its letter no. 17/16/2017-CL-V dated 20th March 2020, has granted reversal of its accumulated deferred tax balance and consider the same as a part of net worth of the company.</p>	<ul style="list-style-type: none"> • The Ministry of Corporate Affairs, Government of India advised the company to apply paragraph 11 of Ind AS 01, First Time adoption of Ind AS read with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors. Accordingly, the Company has during the current financial year reversed the deferred tax liability of Rs. 64,431.40 million by crediting the retained earnings as at 1st April 2017 being the date of transition to Ind AS treating this as a change in accounting policy that results in the financial statements providing reliable and more relevant information about the effects of the transactions, other events or conditions on the entity's financial position, financial performance or cash flows



		<ul style="list-style-type: none"> This being retrospective application, therefore in accordance with paragraph 40A of Ind AS 1, Presentation of Financial Statements, the Company has presented a third balance sheet at the beginning of the preceding period.
4	<p><u>IT systems and controls</u> Financial accounting and reporting processes, especially in the financial services sector, are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, hence we identified IT systems and controls over financial reporting as a key audit matter for the Company. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting.</p>	<ul style="list-style-type: none"> We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls. We tested IT general controls. This included testing requests for access to systems were reviewed and authorized. We tested the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization. In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting. The accounting software used by the company is not Ind AS complied as on date. However, the management is working upon the same to make it Ind AS complied.
5	<p><u>Adoption of Ind AS 116 Leases</u> As described in Note 2.14 to the standalone financial statements, the Company has adopted Ind AS 116 Leases effective from accounting periods beginning from 1st April 2019. The application and the company has applied the transition provisions as mentioned in Ind AS 116.</p>	<p>Our Audit Procedure on adoption of Ind AS 116 include:-</p> <ul style="list-style-type: none"> Assessed and tested new process and controls in respect of lease accounting standard (Ind AS 116): Assessed the Company's evaluation on the identification of leases based on the contractual agreement and our knowledge of the business. The revenue has been recognized in conformity with the provision of Ind AS 116 with respect to the finance lease to the extent



	it is applicable to the company.
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b). For the financial year ended March 31, 2019

S.No.	Key Audit Matters	Auditor's Response
1.	<p>The Company has adopted Ind AS from 1 April 2018 with an effective date of 1 April 2017 for such transition. For periods up to and including the year ended 31 March 2018, the Company had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). To give effect of the transition to Ind-AS, these financial statements for the year ended 31 March 2019, together with the comparative financial information for the previous year ended 31 March 2018 and the transition date Balance Sheet as at 1 April 2017 have been prepared under Ind AS.</p> <p>The transition has involved significant change in the Company's policies and processes for financial reporting, including generation of supportable information and applying estimates to inter alia determine impact of Ind AS on accounting and disclosure requirements prescribed under extant Reserve Bank of India (RBI) directions.</p> <p>In view of the complexity involved, Ind AS transition and the preparation of financial statements subsequent to the transition date have been areas of key focus in our audit.</p>	<ul style="list-style-type: none"> • Read the Ind-AS impact assessment performed by the Management and the resultant changes made to the accounting policies considering the requirements of the new framework. • Evaluated the exemptions and exceptions allowed by Ind-AS and applied by the Management in applying the first-time adoption principles of Ind-AS 101 in respect of fair valuation of assets and liabilities existing as at transition date. • Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS. • Tested the disclosures prescribed under Ind AS. • Reliance has been placed on the external expert appointed by the Company to look into the Ind-AS Compliance.
2.	<p>As per the Master direction issued by Reserve Bank of India circular no. RBI/2017-18/181_DNBR (PD) CC. No. 092/03.10.001/2017-18 dated 31st May, 2018 read with letter no. DNRB (PD). CO.No.1271/03.10.001/2018-19 dated 21st December 2018, the Company has to follow the Income recognition, asset classification and provisioning norms on the loans/ advances to non sovereign bodies, which was earlier exempted vide notification DNBR.PD.008/03.10.119/2016-17 dated 1st September 2016 for all government owned NBFC's.</p>	<ul style="list-style-type: none"> • As stated in Note 27 of the financial statements, the Company has made a provision of 0.40% amounting to Rs. 275.44 Million as at 31st March, 2019.
3.	<p>As per the Master direction issued by Reserve</p>	<p>As stated in Note 22.4 of the financial</p>



	Bank of India circular no. RBI/2017-18/181_DNBR (PD) CC. No. 092/03.10.001/2017-18 dated 31 st May, 2018 read with letter no. DNRB (PD). CO.No.1271/03.10.001/2018-19 dated 21 st December 2018, for all government owned NBFC's required to transfer 20% of the net profit after tax.	statements the Company has transferred 20% of the net profit after tax amounting to Rs. 4,509.49 Million in reserve fund as per Section 45-IC of RBI Act, 1934 as at 31 st March, 2019.
4	<p>Company enters into derivative contracts in accordance with RBI guidelines to manage its currency and interest rate risk. The Company has applied Hedge Accounting and accounted for the derivatives either as fair value hedges or cash flow hedges.</p> <p>We consider the valuation of the derivative financial instruments and hedge accounting as a key audit matter due to material exposure and the fact that the inappropriate application of these requirements could lead to a material effect on the financial statement.</p>	<p>Company obtains fair value of derivative contracts from the counter party banks. Our procedure include review of the fair value obtained using observable market inputs like prevailing exchange rate, interest rate curves and other volatility index subsequent thereto.</p> <p>We did not find any material misstatement in measuring derivative contracts at fair value obtained from counter party banks while considering other inputs.</p>

Yours faithfully,
For SPMG & Co.
Chartered Accountants
FRN: 509249C

CA Vinod Gupta
(Partner)
Membership No: 090687

UDIN: 20090687AAAAGA6489



Place: Delhi
Date: September 29, 2020

Indian Railway Finance Corporation Limited

CIN U65910DL1986GOI026363

Annexure I: Restated statement of assets and liabilities

(All amounts in millions of INR, unless stated otherwise)

Particulars	Notes (Annexure VI)	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
ASSETS				
Financial assets				
Cash and cash equivalents	3	13.80	37.07	11.28
Bank balance other than above	4	993.83	773.59	986.92
Derivative financial instruments	5	-	466.90	968.47
Receivables	6			
- Lease receivables		14,85,798.00	12,50,265.12	10,94,716.56
Loans	7	64,233.71	58,954.87	52,379.55
Investments	8	115.12	131.45	139.78
Other financial assets	9	11,87,487.29	7,40,307.26	4,51,076.00
Total financial assets		27,38,641.75	20,50,936.26	16,00,278.56
Non-financial assets				
Current tax assets (net)	10	5,864.06	-	259.27
Property, plant and equipment	11	110.04	112.25	112.69
Other Intangible assets	12	0.43	0.50	0.27
Other non-financial assets	13	14,725.41	14,987.09	14,033.30
Total non-financial assets		20,699.94	15,099.84	14,405.53
Total Assets		27,59,341.69	20,66,036.10	16,14,684.09
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Derivative financial instruments	5	4,065.15	3,105.95	7,495.79
Payables	14			
- Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
- Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		0.50	0.08	2.40
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		377.08	121.71	84.75
Debt securities	15	15,52,904.56	12,35,978.99	11,08,442.46
Borrowings (other than debt securities)	16	7,90,862.65	5,03,347.76	2,31,612.82
Other financial liabilities	17	1,01,047.19	72,999.28	56,625.68
Total financial liabilities		24,49,257.13	18,15,553.77	14,04,263.90
Non-financial liabilities				
Current tax liabilities (net)	10	-	29.69	-
Provisions	18	138.03	117.96	108.37
Deferred tax liabilities (net)	19	-	-	-
Other non-financial liabilities	20	322.19	48.15	6,592.73
Total non-financial liabilities		460.22	195.80	6,701.10
Total liabilities		24,49,717.35	18,15,749.57	14,10,965.00
EQUITY				
Equity share capital	21	1,18,804.60	93,804.60	65,264.60
Other equity	22	1,90,819.74	1,56,481.93	1,38,454.49
Total equity		3,09,624.34	2,50,286.53	2,03,719.09
Total Liabilities and Equity		27,59,341.69	20,66,036.10	16,14,684.09

This is the restated statement of assets and liabilities referred to in our report of even date.

The accompanying annexures V to annexure XI form an integral part of this Statement.

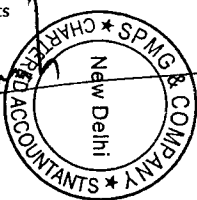
For SPMG & CO
Chartered Accountants
(FRN 509249C)

(Vinod Gupta)
(Partner)

M.No. 090687

Place: New Delhi

Date: 29th September 2020



For and on behalf of the Board of Directors
Indian Railway Finance Corporation Limited

(Vijay Babula Shirode)
Company Secretary &
JGM (Law)
FCS: 6876

(Shelly Verma)
Director Finance

DIN: 07935630

(Amitabh Banerjee)
Chairman &
Managing Director

DIN: 03315975

Indian Railway Finance Corporation Limited

CIN U65910DL1986GOI026363

Annexure II: Restated statement of profit and loss

(All amounts in millions of INR, unless stated otherwise)

Particulars	Notes (Annexure VI)	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from operations				
Interest income	23	28,079.35	17,230.71	9,885.72
Dividend income		5.92	5.14	4.87
Lease income	24	1,10,299.37	94,100.09	82,784.48
Total revenue from operations		1,38,384.64	1,11,335.94	92,675.07
Other income	25	0.73	0.01	8.74
Total income		1,38,385.37	1,11,335.95	92,683.81
Expenses				
Finance costs	26	1,00,797.81	81,830.60	66,375.73
Impairment on financial instruments	27	21.41	275.44	-
Employee benefit expense	28	62.65	62.51	55.26
Depreciation, amortization and impairment	29	4.58	4.18	3.54
Other expenses	30	574.68	147.37	324.37
Total expenses		1,01,461.13	82,320.10	66,758.90
Profit before exceptional items and tax		36,924.24	29,015.85	25,924.91
Exceptional items		-	-	-
Profit before tax		36,924.24	29,015.85	25,924.91
Tax expense	31	-	6,469.24	5,434.05
Current tax		-	-	-
Deferred tax		-	-	-
Total Tax Expenses		-	6,469.24	5,434.05
Profit for the period from continuing operations		36,924.24	22,546.61	20,490.86
Profit from discontinued operations		-	-	-
Tax expense of discontinued operations		-	-	-
Profit from discontinued operations (after tax)		-	-	-
Profit for the period		36,924.24	22,546.61	20,490.86
Other comprehensive Income				
(A) (i) Items that will not be reclassified to profit or loss				
- Remeasurement of defined benefit plans		(0.35)	(2.71)	0.87
- Remeasurement of Equity Instrument		(5.17)	3.79	7.34
(ii) Income tax relating to items that will not be reclassified to profit or loss				
- Remeasurement of defined benefit plans		-	0.58	(0.18)
- Remeasurement of Equity Instrument		-	-	-
Subtotal (A)		(5.52)	1.66	8.03
(B) (i) Items that will be reclassified to profit or loss				
(ii) Income tax relating to items that will be reclassified to profit or loss				
Subtotal (B)		-	-	-
Other comprehensive income (A + B)		(5.52)	1.66	8.03
Total comprehensive income for the period (comprising profit (loss) and other comprehensive income for the period)		36,918.72	22,548.27	20,498.89
Earnings per equity share (for continuing operations)	32			
Basic (Rs.)		3.93	3.43	3.14
Diluted (Rs.)		3.93	3.43	3.14
Earnings per equity share (for discontinued operations)				
Basic (Rs.)		-	-	-
Diluted (Rs.)		-	-	-
Earnings per equity share (for continuing and discontinued operations)	32			
Basic (Rs.)		3.93	3.43	3.14
Diluted (Rs.)		3.93	3.43	3.14

This is the restated statement of profit and loss referred to in our report of even date.
The accompanying annexures V to annexure XI form an integral part of this Statement.

For SPMG & Co.
Chartered Accountants
(FRN-509249C)

(Vinod Gupta)
(Partner)

M.No. 090687



For and on behalf of the Board of Directors
Indian Railway Finance Corporation Limited

(Vijay Babulal Shirode) (Shelly Verma) (Anjithabh Banerjee)
Company Secretary & Director Finance Chairman &
JGM (Law) Managing Director
FCS: 6876 DIN: 07935630 DIN: 03315975

Place: New Delhi

Date: 29th September 2020

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxes	36,924.24	29,015.85	25,924.91
Adjustments for:			
Remeasurement of defined benefit plans	(0.35)	(2.71)	0.87
Depreciation and amortisation	4.58	4.18	3.54
Provision of interest on income tax	20.91	19.66	12.82
Loss on sale of fixed assets	0.07	0.16	0.06
Profit on sale of fixed assets	-	(0.01)	-
Discount of commercial paper	1,358.05	1,237.25	2,020.12
Adjustments towards effective interest rate	(1,482.30)	169.04	(480.12)
Dividend income received	(5.92)	(5.14)	(4.87)
Share issue Expenses	(169.80)	-	-
Operating profit before working capital changes	36,649.48	30,438.28	27,477.33
Movements in working capital:			
Increase/(decrease) in payables	255.79	34.64	52.08
Increase/(decrease) in provisions	(0.84)	2.75	3.52
Increase/(decrease) in others non financial liabilities	274.04	(6,544.58)	6,485.84
Increase/(decrease) in other financial liabilities	28,047.91	16,373.60	17,842.31
Decrease/(increase) in receivables	(2,35,532.88)	(1,55,548.56)	(1,12,654.67)
Decrease/(increase) in loans and advances	(5,278.84)	(6,575.32)	(30,739.25)
Decrease/(increase) in bank balance other than cash and cash equivalents	(220.24)	213.33	(921.19)
Decrease/(increase) in other non financial assets	261.68	(953.79)	(13,997.39)
Decrease/(increase) in other financial assets	(4,45,738.21)	(2,88,729.70)	(1,68,777.97)
Cash generated from operations	(6,21,282.11)	(4,11,289.35)	(2,75,229.39)
Less: Direct taxes paid (net of refunds)	5,893.75	6,192.53	5,531.86
Net cash flow/(used) in operating activities (A)	(6,27,175.86)	(4,17,481.88)	(2,80,761.25)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property plant & equipment and intangible assets	(2.41)	(4.22)	(1.48)
Proceeds from sale of property plant & equipment	0.05	0.10	0.08
Proceeds from realization of pass through certificates / sale of investments	11.16	12.12	13.28
Dividend income received	5.92	5.14	4.87
Net cash flow/(used) in investing activities (B)	14.72	13.14	16.75
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of equity share capital	25,000.00	28,540.00	-
Issue of Debt Securities (Net of redemptions)	3,08,125.43	1,04,655.95	2,07,419.28
Raising of Rupee Term Loans/ Foreign Currency Borrowings (net of repayments)	2,89,007.28	2,70,172.83	1,25,853.88
Issue of commercial paper (net of repayments)	7,416.27	18,646.63	(49,716.17)
Final dividend paid	(2,000.00)	(3,750.00)	(2,335.24)
Dividend tax paid	(411.11)	(770.88)	(475.40)
Net cash generated by/(used in) financing activities (C)	6,27,137.87	4,17,494.53	2,80,746.35
Net increase in Cash and cash equivalents (A+B+C)	(23.27)	25.79	1.85
Cash and cash equivalents at the beginning of the year	37.07	11.28	9.43
Cash and cash equivalents at the end of year end (Refer Note No. 3 in Annexure V)	13.80	37.07	11.28

This is the restated statement of cash flow referred to in our report of even date.

The accompanying annexures V to annexure XI form an integral part of this Statement.

For SPMG & Co.

Chartered Accountants

(Firm Registration No. 509249C)

(Vinod Gupta)
(Partner)

M.No. 090687



For and on behalf of the Board of Directors

Indian Railway Finance Corporation Limited

(Vijay Babulal Shirode)
Company Secretary &
JGM (Law)
FCS: 6876

(Shelly Verma)
Director Finance
DIN: 07935630

(Amitabh Banerjee)
Chairman &
Managing Director
DIN: 03315975

Place: New Delhi

Date: 29th September 2020

Indian Railway Finance Corporation Limited

CIN U65910DL1986GOI026363

Annexure IV: Restated statement of changes in equity

(All amounts in millions of INR, unless stated otherwise)


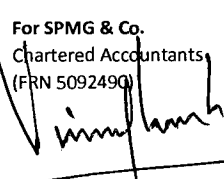
A. Equity share capital

Particulars	Notes (Annexure VI)	Amount
Balance as at 01 April 2017	21	65,264.60
Changes in equity share capital during the year		-
Balance as at 31 March 2018	21	65,264.60
Changes in equity share capital during the year		28,540.00
Balance as at 31 March 2019	21	93,804.60
Changes in equity share capital during the year		25,000.00
Balance as at 31 March 2020		1,18,804.60

This is the restated statement of changes in equity referred to in our report of even date.

The accompanying annexures V to annexure XI form an integral part of this Statement.

For SPMG & Co.
Chartered Accountants
(FRN 509249Q)




(Vinod Gupta)
(Partner)


M.No. 090687

Place: New Delhi

Date: 29th September 2020

For and on behalf of the Board of Directors
Indian Railway Finance Corporation Limited


(Vijay Babulal Shirode)
Company Secretary & JGM
(Law)
FCS: 6876


(Shelly Verma)
Director Finance
DIN: 07935630

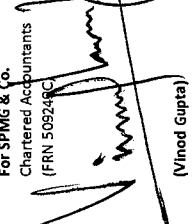

(Amitabh Banerjee)
Chairman &
Managing Director
DIN: 03315975

Indian Railway Finance Corporation Limited
CIN U65910DL1986GO026363
Annexure IV: Restated statement of changes in equity
(All amounts in millions of INR, unless stated otherwise)

B. Other equity

Particulars	Reserves and surplus				Equity Instruments through other comprehensive Income	Total other equity
	Share issue expenses	General Reserve	Bond redemption reserve	Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934		
Balance as at 01 April 2017	-	6,039.87	48,749.39	-	1,488.63	56,334.85
Add: Deferred tax liability written back as per letter F.No.17/16/2017-CL-V dated 20th March 2020 of Ministry of Corporate Affairs Government of India.	-	-	-	-	-	64,431.40
Restated balance as at 01 April 2017	-	6,039.87	48,749.39	-	65,920.03	1,20,766.25
Total comprehensive income for the period (comprising profit (loss) and other comprehensive income for the period)	-	-	-	-	20,491.55	20,498.89
Transfer to bond redemption reserve	-	-	4,198.10	-	(4,198.10)	-
Transfer to general reserve	-	11,358.03	-	-	(11,358.03)	-
Dividend	-	-	-	-	(2,335.24)	(2,335.24)
Dividend tax	-	-	-	-	(475.40)	(475.40)
Balance as at 31 March 2018	-	23,437.77	1,01,696.88	-	1,33,964.85	1,38,454.49
Total comprehensive income for the period (comprising profit (loss) and other comprehensive income for the period)	-	-	-	-	22,544.48	22,548.27
Transfer to bond redemption reserve	-	-	4,198.10	-	(4,198.10)	-
Transfer to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	-	-	-	4,509.50	(4,509.50)	-
Transfer to general reserve	-	12,929.46	-	-	(12,929.46)	-
Dividend	-	-	-	-	(3,750.00)	(3,750.00)
Dividend tax	-	-	-	-	(770.83)	(770.83)
Balance as at 31 March 2019	-	36,367.23	1,05,894.98	4,509.50	1,30,351.44	1,56,481.93
Total comprehensive income for the period (comprising profit (loss) and other comprehensive income for the period)	-	-	-	-	36,923.89	36,918.72
Addition during the period	(169.80)	-	-	-	-	(169.80)
Transfer to bond redemption reserve	-	-	-	-	57,145.59	57,145.59
Transfer to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	-	-	-	7,384.85	(7,384.85)	-
Transfer to general reserve	-	1,43,704.92	(57,145.59)	-	(1,43,704.92)	(57,145.59)
Dividend	-	-	-	-	(2,000.00)	(2,000.00)
Dividend tax	-	-	-	-	(411.11)	(411.11)
Balance as at 31 March 2020	(169.80)	1,80,072.15	48,749.39	11,894.35	70,920.04	1,90,819.74

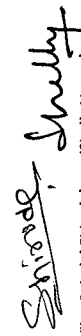
This is the restated statement of changes in equity referred to in our report of even date. The accompanying annexures V to annexure XI form an integral part of this Statement.

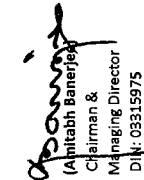
For SPMG & Co.
Chartered Accountants
(FRN 509249C)

(Vinod Gupta)
New Delhi

(Partner)
M.No. 090687

Place: New Delhi
Date: 29th September 2020

For and on behalf of the Board of Directors
Indian Railway Finance Corporation Limited


(Vijay Babulal Shirode) (Shelly Verma)
Company Secretary & Director Finance
JGM (Law)
FCS: 6876
DIN: 07995630


(Amitabh Banerjee)
Chairman & Managing Director
DIN: 03315975

1. Background

Indian Railway Finance Corporation Ltd., referred to as “the Company” or “IRFC” was incorporated by the Government of India, Ministry of Railways, as a financing arm of Indian Railways, for the purpose of raising the necessary resources for meeting the developmental needs of Indian Railways. The Company’s principal business is to borrow funds from the financial markets to finance the acquisition / creation of assets which are then leased out to the Indian Railways as finance lease. IRFC is a Schedule ‘A’ Public Sector Enterprise under the administrative control of the Ministry of Railways, Govt. of India. It is also registered as Systemically Important Non-Deposit taking Non – Banking Financial Company (NBFC – ND-SI) and Infrastructure Finance Company (NBFC- IFC) with Reserve Bank of India (RBI). The President of India along with his nominees holds 100% of the equity share capital.

The registered address and principal place of business of the Company is Upper Ground Floor, East Tower, NBCC Place, Pragati Vihar, Lodhi Road, New Delhi - 110003.

2. Basis of Preparation and Significant Accounting Policies

A summary of basis of preparation and significant accounting policies adopted in the preparation of these restated financial statements are as given below. These basis of preparation and accounting policies have been applied consistently to all periods presented in the financial statements.

2.1 Statement of Compliance

The audited standalone financial statements up to year ended March 31, 2018 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended)(Indian GAAP) and other relevant provisions of the Act.

The audited standalone financial statements for the year ended March 31, 2019 were prepared in accordance with the accounting standards notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended) (Ind AS) and other relevant provisions of the Act. These were the first set of Ind AS financial statements issued by the Company, hence were covered by Ind AS 101, ‘First Time Adoption of Indian Accounting Standards’. The transition to Ind AS has been carried out from the accounting principles generally accepted in India (“Indian GAAP”), which is considered as the previous GAAP, for purposes of Ind AS 101.

The audited standalone financial statements for the year ended March 31, 2020 are also prepared in accordance with the accounting standards notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act.

The aforesaid audited standalone financial statements for the year ended March 31, 2020 & March 31, 2019 comply in all material aspects with Indian Accounting Standards (“Ind AS”) notified under Section 133 of the Companies Act, 2013 (the “Act”) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.



2.2 Basis for preparation of restated financial statements

These restated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Unless otherwise stated, all amounts are stated in Millions of Rupees.

The Restated Statement of Assets and Liabilities of the Company as at March 31, 2020; March 31, 2019, and March 31, 2018 and the Restated Statement of Profit and Loss, the Restated Statement of Changes in Equity and the Restated Statement of Cash Flows for year ended March 31, 2020; March 31, 2019 and March 31, 2018 along with notes thereto (hereinafter collectively referred to as "Restated Financial Information") have been prepared under Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013. The Restated Financial Information has been compiled by the Company for the year ended 31 March 2020 and for the year ended March 31, 2019 from the Audited Financial Statements of the Company prepared under Ind AS and for the year ended March 31, 2018 have been compiled based on Audited Financial Statements prepared under Indian GAAP adjusted in conformity with Ind AS ("Audited Financial Statements").

The Restated Financial Information have been prepared by the Management in connection with the proposed listing of equity shares of the Company by way of an Initial Public Offer ("IPO"), which is to be filed by Company with the Securities and Exchange Board of India ("SEBI"), the Registrar of Companies, Delhi and the concerned Stock Exchanges in accordance with the requirements of:

- a) Section 26 of Part 1 of Chapter III of the Companies Act, 2013 ("Act");
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

These Restated Financial Information have been extracted by the Management from:

- a) Audited Ind AS financial statements of the Company as at and for the year ended March 31, 2020, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors. The comparative information for the year ended March 31, 2019 included in such financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors.



- b) Audited Ind AS financial statements of the Company as at and for the year ended March 31, 2019, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors. The comparative information for the year ended March 31, 2018 included in such financial statements have been prepared by making Ind AS adjustments to the audited financial statements of the Company as at and for the year ended March 31, 2018, prepared in accordance with the accounting standards notified under the section 133 of the Act ("Indian GAAP").
- c) The Restated Financial Information also contains the Ind AS financial information as at and for the year ended March 31, 2018. The Ind AS financial information have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2018. It may be noted that the audited Ind AS financial statements of the Company as and for the year ended March 31, 2019 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, includes comparative information for the year ended March 31, 2018 which have been prepared by making Ind AS adjustments to the audited financial statements of the Company as at and for the year ended March 31, 2018, prepared in accordance with the accounting standards notified under the section 133 of the Act ("Indian GAAP").

The Restated Financial Information have been prepared so as to contain information disclosures and incorporating adjustments set out below in accordance with the SEBI ICDR Regulations:

- a) Prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2020, March 31, 2019 and March 31, 2018.
- b) Prepared after incorporating Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2018 to the Restated Financial Information; and
- c) prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
- d) Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Equity and Total Comprehensive income are provided in Annexure VII.

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Fair value for measurement and/or disclosure purpose in these financial statements is determined on such basis except for, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value.



In addition, for financial reporting purposes fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs for the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 -Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 -Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3- inputs are unobservable inputs for the asset or liability.

2.3 Use of estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience & other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is as under:

a) Formulation of accounting policies

The accounting policies are formulated in a manner that results in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial.

b) Post-employment benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

c) Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37 'Provisions, contingent liabilities and contingent assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.



2.4 Revenue

Company's revenues arise from lease income, interest on lease advance, loans, deposits and investments. Revenue from other income comprise dividend from investment in equity shares and other miscellaneous income etc.

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Finance lease income in respect of finance leases is allocated to the accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.(Also see accounting policy on leases at 2.14).

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Pre-commencement lease-interest income is determined based on the MOU entered with Ministry of Railways and when it is probable that the economic benefits will flow to the Company and the amount can be determined reliably.

Dividend income is recognized in profit or loss only when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

2.5 Foreign Currency Transaction

Functional and presentation currency

Items included in the financial statements of entity are measured using currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is entity's functional and presentation currency.

Transactions and Balances

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items



measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

Where the difference is a pass through the lessee, the amount is received/ reimbursed to the lessee.

2.6 Employee Benefits

Defined contribution plan

A defined contribution plan is a plan under which the Company pays fixed contributions into an independent fund administered by the government/Company administrated Trust. The Company has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution.

Defined benefit plan

The defined benefit plans sponsored by the Company define the amount of the benefit that an employee will receive on completion of services by reference to length of service and last drawn salary. Gratuity isin the nature of a defined benefit plan. The liability recognised in the financial statements in respect of the plan is the present value of the defined benefit obligation net of fair value of plan assets at the reporting date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated at the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of Other Comprehensive Income in the period in which such gains or losses are determined.

Other long-term employee benefits

Liability in respect of compensated absences becoming due or expected to be availed more than one-year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the period in which such gains or losses are determined.

Short-term employee benefits

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.



2.7 Taxation

Tax expense comprises Current Tax and Deferred Tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively.

Post 1st April 2019, the Company has elected to exercise the option permitted under section 115BAA of the Income – tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 on 20th September 2019. On adoption of section 115BAA of the Income – tax Act, 1961, the Company is outside the scope and applicability of MAT provisions under section 115JB of the Income – tax Act, 1961.

Deferred Tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Company does not recognize deferred tax asset or deferred tax liability because as per Gazette Notification no. S.O. 529(E) dated 5th February 2018 as amended by notification no. S.O. 1465 dated 2 April 2018 issued by Ministry of Corporate Affairs, Government of India, read with their communication no. Eoffice F.No.17/32/2017 – CL – V dated 20th March 2020 the provision of Indian Accounting Standards 12 relating to Deferred Tax Assets (DTA) or Deferred Tax Liability (DTL) does not apply to the Company w.e.f. 1 April 2017.



2.8 Property, Plant and Equipment (PPE)

An item of property, plant and equipment is recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property, plant and equipment are initially recognized at cost. Subsequent measurement is done at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipment have different useful lives, they are recognized separately.

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

De-recognition

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on de-recognition of an item of property, plant and equipment are determined by comparing the proceeds from disposal, if any, with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

Depreciation

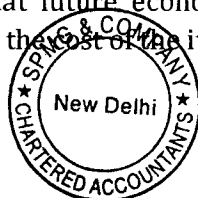
Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

2.9 Intangible assets

An intangible asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.



De-recognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains & losses on de-recognition of an item of intangible assets are determined by comparing the proceeds from disposal, if any, with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

Amortization

Software is amortized over 5 years on straight-line method.

2.10 Borrowing costs

Borrowing costs consist of interest expense calculated using the effective interest method as described in Ind AS 109 'Financial Instruments' and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction/development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which necessarily take substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of all borrowing that are outstanding during the period and used for the acquisition, construction/exploration or erection of the qualifying asset.

Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete.

All other borrowing costs are recognized as an expense in the year in which they are incurred.

2.11 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.12 Provisions, contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of



money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance costs.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

2.13 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").



An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.14 Leases

General

Till 31st March 2019, the Company had adopted Ind AS 17, Leases. In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 notifying Ind AS 116, Leases and withdrawing Ind AS 17, Leases. Ind AS 116 is effective from accounting periods beginning from 1st April 2019.

Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right of use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the erstwhile standard – i.e. lessors continue to classify leases as finance or operating leases. The Company has applied the transition provisions as mentioned in Appendix C to Ind AS 116. There is no financial impact on the Company on adoption of Ind AS 116.

Identification of a lease

At inception of a contract, the Company assesses whether the contract is, or contains a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessor

The Company classifies each of its leases as either an operating lease or a finance lease.

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The



depreciation policy for depreciable underlying assets subject to operating leases is consistent with the Company's normal depreciation policy for similar assets.

Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Company as a lessee

At the contract commencement date, the Company recognizes right - of - use asset and a lease liability. A right - of - use asset is an asset that represents a lessee's right to use an underlying asset for the lease term. The Company has elected not to apply the aforesaid requirements to short term leases (leases which at the commencement date has a lease term of 12 months or less) and leases for which the underlying asset is of low value as described in paragraphs B3 - B9 of Ind AS 116.

A right of use asset is initially measured at cost and subsequently applies the cost mode ie less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of lease liability. Ind AS 16, Property, Plant and Equipment is applied in depreciating the right - of - use asset.

A lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate is used. Subsequently, the carrying amount of the lease liability is increased to reflect interest on lease liability; reduced to reflect the lease payments; and remeasured to reflect any reassessment or lease modifications or to reflect revised in - substance fixed lease payments.

2.15 Securitisation of Finance Lease Receivable

Lease Receivables securitised out to Special Purpose Vehicle in a securitisation transactions are de-recognised in the balance sheet when they are transferred and consideration has been received by the Company.

The resultant gain/loss arising on securitization is recognised in the Statement of Profit & Loss in the year in which transaction takes place.

Lease Receivables assigned through direct assignment route are de-recognised in the balance sheet when they are transferred and consideration has been received by the Company. Profit or loss resulting from such assignment is accounted for in the year of transaction.

2.16 Leasing of Railway Infrastructure Assets



In terms of Indian Accounting Standard-116, the inception of lease takes place at the earlier of the date of the lease agreement and the date of a commitment by the parties to the principal provisions of the lease.

The commencement of the lease term is the date on which lessor makes an underlying asset available for use by the lessee.

As such, in respect of Railway Infrastructure Assets, which are under construction and where the Memorandum of Understanding / terms containing the principal provisions of the lease are in effect with the Lessee, pending execution of the lease agreement, the transactions relating to the lease are presented as 'Advances against Lease of Rly. Infrastructure Assets' and 'Advance funding against National Project'.

2.17 Dividends

Dividends and interim dividends payable to the Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.

2.18 Material Prior Period Errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

2.19 Earnings per share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2.20 Statement of Cash Flows

Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of cash flows'.

2.21 Operating Segments



The Managing Director (MD) of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments".

The Company has identified 'Leasing and Finance' as its sole reporting segment.

2.22 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.22.1. Financial Assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

Subsequent measurement

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at Fair value through Other Comprehensive Income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI



Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to profit and loss.

Debt instrument at Fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments

All equity investments in entities other than subsidiaries and joint venture companies are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. The Company has decided to classify its investments into equity shares of IRCON International Limited through FVTOCI.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or



- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits and bank balance.
- (b) Financial assets that are debt instruments and are measured as at FVTOCI.
- (c) Lease receivables under Ind AS 116.
- (d) Loan commitments which are not measured as at FVTPL.
- (e) Financial guarantee contracts which are not measured as at FVTPL.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

2.22.2. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortized cost



After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the profit or loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risks are recognized in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Derivative financial instruments

Initial recognition and subsequent measurement



The Company uses derivative financial instruments, such as forward currency contracts, cross currency swaps and interest rate swaps to hedge its foreign currency risks and interest rate risks of foreign currency loans. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken to statement of profit and loss. Where the derivative is designated as a hedging instrument, the accounting for subsequent changes in fair value depends on the nature of item being hedged and the type of hedge relationship designated. Where the difference is a pass through the lessee, the amount is received/ reimbursed to the lessee.

2.23 Standards issued but not yet effective :

In July 2020, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2020 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying certain amendments, as summarized below, to various Ind AS standards. The amendments are effective from accounting periods beginning from 1st April 2020.

Amendments to Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors

Currently Ind AS 1 defines the term 'material, as under:

'Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of financial statements'.

The amendment refines the definition of 'material' which is now as follows:

'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general – purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'.

Consequential amendments have been made to the following standards due to revised definition of material:

Ind AS	Title	Description
10	Events after the Reporting Period	Modification in paragraph 21 relating to disclosures of non – adjusting events after the reporting period.
34	Interim Financial Reporting	Modification of paragraph 24 whereby reference of definition of material as given in Ind AS 1 & Ind AS 8 has been removed.
37	Provisions, Contingent Liabilities and Contingent Assets	Modification in paragraph 75 relating to restructuring plan after the reporting period.



Amendments to Ind AS 103, Business Combinations

Currently Ind AS 103 defines business as ‘an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants’.

The amendment revises the definition as under:

‘Business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities’.

The amendments also:

- Introduces an optional concentration test to permit a simplified assessment of whether an acquired set of activities and assets is a business or asset acquisition;
- Provides additional guidance on how to assess whether an acquired process is substantive, if the acquired set of activities and assets does not have outputs and if it does have outputs.

Amendments to Ind AS 107, Financial Instruments : Disclosures

Amendments to Ind AS 109, Financial Instruments

The amendment modifies Ind AS 109 with respect to some specific hedge accounting requirements to provide relief to the potential effects of uncertainty caused by the interest rate benchmark (IBOR) reform with additional disclosure requirements under Ind AS 107.

The aforesaid amendments are effective from accounting periods beginning from 1st April 2020. The Company is currently assessing the impact of application of this amendment on the Company’s financial statements.



Indian Railway Finance Corporation Limited

CIN U65910DL1986GOI026363

Annexure VI: Notes to restated financial statement

(All amounts in millions of INR, unless stated otherwise)

Note 1: Company information

Indian Railway Finance Corporation Ltd., referred to as “the Company” or “IRFC” was incorporated by the Government of India, Ministry of Railways, as a financing arm of Indian Railways, for the purpose of raising the necessary resources for meeting the developmental needs of Indian Railways. The Company’s principal business is to borrow funds from the financial markets to finance the acquisition / creation of assets which are then leased out to the Indian Railways as finance lease. IRFC is a Schedule ‘A’ Public Sector Enterprise under the administrative control of the Ministry of Railways, Govt. of India. It is also registered as Systemically Important Non-Deposit taking Non – Banking Financial Company (NBFC – ND-SI) and Infrastructure Finance Company (NBFC- IFC) with Reserve Bank of India (RBI).The President of India along with his nominees holds 100% of the equity share capital.

The registered address and principal place of business of the Company is Upper Ground Floor, East Tower, NBCC Place, Pragati Vihar, Lodhi Road, New Delhi - 110003.

Note 2: Significant Accounting Policies

Refer annexure V.

Note 3: Cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Balances with banks			
- in current accounts	13.70	36.97	11.18
Deposits with Reserve Bank of India			
- in public deposit account	0.10	0.10	0.10
Total	13.80	37.07	11.28

Note 4: Bank balances other than above

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Balances with banks			
- in interest redemption accounts*	96.82	80.91	58.16
- in escrow pool Account**	897.01	692.68	928.76
Total	993.83	773.59	986.92

* The Company discharges its obligation towards payment of interest and redemption of bonds for which warrants are issued, by depositing the respective amounts in the designated bank accounts.

** Related to allotment of Section 54EC bond: March 2020 series and February 2020 Series (31 March 2019 : March 2019 series & 31st March 2018: March 2018 series)

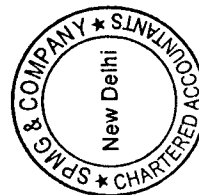


Note 5: Derivative financial instruments
 The Company enters into derivative contracts for Currency & Interest Rate risk. Derivative transactions include forwards, interest rate swaps, cross currency swaps, etc. to hedge the liabilities. These derivative transactions are done for hedging purpose and not for trading or speculative purposes.

PART I	As at 31 March 2020			As at 31 March 2019			As at 31 March 2018		
	Notional amounts	Fair value- assets	Fair value- liabilities	Notional amounts	Fair value- assets	Fair value- liabilities	Notional amounts	Fair value- assets	Fair value- liabilities
(i) Currency derivatives									
-Spot and forwards	-	-	-	-	-	-	42,284.86	-	5,141.60
-Currency swaps	13,884.67	-	3,090.22	12,737.67	-	3,105.95	11,982.16	-	2,354.19
Subtotal	13,884.67	-	3,090.22	12,737.67	-	3,105.95	54,267.02	-	7,495.79
(ii) Interest rate derivatives									
- Forward rate agreements and interest rate swaps	13,884.67	-	974.93	12,737.67	466.90	-	25,082.16	968.47	-
Subtotal	13,884.67	-	974.93	12,737.67	466.90	-	25,082.16	968.47	-
Total derivatives instruments	27,769.34	-	4,065.15	25,475.34	466.90	3,105.95	79,349.18	968.47	7,495.79

PART II	
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:	
(i) Fair value hedging	
Currency derivatives	13,884.67
Interest rate derivatives	-
Subtotal	13,884.67
(ii) Cash flow hedging	
Currency derivatives	-
Interest rate derivatives	12,737.67
Subtotal	12,737.67
Total derivative financial instruments	27,769.34

Refer note 38.5 & 38.6 for currency and interest rate risk management



Indian Railway Finance Corporation Limited

CIN U65910DL1986GOI026363

Annexure VI: Notes to restated financial statement

(All amounts in millions of INR, unless stated otherwise)

Note 6 : Receivables

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Lease receivables* (Unsecured, considered good due from Ministry of Railways, Government of India)	14,85,798.00	12,50,265.12	10,94,716.56
Total	14,85,798.00	12,50,265.12	10,94,716.56

*No impairment loss has been recognised as the entire lease receivables are from Ministry of Railways, Government of India, a sovereign receivable as per Reserve Bank of India letter no. DNRB (PD). CO.No.1271/03.10.001/2018-19 dated 21-December-2018. (Refer note- 18)



Note 7 : Loans

	As at 31 March 2020					As at 31 March 2019					As at 31 March 2018								
	At Fair Value					At Fair Value					At Fair Value								
	Amortised cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value	Subtotal	Total	Amortised cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value	Subtotal	Total	Amortised cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value	Subtotal	Total	
Loans																			
(A) Term Loans																			
-Loan to Rail Vikas Nigam Limited	39,879.41	-	-	-	-	39,879.41	28,426.30	-	-	-	28,426.30	20,379.55	-	-	-	-	-	20,379.55	
-Loan to Irccon International Limited	24,612.27	-	-	-	-	24,612.27	30,765.34	-	-	-	30,765.34	32,000.00	-	-	-	-	-	32,000.00	
Total (A) -Gross	64,491.68	-	-	-	-	64,491.68	59,191.64	-	-	-	59,191.64	52,379.55	-	-	-	-	-	52,379.55	
Less: Impairment loss allowance	257.97	-	-	-	-	257.97	236.77	-	-	-	236.77	-	-	-	-	-	-	-	
Total (A) - Net	64,233.71	-	-	-	-	64,233.71	58,954.87	-	-	-	58,954.87	52,379.55	-	-	-	-	-	52,379.55	
(B)(i) Secured by tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(iii) Covered by Bank/Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(iv) Unsecured	64,491.68	-	-	-	-	64,491.68	59,191.64	-	-	-	59,191.64	52,379.55	-	-	-	-	-	52,379.55	
Total (B)-Gross	64,491.68	-	-	-	-	64,491.68	59,191.64	-	-	-	59,191.64	52,379.55	-	-	-	-	-	52,379.55	
Less: Impairment loss allowance	257.97	-	-	-	-	257.97	236.77	-	-	-	236.77	-	-	-	-	-	-	-	
Total (B)-Net	64,233.71	-	-	-	-	64,233.71	58,954.87	-	-	-	58,954.87	52,379.55	-	-	-	-	-	52,379.55	
(C) (i) Loans in India																			
(i) Public Sector	64,491.68	-	-	-	-	64,491.68	59,191.64	-	-	-	59,191.64	52,379.55	-	-	-	-	-	52,379.55	
(ii) Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total (C)-Gross	64,491.68	-	-	-	-	64,491.68	59,191.64	-	-	-	59,191.64	52,379.55	-	-	-	-	-	52,379.55	
Less: Impairment loss allowance	257.97	-	-	-	-	257.97	236.77	-	-	-	236.77	-	-	-	-	-	-	-	
Total (C) (i)-Net	64,233.71	-	-	-	-	64,233.71	58,954.87	-	-	-	58,954.87	52,379.55	-	-	-	-	-	52,379.55	
(C)(ii) Loans outside India																			
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total (C)(ii)- Net	64,233.71	-	-	-	-	64,233.71	58,954.87	-	-	-	58,954.87	52,379.55	-	-	-	-	-	52,379.55	
Total (C)(i) and C(ii)	64,233.71	-	-	-	-	64,233.71	58,954.87	-	-	-	58,954.87	52,379.55	-	-	-	-	-	52,379.55	

*The Company has computed expected credit loss as per Ind AS 109, Financial Instruments in accordance with Reserve Bank of India direction RBI/2019-20/170 DOR(NBFC), CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020 based on Reserve Bank of India circular no. RBI/2017-18/181, DNBR (PD) CC No. 092/03.10.001/2017-18 dated 31 May 2018 read with letter no. DNBR (PD) CO No. 1271/03.10.001/2018-19 dated 21 December 2018 which was earlier exempted vide notification DNBR.PD.008/03.10.119/2016-17 dated 1st September 2016 for all government NBFC company. (Refer note-18)



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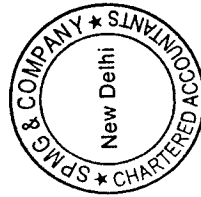
Annexure VI: Notes to related financial statement

(All amounts in millions of INR, unless stated otherwise)

Note 8 : Investments

	As at 31 March 2020					As at 31 March 2019					As at 31 March 2018					
	Amortised cost	At Fair Value		Total	Subtotal	Amortised cost	At Fair Value		Total	Subtotal	Amortised cost	At Fair Value		Total	Subtotal	Total
		Through Other Comprehensive Income	Through profit or loss				Designated at fair value through profit or loss	Through Other Comprehensive Income				Through profit or loss	Designated at fair value through profit or loss			
Debt securities*	22.23	-	22.23	-	22.23	33.30	-	33.30	-	33.30	45.42	-	45.42	-	45.42	
Equity instruments #	-	92.98	92.98	92.98	92.98	-	98.15	98.15	98.15	98.15	-	94.36	94.36	94.36	94.36	
Total (A)	22.23	92.98	115.21	92.98	115.21	33.30	98.15	131.45	98.15	131.45	45.42	94.36	139.78	94.36	139.78	
Investments Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Investments in India	22.23	92.98	115.21	92.98	115.21	33.30	98.15	131.45	98.15	131.45	45.42	94.36	139.78	94.36	139.78	
Total (B)	22.23	92.98	115.21	92.98	115.21	33.30	98.15	131.45	98.15	131.45	45.42	94.36	139.78	94.36	139.78	
Less: Allowance for Impairment (C)	0.09	-	0.09	-	0.09	-	-	-	-	-	-	-	-	-	-	
Total (A)-(C)	22.14	92.98	115.12	92.98	115.12	33.30	98.15	131.45	98.15	131.45	45.42	94.36	139.78	94.36	139.78	
Details of debt securities*																
Numbers of Senior Pass through Certificates of NOVO X Trust Locos	25															
Fair value of Senior Pass through Certificates of NOVO X Trust Locos	22.23															
Details of equity instruments #																
Numbers of Equity Shares of IRCON International Limited	2,44,000															
Fair value of Equity Shares of IRCON International Limited (Rs. in Millions)	98.15															

The Company holds nominal Equity (less than 0.26%) in IRCON International Limited. The Equity shares of IRCON International Limited were listed on National Stock Exchange with effect from 28 September 2018. The Company had elected to classify its investment in IRCON International Limited as fair value through other comprehensive income. The fair value as on 31 March 2020 & 31 March 2019 has been measured as per the quotation on National Stock Exchange (Level 1 Input). The fair market value in earlier year has been determined on the basis of book value computed as per the preceding year's annual financial statement of IRCON International Limited as available with the Company (Level 3 Input).



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Annexure VI: Notes to restated financial statement

(All amounts in millions of INR, unless stated otherwise)

Note 9 : Other financial assets

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Amount recoverable from Ministry of Railways on account of exchange rate variation / derivatives#	22,778.73	4,644.90	2,675.79
Amount recoverable from Ministry of Railways - Leased Assets	-	4,729.63	33,270.51
Advance against Railway Infrastructure Assets to be leased (Refer Note No. 45)	10,31,195.28	6,49,088.40	3,98,250.55
Advance Funding Against National Project (Refer Note No. 45)	79,884.94	50,828.17	-
Interest accrued but not due on advance for railway project to be leased	43,945.37	21,340.11	9,649.87
Security deposits	1.43	0.96	1.09
House building advance (secured)*	2.96	3.26	1.01
Advance to employees	3.13	3.05	0.09
Interest accrued but not due on advance to employees**	0.77	0.51	0.83
Interest accrued but not due on loans (Refer Note No. 7)	9,669.86	9,669.11	7,183.74
Interest accrued but not due on investment (Refer Note No. 8)	28.51	36.04	40.90
Interest accrued but not due on 54 EC bond application money	13.09	1.33	1.39
Amount recoverable from others	2.01	0.47	0.23
Gross Total	11,87,526.08	7,40,345.94	4,51,076.00
Less: Impairment on interest accrued and due on loans & deposits***	38.79	38.68	-
Net Total	11,87,487.29	7,40,307.26	4,51,076.00

*Includes Rs. 2.28 million for 31 March 2020, Rs. 2.47 million for 31 March 2019, Rs. 0.11 million for 31 March 2018 to Key Managerial Personnel/Officers of the Company.

**Includes Rs. 0.12 million for 31 March 2020, 0.01 million for 31 March 2019, Rs. 0.40 million for 31 March 2018 to Key Managerial Personnel/Officers of the Company.

*** The Company has computed expected credit loss as per Ind AS 109, Financial Instruments in accordance with Reserve Bank of India direction RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020 based on Reserve Bank of India circular no. RBI/2017-18/181_DNBR (PD) CC No. 092/03.10.001/2017-18 dated 31 May 2018 read with letter no. DNRB (PD) CO No. 1271/03.10.001/2018-19 dated 21 December 2018 which was earlier exempted vide notification DNBR.PD.008/03.10.119/2016-17 dated 1st September 2016 for all government NBFC company (Refer Note no. 42 (a) (i)).

Amount recoverable from Ministry of Railway on account of exchange rate variation / derivatives includes amount recoverable from Ministry of Railways on account of MTM derivatives of the respective period. (Refer Note No. 44)

Note 10 : Current tax assets (net)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
TDS & advance tax	31,341.51	25,447.76	23,415.73
Provision for tax (Refer Note No. 31)	(25,477.45)	(25,477.45)	(23,156.46)
Total	5,864.06	(29.69)	259.27





Note 11 : Property, plant and equipment

Particulars	Building	Office Equipment	Computer	Furniture and fixtures	Plant and equipment	Vehicles	Total
Deemed cost/ Gross Block							
Balance as at 1 April 2017	112.32	0.96	0.68	0.80	0.03	0.25	115.03
Additions	-	0.54	0.33	0.40	-	-	1.27
Disposals	-	(0.26)	(0.18)	-	-	-	(0.44)
Balance as at 31 March 2018	112.32	1.24	0.83	1.20	0.03	0.25	115.87
Additions	-	0.76	0.85	0.03	-	2.25	3.89
Disposals	-	(0.32)	(0.09)	-	-	-	(0.41)
Balance as at 31 March 2019	112.32	1.68	1.59	1.23	0.03	2.50	119.35
Additions	-	0.82	1.40	0.11	-	-	2.33
Disposals	-	(0.19)	-	-	-	-	(0.19)
Balance as at 31 March 2020	112.32	2.31	2.99	1.34	0.03	2.50	121.49
Accumulated depreciation							
Balance as at 1 April 2017	-	-	-	-	-	-	-
Depreciation expense	2.55	0.27	0.42	0.11	0.03	0.09	3.47
Adjustments	-	-	-	-	-	-	-
Elimination on disposals of assets	-	(0.11)	(0.18)	-	-	-	(0.29)
Balance as at 31 March 2018	2.55	0.16	0.24	0.11	0.03	0.09	3.18
Depreciation expense	3.05	0.35	0.35	0.13	-	0.21	4.09
Adjustments	-	-	-	-	-	-	-
Elimination on disposals of assets	-	(0.13)	(0.04)	-	-	-	(0.17)
Balance as at 31 March 2019	5.60	0.38	0.55	0.24	0.03	0.30	7.10
Depreciation expense	3.05	0.34	0.54	0.14	-	0.36	4.43
Adjustments	-	-	-	-	-	-	-
Elimination on disposals of assets	-	(0.07)	-	-	-	-	(0.07)
Balance as at 31 March 2020	8.65	0.65	1.09	0.38	0.03	0.66	11.46
Carrying amount							
Balance as at 1 April 2017	112.32	0.96	0.68	0.80	0.03	0.25	115.04
Additions	-	0.54	0.33	0.40	-	-	1.27
Disposals	-	(0.15)	(0.00)	-	-	-	(0.15)
Depreciation expense	(2.55)	(0.27)	(0.42)	(0.11)	(0.03)	(0.09)	(3.47)
Balance as at 31 March 2018	109.77	1.08	0.59	1.09	-	0.16	112.69
Additions	-	0.76	0.85	0.03	-	2.25	3.89
Disposals	-	(0.19)	(0.05)	-	-	-	(0.24)
Depreciation expense	(3.05)	(0.35)	(0.35)	(0.13)	-	(0.21)	(4.09)
Balance as at 31 March 2019	106.72	1.30	1.04	0.99	-	2.20	112.25
Additions	-	0.82	1.40	0.11	-	-	2.33
Disposals	-	(0.12)	-	-	-	-	(0.12)
Depreciation expense	(3.05)	(0.34)	(0.54)	(0.14)	-	(0.36)	(4.43)
Balance as at 31 March 2020	103.67	1.66	1.90	0.96	-	1.84	110.04

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Annexure VI: Notes to restated financial statement

(All amounts in millions of INR, unless stated otherwise)

Note 12 : Other intangible assets

Particulars	Software
Deemed cost/ Gross Block	
Balance as at 1 April 2017	0.12
Additions	0.22
Disposals	-
Balance as at 31 March 2018	0.34
Additions	0.32
Disposals	-
Balance as at 31 March 2019	0.66
Additions	0.08
Disposals	-
Balance as at 31 March 2020	0.74
Accumulated depreciation	
Balance as at 1 April 2017	-
Depreciation expense	0.07
Elimination on disposals of assets	-
Balance as at 31 March 2018	0.07
Depreciation expense	0.09
Elimination on disposals of assets	-
Balance as at 31 March 2019	0.16
Depreciation expense	0.15
Elimination on disposals of assets	-
Balance as at 31 March 2020	0.31
Carrying amount	
Balance as at 1 April 2017	0.12
Additions	0.22
Disposals	-
Depreciation expense	(0.07)
Balance as at 31 March 2018	0.27
Additions	0.32
Disposals	-
Depreciation expense	(0.09)
Balance as at 31 March 2019	0.50
Additions	0.08
Disposals	-
Depreciation expense	(0.15)
Balance as at 31 March 2020	0.43



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Annexure VI: Notes to restated financial statement

(All amounts in millions of INR, unless stated otherwise)

Note 13 : Other non-financial assets

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Capital Advances			
Advance to FA & CAO, Northern Railway	25.30	25.30	25.30
Advances other than capital advances			
Advance to others	1.67	1.67	1.67
Others			
Prepaid expenses	3.74	4.18	4.88
Tax refund receivable	20.10	249.71	3.66
GST recoverable	14,667.82	14,706.23	13,997.79
Gratuity Funded Assets (Net)	6.78	-	-
Total	14,725.41	14,987.09	14,033.30

Note 14 : Payables

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
(I) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises (Refer Note no. 51)	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
(II) Other payables			
(i) Total outstanding dues of micro enterprises and small enterprises (Refer Note no. 51)	0.50	0.08	2.40
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	377.08	121.71	84.75
Total	377.58	121.79	87.15

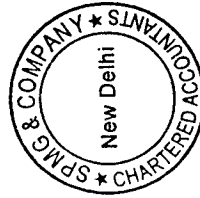


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 Annexure VI: Notes to restated financial statement
 (All amounts in millions of INR, unless stated otherwise)

Note 15 : Debt Securities

	As at 31 March 2020			As at 31 March 2019			As at 31 March 2018					
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Others												
Bonds from domestic capital market	13,62,599.36	-	13,62,599.36	11,36,548.03	-	11,36,548.03	10,35,886.91	-	10,35,886.91	-	-	10,35,886.91
Bonds from overseas capital market	1,51,671.11	-	1,51,671.11	69,571.19	-	69,571.19	62,579.67	-	62,579.67	-	-	62,579.67
Commercial Paper	38,634.09	-	38,634.09	29,859.77	-	29,859.77	9,975.88	-	9,975.88	-	-	9,975.88
Total (A)	15,52,904.56	-	15,52,904.56	12,35,978.99	-	12,35,978.99	11,08,442.46	-	11,08,442.46	-	-	11,08,442.46
Debt securities in India	14,01,233.45	-	14,01,233.45	11,66,407.80	-	11,66,407.80	10,45,862.79	-	10,45,862.79	-	-	10,45,862.79
Debt securities outside India	1,51,671.11	-	1,51,671.11	69,571.19	-	69,571.19	62,579.67	-	62,579.67	-	-	62,579.67
Total (B) to tally with (A)	15,52,904.56	-	15,52,904.56	12,35,978.99	-	12,35,978.99	11,08,442.46	-	11,08,442.46	-	-	11,08,442.46

Also, refer note 38.2

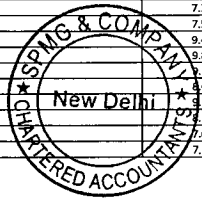


Indian Railway Finance Corporation Limited

Secured bonds from domestic capital market

The secured bonds issued in the domestic capital market are secured by first part passu charge on the present/future rolling stock assets/ lease receivables of the Company. Maturity profile and rate of interest of the bonds issued in the domestic capital market and amount outstanding as on various dates is as set out below:

S.No	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2020	31 March 2019	31 March 2018
1	104th 'A' Series Tax Free Bonds Public Issue	7.50%	Annual	Bullet Repayment	21-Dec-35	3,696.34	3,696.34	3,696.34
2	104th Series Tax Free Bonds Public Issue	7.25%	Annual	Bullet Repayment	21-Dec-35	2,944.16	2,944.16	2,944.16
3	71st "E" Taxable Non-Cum. Bonds	8.83%	Semi Annual	Bullet Repayment	14-May-35	2,200.00	2,200.00	2,200.00
4	70th "E" Taxable Non-Cum. Bonds	8.72%	Semi Annual	Bullet Repayment	04-May-35	150.00	150.00	150.00
5	141th Taxable Non-Cum. Bonds	7.48%	Annual	Bullet Repayment	29-Aug-34	21,070.00	-	-
6	138th Taxable Non-Cum. Bonds	7.54%	Annual	Bullet Repayment	29-Jul-34	24,556.00	-	-
7	138th Taxable Non-Cum. Bonds	7.85%	Annual	Bullet Repayment	01-Jul-34	21,200.00	-	-
8	71st "D" Taxable Non-Cum. Bonds	8.83%	Semi Annual	Bullet Repayment	14-May-34	2,200.00	2,200.00	2,200.00
9	70th "D" Taxable Non-Cum. Bonds	8.72%	Semi Annual	Bullet Repayment	04-May-34	150.00	150.00	150.00
10	71st "C" Taxable Non-Cum. Bonds	8.83%	Semi Annual	Bullet Repayment	14-May-33	2,200.00	2,200.00	2,200.00
11	70th "C" Taxable Non-Cum. Bonds	8.72%	Semi Annual	Bullet Repayment	04-May-33	150.00	150.00	150.00
12	71st "B" Taxable Non-Cum. Bonds	8.83%	Semi Annual	Bullet Repayment	14-May-32	2,200.00	2,200.00	2,200.00
13	70th "B" Taxable Non-Cum. Bonds	8.72%	Semi Annual	Bullet Repayment	04-May-32	150.00	150.00	150.00
14	71st "A" Taxable Non-Cum. Bonds	8.83%	Semi Annual	Bullet Repayment	14-May-31	2,200.00	2,200.00	2,200.00
15	76th "B" Taxable Non-Cum. Bonds	9.47%	Semi Annual	Bullet Repayment	10-May-31	9,950.00	9,950.00	9,950.00
16	70th "A" Taxable Non-Cum. Bonds	8.72%	Semi Annual	Bullet Repayment	04-May-31	150.00	150.00	150.00
17	108th 'A' Series Tax Free Bonds Public Issue	7.64%	Annual	Bullet Repayment	22-Mar-31	11,943.13	11,943.13	11,943.13
18	108th Series Tax Free Bonds Public Issue	7.35%	Annual	Bullet Repayment	22-Mar-31	10,163.76	10,163.76	10,163.76
19	103rd 'A' Series Tax Free Bonds Public Issue	7.53%	Annual	Bullet Repayment	21-Dec-30	10,742.17	10,742.17	10,742.17
20	103rd Series Tax Free Bonds Public Issue	7.28%	Annual	Bullet Repayment	21-Dec-30	20,573.10	20,573.10	20,573.10
21	70th "AA" Taxable Non-Cum. Bonds	8.79%	Semi Annual	Bullet Repayment	04-May-30	14,100.00	14,100.00	14,100.00
22	144th Series Taxable Bonds (ETP)	7.55%	Semi Annual	Bullet Repayment	12-Apr-30	15,800.00	-	-
23	146th Series Taxable Bonds	7.08%	Annual	Bullet Repayment	20-Feb-30	30,000.00	-	-
24	67th "B" Taxable Non-Cum. Bonds	8.80%	Semi Annual	Bullet Repayment	03-Feb-30	3,850.00	3,850.00	3,850.00
25	143rd Taxable Non-Cum. Bonds	7.55%	Semi Annual	Bullet Repayment	06-Nov-29	24,549.00	-	-
26	142th Taxable Non-Cum. Bonds	7.50%	Annual	Bullet Repayment	09-Sep-29	27,070.00	-	-
27	140th Taxable Non-Cum. Bonds	7.48%	Annual	Bullet Repayment	13-Aug-29	25,920.00	-	-
28	136th Series Taxable Bonds	7.95%	Annual	Bullet Repayment	12-Jun-29	30,000.00	-	-
29	135 Series Taxable Bonds	8.23%	Annual	Bullet Repayment	29-Mar-29	25,000.00	25,000.00	-
30	96th Series Tax Free Bonds Public Issue	8.63%	Annual	Bullet Repayment	26-Mar-29	9,479.13	9,479.13	9,479.13
31	96th A Series Tax Free Bonds Public Issue	8.88%	Annual	Bullet Repayment	26-Mar-29	4,364.14	4,364.14	4,364.14
32	134 Series Taxable Bonds	8.30%	Annual	Bullet Repayment	25-Mar-29	30,000.00	30,000.00	-
33	133 Series Taxable Bonds	8.35%	Annual	Bullet Repayment	13-Mar-29	30,000.00	30,000.00	-
34	131st Series Taxable Bonds	8.55%	Annual	Bullet Repayment	21-Feb-29	22,365.00	22,365.00	-
35	92nd Series Tax Free Bonds Public Issue	8.40%	Annual	Bullet Repayment	18-Feb-29	10,901.87	10,901.87	10,901.87
36	92nd A Series Tax Free Bonds Public Issue	8.65%	Annual	Bullet Repayment	18-Feb-29	6,883.59	6,883.59	6,883.59
37	94th A Series Tax Free Non-Cum Bonds	8.55%	Annual	Bullet Repayment	12-Feb-29	130.00	130.00	130.00
38	93rd A Series Tax Free Non-Cum Bonds	8.55%	Annual	Bullet Repayment	10-Feb-29	16,500.00	16,500.00	16,500.00
39	130th Series Taxable Bonds	8.40%	Annual	Bullet Repayment	08-Jan-29	28,454.00	28,454.00	-
40	129th Series Taxable Bonds	8.45%	Annual	Bullet Repayment	04-Dec-28	30,000.00	30,000.00	-
41	90th A Series Tax Free Non-Cum Bonds	8.48%	Annual	Bullet Repayment	27-Nov-28	550.00	550.00	550.00
42	89th A Series Tax Free Non-Cum Bonds	8.48%	Annual	Bullet Repayment	21-Nov-28	7,380.00	7,380.00	7,380.00
43	87th 'A' Series (Non-Retail), Tax Free Bonds Public Issue	7.04%	Annual	Bullet Repayment	23-Mar-28	2,220.94	2,211.40	2,203.56
44	87th 'A' Series (Retail), Tax Free Bonds Public Issue	7.54%	Annual	Bullet Repayment	23-Mar-28	417.90	427.44	435.27
45	86th 'A' Series (Non-Retail), Tax Free Bonds Public Issue	7.34%	Annual	Bullet Repayment	19-Feb-28	23,198.91	23,147.42	23,082.43
46	86th 'A' Series (Retail), Tax Free Bonds Public Issue	7.84%	Annual	Bullet Repayment	19-Feb-28	2,390.20	2,441.68	2,506.68
47	83rd 'A' Tax Free Non-Cum. Bonds	7.39%	Annual	Bullet Repayment	06-Dec-27	950.00	950.00	950.00
48	82nd 'A' Tax Free Non-Cum. Bonds	7.38%	Annual	Bullet Repayment	30-Nov-27	300.00	300.00	300.00
49	81st 'A' Tax Free Non-Cum. Bonds	7.38%	Annual	Bullet Repayment	26-Nov-27	667.00	667.00	667.00
50	124th Series Taxable Non-Cum Bonds	7.54%	Annual	Bullet Repayment	31-Oct-27	9,350.00	9,350.00	9,350.00
51	123rd Series Taxable Non-Cum Bonds	7.33%	Annual	Bullet Repayment	28-Aug-27	17,450.00	17,450.00	17,450.00
52	121st Taxable Non-Cum - Bonds	7.27%	Annual	Bullet Repayment	15-Jun-27	20,500.00	20,500.00	20,500.00
53	54th "B" Taxable Non-Cum. Bonds	10.04%	Semi Annual	Bullet Repayment	07-Jun-27	3,200.00	3,200.00	3,200.00
54	120th Taxable Non-Cum - Bonds	7.49%	Annual	Bullet Repayment	30-May-27	22,000.00	22,000.00	22,000.00
55	118th Taxable Non-Cum - Bonds	7.83%	Annual	Bullet Repayment	21-Mar-27	29,500.00	29,500.00	29,500.00
56	80th 'A' Series (Non-Retail), Tax Free Bonds Public Issue	8.10%	Annual	Bullet Repayment	23-Feb-27	27,816.25	27,749.81	27,665.14
57	80th 'A' Series (Retail), Tax Free Bonds Public Issue	8.30%	Annual	Bullet Repayment	23-Feb-27	3,140.27	3,206.71	3,291.38
58	53rd "C" Taxable Non-Cum. Bonds	8.73%	Semi Annual	Bullet Repayment	29-Nov-26	4,100.00	4,100.00	4,100.00
59	79th "A" Tax Free Non-Cum. Bonds	8.77%	Semi Annual	Bullet Repayment	08-Nov-26	1,915.10	1,915.10	1,915.10
60	76th "A" Taxable Non-Cum. Bonds	8.03%	Semi Annual	Bullet Repayment	10-Mar-26	2,550.00	2,550.00	2,550.00
61	75th Taxable Non-Cum. Bonds	8.09%	Semi Annual	Bullet Repayment	31-Mar-26	1,500.00	1,500.00	1,500.00
62	74th Taxable Non-Cum. Bonds	8.09%	Semi Annual	Bullet Repayment	29-Mar-26	10,760.00	10,760.00	10,760.00
63	107th 'A' Series Tax Free Bonds Public Issue	7.29%	Annual	Bullet Repayment	27-Mar-26	1,907.14	1,907.14	1,907.14
64	107th Series Tax Free Bonds Public Issue	7.04%	Annual	Bullet Repayment	22-Mar-26	485.97	485.97	485.97
65	106th Series Tax Free Bonds Public Issue	7.04%	Annual	Bullet Repayment	09-Mar-26	10,500.00	10,500.00	10,500.00
66	102nd 'A' Series Tax Free Bonds Public Issue	7.32%	Annual	Bullet Repayment	21-Dec-25	3,689.49	3,689.49	3,689.49
67	102nd Series Tax Free Bonds Public Issue	7.07%	Annual	Bullet Repayment	21-Dec-25	3,674.74	3,674.74	3,674.74
68	100th Series Tax Free Non-Cum Bonds	7.15%	Annual	Bullet Repayment	21-Aug-25	3,290.00	3,290.00	3,290.00
69	99th Series Tax Free Non-Cum Bonds	7.19%	Annual	Bullet Repayment	31-Jul-25	11,390.00	11,390.00	11,390.00
70	147th Series Taxable Bonds	6.99%	Annual	Bullet Repayment	19-Mar-25	8,470.00	-	-
71	69th Taxable Non-Cum. Bonds	8.95%	Semi Annual	Bullet Repayment	10-Mar-25	6,000.00	6,000.00	6,000.00
72	67th "A" Taxable Non-Cum. Bonds	8.65%	Semi Annual	Bullet Repayment	03-Feb-25	2,000.00	2,000.00	2,000.00
73	65th "O" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-24	600.00	600.00	600.00
74	95th Series Tax Free Bonds Public Issue	8.19%	Annual	Bullet Repayment	26-Mar-24	2,311.52	2,311.52	2,311.52
75	95th A Series Tax Free Bonds Public Issue	8.44%	Annual	Bullet Repayment	26-Mar-24	1,297.38	1,297.38	1,297.38
76	132 Series Taxable Bonds	8.25%	Annual	Bullet Repayment	28-Feb-24	25,000.00	25,000.00	-
77	91st Series Tax Free Bonds Public Issue	8.23%	Annual	Bullet Repayment	18-Feb-24	17,783.21	17,783.21	17,783.21
78	91st A Series Tax Free Bonds Public Issue	8.48%	Annual	Bullet Repayment	18-Feb-24	5,262.55	5,262.55	5,262.55
79	63rd "B" Taxable Non-Cum. Bonds	8.65%	Semi Annual	Bullet Repayment	15-Jan-24	3,150.00	3,150.00	3,150.00
80	62nd "B" Taxable Non-Cum. Bonds	8.50%	Semi Annual	Bullet Repayment	26-Dec-23	2,850.00	2,850.00	2,850.00
81	90th Series Tax Free Non-Cum Bonds	8.35%	Annual	Bullet Repayment	27-Nov-23	570.00	570.00	570.00
82	89th Series Tax Free Non-Cum Bonds	8.35%	Annual	Bullet Repayment	21-Nov-23	4,870.00	4,870.00	4,870.00
83	61st "A" Taxable Non-Cum. Bonds	10.70%	Semi Annual	Bullet Repayment	11-Sep-23	6,150.00	6,150.00	6,150.00
84	65th "N" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-23	600.00	600.00	600.00
85	145th Series Taxable Bonds	6.59%	Annual	Bullet Repayment	14-Apr-23	30,000.00	-	-
86	88th Taxable Non-Cum. Bonds	8.83%	Annual	Bullet Repayment	25-Mar-23	11,000.00	11,000.00	11,000.00
87	87th Series (Non-Retail), Tax Free Bonds Public Issue	6.88%	Annual	Bullet Repayment	23-Mar-23	1,373.50	1,366.17	1,361.09
88	87th Series (Retail), Tax Free Bonds Public Issue	7.38%	Annual	Bullet Repayment	23-Mar-23	278.20	285.53	290.61
89	86th Series (Non-Retail), Tax Free Bonds Public Issue	7.18%	Annual	Bullet Repayment	19-Feb-23	26,637.46	26,638.41	26,609.55
90	86th Series (Retail), Tax Free Bonds Public Issue	7.68%	Annual	Bullet Repayment	19-Feb-23	1,477.34	1,506.39	1,535.26
91	126th Taxable Non-Cum. Bonds*	7.63%	Annual	Bullet Repayment	25-Jan-23	30,000.00	30,000.00	30,000.00
92	85th Tax Free Non-Cum. Bonds	7.19%	Annual	Bullet Repayment	14-Dec-22	950.00	950.00	950.00
93	84th Tax Free Non-Cum. Bonds	7.22%	Annual	Bullet Repayment	07-Dec-22	4,999.00	4,999.00	4,999.00
94	83rd Tax Free Non-Cum. Bonds	7.22%	Annual	Bullet Repayment	06-Dec-22	300.00	300.00	300.00
95	82nd Tax Free Non-Cum. Bonds	7.22%	Annual	Bullet Repayment	30-Nov-22	410.00	410.00	410.00
96	81st Tax Free Non-Cum. Bonds	7.21%	Annual	Bullet Repayment	26-Nov-22	2,560.00	2,560.00	2,560.00
97	58th "A" Taxable Non-Cum. Bonds	9.20%	Semi Annual	Bullet Repayment	29-Oct-22	5,000.00	5,000.00	5,000.00
98	54th "A" Taxable Non-Cum. Bonds	9.95%	Semi Annual	Bullet Repayment	07-Jun-22	1,500.00	1,500.00	1,500.00
99	55th "O" Taxable Non-Cum. Bonds	9.86%	Semi Annual	Bullet Repayment	07-Jun-22	330.00	330.00	330.00
100	65th "M" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-22	600.00	600.00	600.00
101	80th Series (Non-Retail), Tax Free Bonds Public Issue	8.00%	Annual	Bullet Repayment	23-Feb-22	28,367.53	28,301.10	28,215.91
102	80th Series (Retail), Tax Free Bonds Public Issue	8.15%	Annual	Bullet Repayment	23-Feb-22	3,364.85	3,431.28	3,516.47
103	115th Taxable Non-Cum - Bonds	6.73%	Annual	Bullet Repayment	23-Jan-22	-	8,000.00	8,000.00
104	53rd "B" Taxable Non-Cum. Bonds	8.68%	Semi Annual	Bullet Repayment	29-Nov-21	2,250.00	2,250.00	2,250.00
105	114th Taxable Non-Cum - Bonds	6.70%	Annual	Bullet Repayment	24-Nov-21	20,000.00	20,000.00	20,000.00
106	113th Taxable Non-Cum - Bonds	7.24%	Annual	Bullet Repayment	08-Nov-21	6,500.00	6,500.00	6,500.00
107	79th Tax Free Non-Cum. Bonds	7.55%	Annual	Bullet Repayment	08-Nov-21	5,396.00	5,396.00	5,396.00
108	78th Taxable Non-Cum. Bonds	9.41%	Semi Annual	Bullet Repayment	28-Jul-21	15,000.00	15,000.00	15,000.00
109	58th "N" Taxable Non-Cum. Bonds	9.86%	Semi Annual	Bullet Repayment	07-Jun-21	330.00	330.00	330.00
110	77th Taxable Non-Cum. Bonds	8.57%	Semi Annual	Bullet Repayment	31-May-21	12,450.00	12,450.00	12,450.00
111	52nd "B" Taxable Non-Cum. Bonds	8.64%	Semi Annual	Bullet Repayment	17-May-21	7,000.00	7,000.00	7,000.00
112	76th Taxable Non-Cum. Bonds	8.27%	Semi Annual	Bullet Repayment	10-May-21	3,900.00	3,900.00	3,900.00
113	65th "L" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-21	600.00	600.00	600.00
114	127th Taxable Non-Cum. Bonds	7.65%	Annual	Bullet Repayment	15-Mar-21	25,000.00	25,000.00	25,000.00
115	51st Taxable Non-Cum. Bonds	7.74%	Semi Annual	Bullet Repayment	22-Dec-20	4,500.00	4,500.00	4,500.00



116	73rd "B" Tax Free Non-Cum. Bonds	6.72%	Semi Annual	Bullet Repayment	20-Dec-20	8,359.10	8,359.10	8,359.10
117	57th Taxable Non-Cum. Bonds	9.66%	Semi Annual	Redeemable in three Equal instalments commencing from 28-09-2020	28-Sep-20	6,000.00	8,000.00	10,000.00
118	49th "O" - FRB Taxable Non-Cum. Bonds	7.68% [*]	Semi Annual	Bullet Repayment	22-Jun-20	100.00	100.00	100.00
119	72nd Taxable Non-Cum. Bonds	8.50%	Semi Annual	Bullet Repayment	22-Jun-20	8,000.00	8,000.00	8,000.00
120	55th "M" Taxable Non-Cum. Bonds	9.86%	Semi Annual	Bullet Repayment	07-Jun-20	330.00	330.00	330.00
121	119th Taxable Non-Cum Bonds	7.20%	Annual	Bullet Repayment	31-May-20	23,750.00	23,750.00	23,750.00
122	65th "K" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-20	600.00	600.00	600.00
123	68th "B" Tax Free Non-Cum. Bonds	6.70%	Semi Annual	Bullet Repayment	08-Mar-20	-	9,272.10	9,272.10
124	67th Taxable Non-Cum. Bonds	8.55%	Semi Annual	Bullet Repayment	03-Feb-20	-	1,750.00	1,750.00
125	112th Taxable Non-Cum Bonds	6.92%	Annual	Bullet Repayment	10-Nov-19	-	15,000.00	15,000.00
126	48th "J" Taxable Non-Cum. Bonds	6.85%	Semi Annual	Bullet Repayment	17-Sep-19	-	500.00	500.00
127	111th Taxable Non-Cum - Bonds	7.65%	Annual	Bullet Repayment	30-Jul-19	-	10,000.00	10,000.00
128	49th "N" - FRB Taxable Non-Cum. Bonds	8.13% ^{**}	Semi Annual	Bullet Repayment	22-Jun-19	-	100.00	100.00
129	66th Taxable Non-Cum. Bonds	8.60%	Semi Annual	Bullet Repayment	11-Jun-19	-	5,000.00	5,000.00
130	128th Taxable Non-Cum. Bonds	7.72%	Annual	Bullet Repayment	07-Jun-19	-	26,000.00	26,000.00
131	55th "L" Taxable Non-Cum. Bonds	9.86%	Semi Annual	Bullet Repayment	07-Jun-19	-	330.00	330.00
132	65th "AA" Taxable Non-Cum. Bonds	8.19%	Semi Annual	Bullet Repayment	27-Apr-19	-	5,600.00	5,600.00
133	65th "T" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-19	-	600.00	600.00
134	105th Series Taxable Non-Cum Bonds	8.33%	Annual	Bullet Repayment	26-Mar-19	-	-	15,000.00
135	47th "O" Taxable Non-Cum. Bonds	5.99%	Semi Annual	Bullet Repayment	26-Mar-19	-	-	100.00
136	63rd "A" Taxable Non-Cum. Bonds	8.55%	Semi Annual	Bullet Repayment	15-Jan-19	-	-	17,050.00
137	62nd "A" Taxable Non-Cum. Bonds	8.45%	Semi Annual	Bullet Repayment	26-Dec-18	-	-	5,000.00
138	48th "U" Taxable Non-Cum. Bonds	6.85%	Semi Annual	Bullet Repayment	17-Sep-18	-	-	500.00
139	117th Taxable Non-Cum - Bonds	7.15%	Annual	Bullet Repayment	16-Sep-18	-	-	14,800.00
140	61st Taxable Non-Cum. Bonds	10.60%	Semi Annual	Bullet Repayment	11-Sep-18	-	-	8,550.00
141	116th Taxable Non-Cum - Bonds	7.00%	Annual	Bullet Repayment	10-Sep-18	-	-	21,650.00
142	46th "EE" Taxable Non-Cum. Bonds	6.20%	Semi Annual	Bullet Repayment	12-Aug-18	-	-	250.00
143	46th "O" Taxable Non-Cum. Bonds	6.25%	Semi Annual	Bullet Repayment	12-Aug-18	-	-	130.00
144	49th "M" - FRB Taxable Non-Cum. Bonds	7.11% ^{***}	Semi Annual	Bullet Repayment	22-Jun-18	-	-	100.00
145	55th "K" Taxable Non-Cum. Bonds	9.86%	Semi Annual	Bullet Repayment	07-Jun-18	-	-	330.00
146	60th Taxable Non-Cum. Bonds	9.43%	Semi Annual	Bullet Repayment	23-May-18	-	-	6,040.00
147	45th "OO" Taxable Non-Cum. Bonds	6.39%	Semi Annual	Bullet Repayment	13-May-18	-	-	700.00
148	55th "T" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-18	-	-	600.00
Total						11,46,906.94	9,72,424.04	8,73,775.04

* Put/Call option available at the end of 3rd Year

^{*} Applicable interest rate as on 31 March 2020, interest rate is floating linked to Indian Benchmark (INBMK) Yield and reset at half year rest. All other interest rates are fixed.

^{**} Applicable interest rate as on 31 March 2019, interest rate is floating linked to Indian Benchmark (INBMK) Yield and reset at half year rest. All other interest rates are fixed.

^{***} Applicable interest rate as on 1 April 2018, interest rate is floating linked to Indian Benchmark (INBMK) Yield and reset at half year rest. All other interest rates are fixed.

54 EC Bonds Secured in markets

The 54 EC Bonds issued in the domestic capital market are secured by first pari passu charge on the present/ future rolling stock assets/ lease receivables of the Company. Maturity Profile and Rate of Interest of the 54EC secured bonds issued in the domestic capital market and amount outstanding as on various dates is as set out below:-

S.No	Description	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2020	31 March 2019	31 March 2018
1	54 EC, Mar 2020 Bond Series*	5.75%	Annual	Bullet Repayment	31-Mar-25	1,429.69	-	-
2	54 EC, Feb 2020 Bond Series*	5.75%	Annual	Bullet Repayment	28-Feb-25	881.04	-	-
3	54 EC, Jan 2020 Bond Series	5.75%	Annual	Bullet Repayment	31-Jan-25	823.75	-	-
4	54 EC, Dec 2019 Bond Series	5.75%	Annual	Bullet Repayment	31-Dec-24	926.28	-	-
5	54 EC, Nov 2019 Bond Series	5.75%	Annual	Bullet Repayment	30-Nov-24	711.59	-	-
6	54 EC, Oct 2019 Bond Series	5.75%	Annual	Bullet Repayment	31-Oct-24	669.18	-	-
7	54 EC, Sep 2019 Bond Series	5.75%	Annual	Bullet Repayment	30-Sep-24	543.41	-	-
8	54 EC, August 2019 Bond Series	5.75%	Annual	Bullet Repayment	31-Aug-24	571.15	-	-
9	54 EC, July 2019 Bond Series	5.75%	Annual	Bullet Repayment	31-Jul-24	633.99	-	-
10	54 EC, June 2019 Bond Series	5.75%	Annual	Bullet Repayment	30-Jun-24	596.14	-	-
11	54 EC, May 2019 Bond Series	5.75%	Annual	Bullet Repayment	31-May-24	436.60	-	-
12	54 EC, Apr 2019 Bond Series	5.75%	Annual	Bullet Repayment	30-Apr-24	249.71	-	-
13	54EC Bond Mar 2019 Series	5.75%	Annual	Bullet Repayment	31-Mar-24	692.68	692.68	-
14	54EC Bond Feb 2019 Series	5.75%	Annual	Bullet Repayment	29-Feb-24	145.31	145.31	-
15	54EC Bond Jan 2019 Series	5.75%	Annual	Bullet Repayment	31-Jan-24	133.35	133.35	-
16	54 EC, Dec 2018 Bond Series	5.75%	Annual	Bullet Repayment	31-Dec-23	135.12	135.12	-
17	54 EC, Nov 2018 Bond Series	5.75%	Annual	Bullet Repayment	30-Nov-23	98.69	98.69	-
18	54 EC, Oct 2018 Bond Series	5.75%	Annual	Bullet Repayment	31-Oct-23	116.94	116.94	-
19	54 EC, Sep 2018 Bond Series	5.75%	Annual	Bullet Repayment	30-Sep-23	71.01	71.01	-
20	54 EC, Aug 2018 Bond Series	5.75%	Annual	Bullet Repayment	31-Aug-23	81.17	81.17	-
21	54 EC, July 2018 Bond Series	5.75%	Annual	Bullet Repayment	31-Jul-23	137.02	137.02	-
22	54 EC, June 2018 Bond Series	5.75%	Annual	Bullet Repayment	30-Jun-23	127.56	127.56	-
23	54 EC, May 2018 Bond Series	5.75%	Annual	Bullet Repayment	31-May-23	83.58	83.58	-
24	54 EC, Apr 2018 Bond Series	5.75%	Annual	Bullet Repayment	30-Apr-23	54.52	54.52	-
25	54 EC, Mar 2018 Bond Series	5.25%	Annual	Bullet Repayment	31-Mar-21	928.76	928.76	928.76
26	54 EC, Feb 2018 Bond Series	5.25%	Annual	Bullet Repayment	28-Feb-21	248.95	248.95	248.95
27	54 EC, Jan 2018 Bond Series	5.25%	Annual	Bullet Repayment	29-Jan-21	104.70	104.70	104.70
28	54 EC, Dec 2017 Bond Series	5.25%	Annual	Bullet Repayment	31-Dec-20	82.68	82.68	82.68
29	54 EC, Nov 2017 Bond Series	5.25%	Annual	Bullet Repayment	30-Nov-20	9.79	9.79	9.79
Total						11,724.36	3,251.83	1,374.88

* Deemed Date of allotment as per resolution taken in Board Committee meeting held on 15th May 2020, 25th June 2020 and 28th July 2020.

Unsecured bonds from domestic capital market

The Unsecured bonds issued in the domestic capital market and outstanding as on various dates is as set out below:-

S.No	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2020	31 March 2019	31 March 2018
1	148th Series Taxable Bonds	6.58%	Semi Annual	Redeemable in forty equal half yearly instalments commencing from 15 October 2030	31-Mar-50	25,000.00	-	-
2	137th Series Taxable Bonds	7.30% p.a.	Semi Annual	Redeemable in forty equal half yearly instalments commencing from 15 April 2030	18-Jun-49	18,000.00	-	-
3	125th Series Taxable Bonds	7.41% p.a.	Semi Annual	Redeemable in forty equal half yearly instalments commencing from 15 April 2028	22-Dec-47	21,000.00	21,000.00	21,000.00
4	122nd Series Taxable Bonds	6.77% p.a.	Semi Annual	Redeemable in forty equal half yearly instalments commencing from 15 April 2028	27-Jun-47	41,000.00	41,000.00	41,000.00
5	110th Series Taxable Bonds	7.80% p.a.	Semi Annual	Redeemable in forty equal half yearly instalments commencing from 15 April 2027	22-Jun-46	30,000.00	30,000.00	30,000.00
6	109th Series Taxable Bonds	8.02% p.a.	Semi Annual	Redeemable in forty equal half yearly instalments commencing from 15 April 2026	30-Mar-46	50,000.00	50,000.00	50,000.00
7	101st Series Taxable Bonds	8.87% p.a.	Semi Annual	Redeemable in forty equal half yearly instalments commencing from 15 April 2026	27-Oct-45	20,000.00	20,000.00	20,000.00
Total						2,05,000.00	1,62,000.00	1,62,000.00



Reconciliation			
Particulars	31 March 2020	31 March 2019	31 March 2018
Secured Bonds from Domestic Capital Market	11,46,906.94	9,72,424.04	8,73,775.04
S4EC Bonds Secured in Market	11,724.36	3,251.83	1,374.88
Unsecured Bonds from Domestic Capital Market	2,05,000.00	1,62,000.00	1,62,000.00
Bonds in Domestic Market as per IGAAP	13,63,631.30	11,37,675.87	10,37,149.92
Less: Unamortised transaction cost	(1,031.94)	(1,127.84)	(1,263.01)
Bonds in Domestic Market as per Ind AS	13,62,599.36	11,36,548.03	10,35,886.91

Unsecured bonds from overseas capital market								
The Unsecured bonds issued from overseas capital market and outstanding as on various dates is as set out below:-								
S.No	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2020	31 March 2019	31 March 2018
1	REG-S/144A BONDS USD 300M 3.95% GMTM-2050	3.95% P.a	Semi Annual	Bullet Repayment	13-Feb-50	22,770.00	-	-
2	REG-S/144A BONDS USD 700M 3.249% GMTM-2030	3.249% P.a	Semi Annual	Bullet Repayment	13-Feb-30	53,130.00	-	-
3	Reg-S Bonds Green Bond 1st Series (USD 500 Million)	3.835% p.a	Semi Annual	Bullet Repayment	13-Dec-27	37,950.00	34,815.00	32,750.00
4	Reg-S Bonds USD 500M-EMTN	3.73% p.a	Semi Annual	Bullet Repayment	29-Mar-24	37,950.00	34,815.00	-
5	Reg-S Bonds 3rd Series (USD 500 Million)	3.92% p.a.	Semi Annual	Bullet Repayment	26-Feb-19	-	-	32,750.00
Total Overseas bonds as per IGAAP						1,51,800.00	69,630.00	65,500.00
Less: Unamortised transaction cost						(128.89)	(58.81)	(21.18)
Less: Fair value hedge adjustment- recoverable from Ministry of Railways						-	-	(2,899.15)
Total Overseas bonds as per Ind AS						1,51,671.11	69,571.19	62,579.67

Commercial Paper (Unsecured)						
Details of Commercial Paper outstanding as on various dates is as set out below:						
S.No	s	Discount Rate	Date of Maturity of Bond	31 March 2020	31 March 2019	31 March 2018
1	Commercial Paper Series: XVIII	5.50%	21-Apr-20	38,750.00	-	-
2	Commercial Paper Series: XIII	7.23%	25-Apr-19	-	30,000.00	-
3	Commercial Paper Series: X	7.40%	13-Apr-18	-	-	10,000.00
Less: Unexpired discount				(115.91)	(140.23)	(24.12)
Total				38,634.09	29,859.77	9,975.88

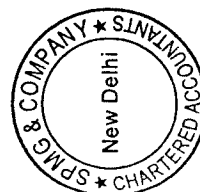
Total Indian Bonds	13,62,599.36	11,36,548.03	10,35,886.91
Total Overseas Bonds	1,51,671.11	69,571.19	62,579.67
Commercial Paper	38,634.09	29,859.77	9,975.88
Total Debt Borrowings	15,52,904.56	12,35,978.99	11,08,442.46



Indian Railway Finance Corporation Limited
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 Annexure VI: Notes to restated financial statement
 (All amounts in Millions of INR, unless stated otherwise)

Note 16: Borrowings (other than debt securities)

	As at 31 March 2020			As at 31 March 2019			As at 31 March 2018					
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Term loans												
Secured Loans												
(i) from banks- Indian	4,96,250.00	-	-	4,96,250.00	2,77,905.00	-	-	2,77,905.00	42,000.00	-	-	42,000.00
(ii) from bank-Foreign	454.58	-	-	454.58	625.44	-	-	625.44	784.36	-	-	784.36
(iii) from other parties- National small saving fund	1,75,000.00	-	-	1,75,000.00	1,75,000.00	-	-	1,75,000.00	1,00,000.00	-	-	1,00,000.00
Unsecured Loans												
(i) from banks (Indian)	22,619.00	-	-	22,619.00	24,198.97	-	-	24,198.97	39,692.00	-	-	39,692.00
(ii) from banks (foreign)	96,539.07	-	-	96,539.07	25,618.35	-	-	25,618.35	49,136.46	-	-	49,136.46
Total (A)	7,90,862.65	-	-	7,90,862.65	5,03,347.76	-	-	5,03,347.76	2,31,612.82	-	-	2,31,612.82
Borrowings in India	6,93,869.00	-	-	6,93,869.00	4,77,103.97	-	-	4,77,103.97	1,81,692.00	-	-	1,81,692.00
Borrowings outside India	96,993.65	-	-	96,993.65	26,243.79	-	-	26,243.79	49,920.82	-	-	49,920.82
Total (B) to Tally with (A)	7,90,862.65	-	-	7,90,862.65	5,03,347.76	-	-	5,03,347.76	2,31,612.82	-	-	2,31,612.82



Indian Railway Finance Corporation								
Secured Rupee Term Loan								
Rupee Term Loans availed from banks are secured by first pari passu charge on the present/future rolling stock assets/ lease receivables of the Company. Terms of repayment of secured term loans and amount outstanding as on various dates is as set out below :-								
S.No	Description	Interest rate	Interest Type	Terms of Repayment	Date of Maturity of Loan	31 March 2020	31 March 2019	31 March 2018
1	HDFC-IV	7.35%	Repo Rate +	16 Equal Half Yearly Instalments of Rs. 3,125 Millions commencing from 26th September 2024	26-Sep-24	50,000.00	-	-
2	Bank of Baroda (III)	7.55%	Linked to MCLR	Total no. of Half Yearly Instalments : 15 14 Equal Half Yearly instalments of Rs. 3,333.40 Millions commencing from 17th February 2024 15th Half Yearly instalment (Residual) of Rs. 3,332.40 Millions	17-Feb-24	50,000.00	-	-
3	Oriental bank of commerce	7.50%	Linked to MCLR	Total no. of Half Yearly Instalments : 14 13 Equal Half Yearly instalments of Rs. 1,071.40 Millions commencing from 17th August 2023 14th Half Yearly instalment (Residual) of Rs. 1,071.80 Millions	17-Aug-23	15,000.00	-	-
4	Bank of Baroda (II)	7.55%	Linked to MCLR	Total no. of Half Yearly Instalments : 14 13 Equal Half Yearly instalments of Rs. 2,142.90 Millions commencing from 21st July 2023 14th Half Yearly instalment (Residual) of Rs. 2,142.90 Millions	21-Jul-23	30,000.00	-	-
5	Canara Bank ***	7.65%	Linked to MCLR	16 Equal Half yearly instalments of Rs. 625 Millions commencing from 30th March 2022	30-Mar-22	10,000.00	-	-
6	State bank of India (V) Tranch I & II	7.45%	Linked to MCLR	Total no. of Half Yearly Instalments : 18 17 Equal Half Yearly instalments of Rs. 3,890 Millions commencing from 23rd September 2021 18th Half Yearly instalment (Residual) of Rs. 3,870 Millions	23-Sep-21	70,000.00	-	-
7	Punjab National Bank(IV)	7.50%	Linked to MCLR	10 Equal yearly instalments of Rs. 1,000 Millions commencing from 30th March 2021	30-Mar-21	10,000.00	-	-
8	Punjab National Bank(III)	7.50%	Linked to MCLR	10 Equal yearly instalments of Rs. 3,000 Millions commencing from 17th February 2021	17-Feb-21	30,000.00	-	-
9	HDFC-I	7.29%	3M TBILL+SPREAD	19 Equal Half Yearly Instalments of Rs. 500 Million each commencing from 29 Sep 2020	29-Sep-20	9,500.00	-	-
10	Bank of Baroda (I)	7.55%	Linked to MCLR	20 Equal Half Yearly instalments of Rs. 1,000 Million each commencing from 28 May 2020	28-May-20	20,000.00	-	-
11	HDFC-II	7.43%	3M TBILL+SPREAD	20 Equal Half Yearly Instalments of Rs. 1000 Million each commencing from 4 May 2020	04-May-20	20,000.00	-	-
12	HDFC-III	7.32%	3M TBILL+SPREAD	20 Equal Half Yearly instalments of Rs. 1000 Million each commencing from 24 June 2020	24-Jun-20	20,000.00	-	-
13	State Bank of India (III)	7.89%	Linked to MCLR	Sanctioned Amount: Rs. 90,000 Million with 20 Equal Half Yearly instalments of Rs. 4500 Million each commencing 3 July 2019 Initial Drawdown: Rs. 80,000 Million Final Drawdown: Rs. 10,000 Million on 26.12.2019 Balance instalments: 18 Equal Half Yearly instalments Rs. 4500 Million commencing from 3rd July 2020	03-Jul-20	81,000.00	80,000.00	-
14	Punjab National Bank (II)	7.50%	Linked to MCLR	Bullet Repayment	29-Apr-20	10,000.00	10,000.00	-
15	Allahabad Bank*	8.25%	Linked to MCLR	Bullet Repayment	28-Apr-20	-	19,000.00	-
16	Corporation Bank	7.55%	Linked to MCLR	Bullet Repayment	26-Apr-20	11,500.00	11,500.00	-
17	Corporation Bank	7.55%	Linked to MCLR	Bullet Repayment	19-Apr-20	6,250.00	7,500.00	-
18	Bank of India-II	7.65%	Linked to MCLR	19 Equal Half Yearly Instalments of Rs.1000 Million each commencing from 15 April 2020	15-Apr-20	19,000.00	20,000.00	-
19	Bank of India-I	7.65%	Linked to MCLR	17 Equal Half Yearly Instalments of Rs.500 Million each commencing from 15 April 2020	15-Apr-20	8,500.00	9,500.00	-
20	State Bank of India (II)	7.85%	Linked to MCLR	17 Equal Half Yearly Instalments of Rs.1500 Million each commencing from 15 April 2020	15-Apr-20	25,500.00	28,500.00	-
21	State Bank of India (IV) **	8.25%	Linked to MCLR	Bullet Repayment	02-Feb-20	-	10,000.00	-
22	State Bank of India (IV) **	8.25%	Linked to MCLR	Bullet Repayment	29-Jan-20	-	20,000.00	-
23	J&K Bank	8.20%	Linked to MCLR	Bullet Repayment	01-Dec-19	-	5,000.00	-
24	J&K Bank	8.20%	Linked to MCLR	Bullet Repayment	29-Nov-19	-	5,000.00	-
25	Andhra Bank	8.25%	Linked to MCLR	Bullet Repayment	10-Sep-19	-	14,900.00	-
26	Punjab National Bank	8.10%	Linked to MCLR	Bullet Repayment	10-Sep-19	-	10,000.00	-
27	State Bank of India	8.15%	Linked to MCLR	Bullet Repayment	22-Apr-19	-	28,000.00	30,000.00
28	Canara Bank	8.35%	Linked to MCLR	Bullet Repayment	11-Apr-19	-	5,000.00	12,000.00
Total						4,96,250.00	2,77,905.00	42,000.00

Note-1 Date of Maturity Indicates the date of payment of next instalment.

- * Prepaid on 16th March 2020
- ** Prepaid on 21st January 2020
- *** Prepaid on 12th May 2020



Secured foreign currency term loan							
Foreign Currency Loan are secured by first pari passu charge on the present/ future rolling stock assets/ lease receivables of the Company. Terms of Repayment of the foreign currency term loan and amount outstanding as on various dates is as set out below:-							
S.No	Description	Interest rate	Interest payment frequency	Date of Maturity of Loan	31 March 2020	31 March 2019	31 March 2018
1	Bank of India	6M USD LIBOR+1.25%	Semi Annual	30-Apr-20	455.40	-	-
2	Bank of India	6M USD LIBOR+1.25%	Semi Annual	30-Apr-19	-	626.67	-
3	Bank of India	6M USD LIBOR+1.25%	Semi Annual	30-Apr-18	-	-	786.00
Total as per IGAAP					455.40	626.67	786.00
Unamortised transaction cost					(0.82)	(1.23)	(1.64)
Secured Foreign Currency Term Loan as per Ind AS					454.58	625.44	784.36

Note-1 Date of Maturity indicates the date of payment of next instalment.

Secured Rupee term loan from National Small Saving Fund (NSSF)								
Rupee term loan from National Small Saving Fund is secured by the first pari passu charge on the present/ future rolling stock assets/ lease receivables of the Company. Terms of repayment and the amount outstanding as on various dates is as set out below:-								
S.No	Description	Interest rate (p.a.)	Interest payment frequency	Terms of Repayment	Date of Maturity of Loan	31 March 2020	31 March 2019	31 March 2018
1	National Small Saving Fund (NSSF)-II*	8.11%	Semi Annual	Bullet Repayment	07-Feb-29	75,000.00	75,000.00	-
2	National Small Saving Fund (NSSF)-I	8.01%	Semi Annual	Bullet Repayment	28-Mar-28	1,00,000.00	1,00,000.00	1,00,000.00
Total						1,75,000.00	1,75,000.00	1,00,000.00

* Pending registration of charge with the Registrar of Companies ("ROC") as on 31 March 2019

Unsecured Rupee Term Loan								
Terms of repayment of the Unsecured Rupee Term Loans from banks and amount outstanding as on various dates is as set out below:-								
S.No	Description	Interest rate	Interest Type	Terms of Repayment	Date of Maturity of Loan	31 March 2020	31 March 2019	31 March 2018
1	Axis Bank	6.05%	Fixed Rate	Bullet Repayment	10-Apr-20	150.00	-	-
2	Corporation Bank	6.10%	Fixed Rate	Bullet Repayment	04-Apr-20	5520.00	-	-
3	Corporation Bank	6.10%	Fixed Rate	Bullet Repayment	05-Apr-20	10.00	-	-
4	Corporation Bank	6.10%	Fixed Rate	Bullet Repayment	08-Apr-20	150.00	-	-
5	Corporation Bank	6.10%	Fixed Rate	Bullet Repayment	15-Apr-20	40.00	-	-
6	HDFC Bank	6.10%	Fixed Rate	Bullet Repayment	22-Apr-20	2009.00	-	-
7	HDFC Bank	6.10%	Fixed Rate	Bullet Repayment	26-Apr-20	4080.00	-	-
8	HDFC Bank	6.10%	Fixed Rate	Bullet Repayment	29-Apr-20	3160.00	-	-
9	Karnataka Bank	5.90%	Fixed Rate	Bullet Repayment	04-Apr-20	7500.00	-	-
10	State Bank of India	8.25%	Linked to MCLR	Bullet Repayment	12-Apr-19	-	9,198.97	-
11	Karnataka Bank	8.14%	T-bill plus spread	Bullet Repayment	12-Apr-19	-	2,500.00	-
12	Karnataka Bank	8.19%	T-bill plus spread	Bullet Repayment	12-Apr-19	-	2,500.00	-
13	United Bank of India	8.15%	Linked to MCLR	Bullet Repayment	12-Apr-19	-	10,000.00	-
14	Allahabad Bank	7.85%	Linked to MCLR	Bullet Repayment	02-May-18	-	-	12,984.00
15	Vijaya Bank	7.90%	Linked to MCLR	Bullet Repayment	13-Apr-18	-	-	708.00
16	Bank of Baroda	7.85%	Linked to MCLR	Bullet Repayment	11-Apr-18	-	-	20,000.00
17	J&K Bank	7.60%	Linked to MCLR	Bullet Repayment	01-Apr-18	-	-	6,000.00
Total						22,619.00	24,198.97	39,692.00

Unsecured foreign currency term loan								
Terms of repayment of the unsecured rupee term loan from banks and amount outstanding as on various dates is as set out below:-								
S.No	Description	Interest rate (p.a.)	Interest payment frequency	Terms of Repayment	Date of Maturity of Loan	31 March 2020	31 March 2019	31 March 2018
1	Syndicated Foreign Currency Loan-JPY 3,31,890 Mio SBI-SMBC (Equivalent to USD 300M)	6M JPY LIBOR + 0.935% pa	Semi Annual	Bullet Repayment	31-Mar-30	23,414.84	-	-
2	Foreign Currency Loan-USD 300M-SBI BAHRAIN	6M USD LIBOR + 1.30% pa	Semi Annual	Bullet Repayment	26-Mar-30	22,770.00	-	-
3	Syndicated Foreign Currency Loan-JPY 26231.25 Mio	6M JPY LIBOR+0.80%	Semi Annual	Bullet Repayment	28-Mar-28	18,506.15	16,604.38	16,239.77
4	Syndicated Foreign Currency Loan-JPY 32,856 (Equivalent to USD 300M)	6M JPY LIBOR + 0.90% pa	Semi Annual	Bullet Repayment	03-Jun-26	23,179.91	-	-
5	Loan From AFLAC-2	2.90%	Semi Annual	Bullet Repayment	30-Mar-26	2,811.11	2,578.89	2,425.93
6	Loan From AFLAC-1	2.85%	Semi Annual	Bullet Repayment	10-Mar-26	11,073.56	10,158.78	9,556.23
7	Syndicated Foreign Currency Loan-USD 400 Mio	6M USD LIBOR+0.60%	Semi Annual	Bullet Repayment	03-Dec-18	-	-	26,200.00
Total as per IGAAP						1,01,755.57	29,342.05	54,421.93
Less: Unamortised transaction cost						(2,126.28)	(617.75)	(688.83)
Less: Fair value hedge adjustment- recoverable from Ministry of Railways						(3,090.22)	(3,105.95)	(4,596.64)
Unsecured Foreign Currency Term Loan as per Ind AS						96,539.07	25,618.35	49,136.46

Note: Prepayment option on unsecured loans wherever applicable do not attract any additional charges when applied subject to the prepayment being done at the end of interest terms.



Indian Railway Finance Corporation Limited

CIN U65910DL1986GOI026363

Annexure VI: Notes to restated financial statement

(All amounts in millions of INR, unless stated otherwise)

Note 17 : Other financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Interest accrued but not due	1,00,490.79	72,918.04	56,567.19
Liability for matured and unclaimed bonds and interest accrued thereon	96.82	80.91	58.16
Amount payable to Ministry of Railways - Leased Assets	459.09	-	-
Earnest money deposit	0.49	0.33	0.33
Total	1,01,047.19	72,999.28	56,625.68

Note 18 : Provisions

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits	18.52	19.36	16.61
Provision for corporate social responsibility	78.94	78.94	78.94
Provision on interest payable on income tax	40.57	19.66	12.82
Total	138.03	117.96	108.37
Provision of expected credit loss on financial assets as per Ind AS 109, Financial Instruments read with applicable Reserve Bank of India circulars now presented as reduction being impairment loss allowance from			
- Note 7 - Loans	257.97	236.77	-
- Note 8 - Investments	0.09		
- Note 9 - Other financial assets	38.79	38.68	-
Total	296.85	275.45	-

Note 19 : Deferred tax liabilities (net)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Deferred tax liability (net) (Refer Note No. 2.7)	-	-	64,431.40
Less: Adjusted in retained earnings as of 01st April 2017 as per Letter No, F.No.17/16/2017-CL-V dated 20th March 2020 of Ministry of Corporate Affairs Government of India.	-	-	(64,431.40)
Total	-	-	-

Note 20 : Other non-financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Statutory dues	176.86	1.05	6,477.59
Tax deducted at source payable	145.33	47.10	115.14
Total	322.19	48.15	6,592.73



Note 21: Share capital

Particulars	As at		As at	
	31 March 2020	31 March 2019	31 March 2019	31 March 2018
Authorised share capital				
No. of shares	15,00,00,000	15,00,00,000	15,00,00,000	15,00,00,000
Par value per share (Rs.)	10.00	10.00	10.00	10.00*
Amount	1,50,000.00	1,50,000.00	1,50,000.00	1,50,000.00
* The face value of equity shares was subdivided from Rs 1000 to Rs 10 in the Annual General Meeting held on 12 September, 2017.				
Issued, subscribed and fully paid-up				
No of Shares	9,38,04,60,000	6,52,64,60,000	6,52,64,60,000	6,52,64,600
Issued during the year	2,50,00,00,000	2,85,40,00,000	2,85,40,00,000	-
Total no of shares	11,88,04,60,000	9,38,04,60,000	9,38,04,60,000	6,52,64,600
Par value per share (Rs.)	10.00	10.00	10.00	1,000.00
Amount (in millions)	1,18,804.60	93,804.60	93,804.60	65,264.60
On sub-division of face value from Rs 1000 to Rs 10 each in Annual General Meeting held on 12 September 2017-No of shares				
Par value per share (Rs.)	-	-	-	6,52,64,60,000
Amount (in millions)	-	-	-	10.00
Total	1,18,804.60	93,804.60	93,804.60	65,264.60

(i) Reconciliation of the number of shares outstanding is set out below

Particulars	As at 31 March 2020		As at 31 March 2019		As at 31 March 2018	
	Number of shares*	Amount (in millions)	Number of shares*	Amount (in millions)	Number of shares*	Amount (in millions)
Shares outstanding at the beginning of the year	9,38,04,60,000	93,804.60	6,52,64,60,000	65,264.60	6,52,64,60,000	65,264.60
Shares issued during the year	2,50,00,00,000	25,000.00	2,85,40,00,000	28,540.00	-	-
Shares outstanding at the end of the year	11,88,04,60,000	1,18,804.60	9,38,04,60,000	93,804.60	6,52,64,60,000	65,264.60

* The face value of equity shares was subdivided from Rs 1000 to Rs 10 in the Annual General Meeting held on 12 September 2017.

(ii) The Company has only one class of equity shares having face value of ` 10 each and the holder of the equity share is entitled to one vote per share. The dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held.

(iii) Details of shares held by shareholders holding more than 5% of shares:

Particulars	As at 31 March 2020		As at 31 March 2019		As at 31 March 2018	
	Number of shares	% Holding	Number of shares	% Holding	Number of shares	% Holding
The President of India and his nominees (through Ministry of Railways)	11,88,04,60,000	100%	9,38,04,60,000	100%	6,52,64,60,000	100%

(iv) The company has not, for a period of 5 years immediately preceding the balance sheet date:- issued equity share without payment being received in cash.

- issued equity share by way of bonus share.

- bought back any of its share.

(v) The company has no equity share reserve for issue under options/contracts



Note 22 : Other Equity

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Share issue expenses	(169.80)	-	-
Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	11,894.35	4,509.50	-
Security premium reserve	-	-	-
Bond redemption reserve	-	57,145.59	52,947.49
General reserve	1,74,032.28	30,327.36	17,397.90
Retained earnings	5,000.00	64,431.40	68,044.81
Equity instruments through other comprehensive income	62.91	68.08	64.29
Total	1,90,819.74	1,56,481.93	1,38,454.49

Note 22.1: Share issue expenses*

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the period	-	-	-
Addition during the period	(169.80)	-	-
Balance at the end of the period	(169.80)	-	-

* Share issue expenses includes stamp duty fees and listing fees for the amount of Rs.118.80 million and Rs. 51.00 million respectively.

Note 22.2: Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of year	4,509.50	-	-
Addition during the year	7,384.85	4,509.50	-
Balance at the end of year	11,894.35	4,509.50	-

Note 22.3: Securities premium reserve

The Company had as on 1 April 2017 (as per earlier GAAP), Rs. 42.11 millions being premium on issue of certain debt securities which has been considered in determination of effective interest cost of these bonds as per Ind AS 109 "Financial Instruments".

Note 22.4: Bond redemption reserve

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of year	57,145.59	52,947.49	48,749.39
Addition/(deletion) during the period	(57,145.59)	4,198.10	4,198.10
Balance at the end of year	-	57,145.59	52,947.49

The Ministry of Corporate Affairs has notified the Companies (Share Capital and Debentures) Amendments Rules, 2019 on 16th August 2019 which exempts NBFC listed companies registered with Reserve Bank of India u/s 45-IA of the RBI Act, 1934 from creation of Debenture Redemption reserve. Accordingly, the balance outstanding against Bond Redemption Reserve as on 31-03-2019 amounting to Rs. 57,145.59 millions has been transferred to retained earnings.

Note 22.5: General reserve

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of year	30,327.36	17,397.90	6,039.87
Addition during the year	1,43,704.92	12,929.46	11,358.03
Balance at the end of year	1,74,032.28	30,327.36	17,397.90



General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of other equity to another and is not an item of other comprehensive income.

Note 22.6: Retained earnings

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of year	64,431.40	68,044.81	1,488.63
Less: Adjusted in retained earning due to change in accounting policy (Refer Accounting policy note no. 2.7)*	-	-	64,431.40
	64,431.40	68,044.81	65,920.03
Profit for the year	36,923.89	22,544.48	20,491.55
Transfer from (to) bond redemption reserve.	57,145.59	(4,198.10)	(4,198.10)
Transfer from (to) general reserve.	(1,43,704.92)	(12,929.46)	(11,358.03)
Transfer to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	(7,384.85)	(4,509.50)	-
Dividend	(2,000.00)	(3,750.00)	(2,335.24)
Dividend tax	(411.11)	(770.83)	(475.40)
Balance at the end of year	5,000.00	64,431.40	68,044.81

* Vide Letter No. Eoffice F.No.17/32/2017-CL-V dated 20th March 2020, MCA has advised the company to apply paragraph 11 of Ind AS 01, First time adoption of Ind AS read with Ind AS 8, Accounting Policies, changes in Accounting Estimates and Errors. Accordingly, the company reversed the deferred tax liability of Rs. 64,431.40 million by crediting the retained earnings (Refer Note-46).

The Board of Directors of the Company have proposed a final dividend of Rs. 5,000.00 Million (31st March 2019: Rs. 2,000.00 Million; 31st March 2018: Rs. 1,750.00 Million) subject to Corporate Dividend Tax in the board meeting held on 28th August 2020 (31st March 2019: 5th September 2019 ; 31st March 2018: 10th September 2018) subject to approval of shareholders in the forthcoming Annual General Meeting.

Note 22.7: Equity instruments through other comprehensive income

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of year	68.08	64.29	56.95
Total comprehensive income for the year	(5.17)	3.79	7.34
Balance at the end of year	62.91	68.08	64.29



Note 23 : Interest income

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
On financial assets measured at a amortised cost :			
- Interest on loans	5,548.60	5,251.05	2,343.28
- Interest income from deposits	282.16	202.55	139.20
- Interest income from investments	5.05	6.67	8.15
- Pre commencement lease - Interest Income	22,198.43	11,757.72	7,391.46
- Interest income on application money	45.11	12.72	3.63
Total	28,079.35	17,230.71	9,885.72

Note 24 : Lease income

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Lease income	1,10,299.37	94,100.09	82,784.48
Total	1,10,299.37	94,100.09	82,784.48

Note 25 : Other income

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Profit on sale of fixed assets	-	0.01	-
Miscellaneous income	0.73	-	8.74
Total	0.73	0.01	8.74

Note 26: Finance cost

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
On financial liabilities measured at amortised cost :			
Interest on debt securities	1,02,799.80	85,514.61	76,157.12
Interest on borrowings	38,310.56	19,276.33	2,639.76
Discount on commercial paper	1,358.05	1,237.25	2,020.12
Interest on delayed payments to Ministry of Railways	4,971.55	2,993.49	786.99
Interest to Income Tax Authorities	20.91	19.66	12.82
Other borrowing cost	100.58	114.29	132.70
Sub-Total	1,47,561.45	1,09,155.63	81,749.51
Less: Borrowing costs capitalized on Railway Infrastructure Assets & National Projects	46,763.64	27,325.03	15,373.78
Total	1,00,797.81	81,830.60	66,375.73

Note 27: Impairment on financial instruments measured at amortised cost*

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Loans & Interest accrued thereon	21.41	275.44	-
Total	21.41	275.44	-

* The Company has computed expected credit loss as per Ind AS 109, Financial Instruments in accordance with Reserve Bank of India direction RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020 based on Reserve Bank of India circular no. RBI/2017-18/181_DNBR (PD) CC No. 092/03.10.001/2017-18 dated 31 May 2018 read with letter no. DNRB (PD) CO No. 1271/03.10.001/2018-19 dated 21 December 2018 which was earlier exempted vide notification DNBR.PD.008/03.10.119/2016-17 dated 1st September 2016 for all government NBFC company. The computation of impairment is as under:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Loan to IRCON International Limited	24,612.27	30,765.34	-
Loan to Rail Vikas Nigam Limited	39,879.41	28,426.30	-
Debt securities	22.23	-	-
Interest accrued on above	9,698.37	9,669.11	-
Total	74,212.28	68,860.75	-
Provision @ 0.4%	296.85	275.44	-
Less: ECL already created	275.44	-	-
Change in impairment	21.41	275.44	-



The Company apart from the above is of the view that no further impairment is required as per expected credit loss model prescribed in IND AS 109, Financial Instruments as Ircon International Limited and Rail Vikas Nigam Limited, both, are under the Ministry of Railways, Government of India and the Company do not expect any concern in the repayment of aforesaid loans.

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(All amounts in millions of INR, unless stated otherwise)

Note 28 : Employee benefit expense

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Salaries and wages	52.08	54.78	44.24
Contribution to provident and others funds	9.88	7.32	10.67
Staff welfare expenses	0.69	0.41	0.35
Total	62.65	62.51	55.26

Note 29: Depreciation, amortisation and impairment

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of property, plant and equipment	4.43	4.09	3.47
Amortisation of intangible assets	0.15	0.09	0.07
Total	4.58	4.18	3.54

Note 30 : Other expenses

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Bank charges	0.34	0.37	0.18
Fee & subscription	2.66	2.01	2.36
Filing fees	-	0.02	0.05
Travelling	14.65	4.86	4.92
Conveyance	0.95	0.74	0.71
Ground rent	0.14	0.14	0.13
Printing & stationery	1.93	1.77	1.65
Postage, telegram & telephone	0.50	0.29	0.29
Director's fees, allowances and expenses	2.31	2.24	
Transport hire charges	3.25	2.70	3.72
Insurance	0.06	0.02	0.02
Manpower Services	15.12	9.49	7.46
Vehicle expenses	0.12	0.09	0.21
Legal & professional charge	8.53	8.08	34.97
Loss on sale of fixed assets	0.07	0.16	0.07
Payment to auditors (refer note (i) below)	4.44	4.28	2.05
Property tax	0.28	0.28	0.26
Office maintenance charges	2.20	3.72	4.21
Office equipment maintenance	3.43	2.54	2.50
Advertisement & publicity	3.08	5.47	3.75
Sponsorship/Donation	0.20	0.62	3.12
Newspaper, books and periodicals	0.18	0.23	0.15
Electricity charges	2.58	2.19	2.37
Exchange rate variation	3.30	0.23	1.66
Miscellaneous expenses	9.87	10.05	9.76
Corporate social responsibility expenses (refer note 49)	494.49	84.78	237.80
Total	574.68	147.37	324.37

(i) Payment to the Auditors Comprises net of service tax input credit, where applicable)

(a) Annual Audit fees	1.00	1.00	0.75
(b) Tax audit fees	0.38	0.33	0.25
(c) Quarterly Review fees	0.88	0.69	0.63
(d) Certification fees	1.92	1.88	0.42
(e) GST Audit Fees	0.03	0.15	-
(f) Internal Audit Fees	0.23	0.23	-
Total	4.44	4.28	2.05



Note 31: Income taxes

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Income taxes recognised in profit and loss			
Current tax			
In respect of the current year	-	6,469.24	5,434.05
Adjustments for prior periods	-	-	-
	-	6,469.24	5,434.05
Deferred tax			
In respect of the current year	-	-	-
	-	6,469.24	5,434.05
Total income tax expense recognised in the current year	-	6,469.24	5,434.05

The Company has decided to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 on 20th September, 2019. After exercising the option of Section 115BAA, the taxable income under the provisions of Income Tax Act, 1961 comes to nil. Further after adoption of Section 115BAA, the Company will be outside the scope and applicability of MAT provisions under Section 115JB of Income Tax Act, 1961. Hence, no provision for tax has been made in the financial statements for the year ended 31st March 2020.

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Profit before tax	36,924.24	29,015.85	25,924.91
Tax rate	25.168%	34.944%	34.608%
Tax thereon	9,293.09	10,139.30	8,972.09
Tax impact on account of unabsorbed depreciation as per computation under normal provisions of the Income tax Act, 1961 under the head 'Profit and Gains of Business'	(9,293.09)	(10,139.30)	(8,972.09)
Minimum alternate tax on book profits as per section 115JB(1) of Income Tax Act, 1961 (see note 1 below)	-	6,314.78	5,434.23
Proportionate minimum alternate tax on accretion to other equity on date of transition to Ind AS as per Section 115JB (2C) of the Income Tax Act, 1961 (see note 2 below)	-	153.88	-
Tax on items recognised in other comprehensive income	-	0.58	(0.18)
Total tax expense	-	6,469.24	5,434.05



Note -1

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Profit for the period as per Ind AS		29,015.85	25,924.91
Less: Ind AS adjustments		2.71	473.39
Total (A)		29,013.14	25,451.52
Add:-			
Expenses u/s 14A of Income Tax Act	As the Company has	0.20	0.20
Interest u/s 234 B & C	opted for section	19.66	12.82
Provision for post retirement employee benefits	115BAA of the	1.24	3.43
Standard asset provision	Income - tax Act,	275.44	-
Total (B)	1961, the MAT	296.54	16.45
Total (A+B)	provisions of section	29,309.68	25,467.97
Less:-	115JB of the Income -		
Dividend income	tax Act, 1961 are no	5.14	4.87
Total (C)	longer applicable to	5.14	4.87
	the Company		
Book Profit((A+B)-C)		29,304.54	25,463.10
Tax rate		21.549%	21.342%
Tax thereon		6,314.78	5,434.23

Note -2

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Other equity as per Ind AS on date of conversion i.e, 01 April 2018	-	74,022.26	-
Adjustment on account of fair value change in the value of investments measured at FVTOCI	-	64.29	-
Total	-	73,957.97	-
Other equity as per AS on date of conversion i.e, 01 April 2018	-	70,387.50	-
Difference	-	3,570.47	-
Tax rate	-	21.55%	-
Tax thereon	-	769.39	-
Proportionate amount for the year ended 31 March 2019	-	153.88	-

Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Remeasurements of defined benefit obligation	-	0.58	(0.18)
Total income tax recognised in other comprehensive income	-	0.58	(0.18)

Note 32: Earnings per share

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Net Profit	36,924.24	22,546.61	20,490.86
Weighted average number of equity shares outstanding			
Opening balance at the beginning of the year	9,38,04,60,000	6,52,64,60,000	6,52,64,60,000
Issued during the year	1,36,61,202	4,69,15,068	-
Brought back during the year	-	-	-
Add: Number of potential equity shares on account of receipt of share application money	-	-	-
Weighted average number of equity shares [including diluted equity share] outstanding at the end of the year	9,39,41,21,202	6,57,33,75,068	6,52,64,60,000
Earnings per share- Basic [Face value of Rs. 10/- per share] (in Rs.)	3.93	3.43	3.14
Earnings per share- Diluted [Face value of Rs. 10/- per share] (in Rs.)	3.93	3.43	3.14

The face value of Equity Shares was sub-divided from Rs. 1,000 to Rs. 10 each in the Annual General Meeting held on 12 September 2017. However, for the purpose of this Note 32, to ensure comparability, the number of equity shares and earnings per share have been determined by assuming that the sub-division of the face value of equity shares from Rs.1,000 to Rs. 10 occurred on 31 March 2017.



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(All amounts in millions of INR, unless stated otherwise)

Note 33: Leases

Receivables (Note No. 6) include lease receivables representing the present value of future Lease Rentals receivables on the finance lease transactions entered into by the Company.

The lease agreement in respect of these assets is executed at the year-end based on the lease rentals and Implicit rate of return (IRR) with reference to average cost of annual incremental borrowings plus margin decided at that time. Any variation in the lease rental rate or the implicit rate of return for the year is accordingly adjusted at the year end.

Reconciliation of the lease receivable amount on the gross value of leased assets worth Rs. 22,38,107.84 millions (31 March 2019: Rs. 19,02,666.75 millions ,31 March 2018: Rs. 16,62,115.90 millions) owned by the Company and leased to the Ministry of Railways(MoR) is as under:

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Gross value of assets acquired & leased upto the end of previous financial year	19,02,666.75	16,62,115.90	14,75,417.30
Less: Capital recovery provided upto last Year	(6,52,401.63)	(5,67,399.34)	(4,93,355.40)
Capital recovery outstanding on leased assets as at the end of last year	12,50,265.12	10,94,716.56	9,82,061.90
Add: Gross value of assets acquired and leased during the period	3,35,441.09	2,40,550.85	1,86,698.60
	15,85,706.21	13,35,267.41	11,68,760.50
Less: Capital recovery for the period	(99,908.21)	(85,002.29)	(74,043.94)
Net investment in Lease Receivables	14,85,798.00	12,50,265.12	10,94,716.56

The value of contractual maturity of leases as per Ind AS-116 is as under:-

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Gross investment in lease	21,85,188.13	18,42,569.01	16,09,327.00
Unearned finance income	6,99,390.13	5,92,303.89	5,14,610.44
Present value of minimum lease payment (MLP)	14,85,798.00	12,50,265.12	10,94,716.56

Gross investment in lease and present value of minimum lease payments (MLP) for each of the periods are as under

Gross investment in lease

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Not later than one year	2,23,394.28	1,90,228.01	1,65,821.30
Later than one year and not later than two years	2,18,765.03	1,86,567.68	1,62,738.26
Later than two years and not later than three years	2,14,010.29	1,81,938.43	1,59,077.93
Later than three years and not later than four years	2,06,824.99	1,77,183.69	1,54,448.68
Later than four years and not later than five years	1,96,693.09	1,69,998.39	1,49,693.93
Later than five years	11,25,500.45	9,36,652.81	8,17,546.90
Total	21,85,188.13	18,42,569.01	16,09,327.00

Present value of MLP

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Not later than one year	1,12,525.68	95,104.40	82,368.50
Later than one year and not later than two years	1,17,498.21	99,676.79	86,272.27
Later than two years and not later than three years	1,22,194.13	1,03,622.03	90,088.10
Later than three years and not later than four years	1,25,419.42	1,07,208.40	93,211.97
Later than four years and not later than five years	1,26,008.98	1,09,235.28	95,906.66
Later than five years	8,82,151.58	7,35,418.22	6,46,869.06
Total	14,85,798.00	12,50,265.12	10,94,716.56

Unearned Finance Income & Unguaranteed Residual Income

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Unearned finance income	6,99,390.13	5,92,303.89	5,14,610.44
Unguaranteed residual income	NIL	NIL	NIL

The Company has leased rolling stock assets to the Ministry of Railways (MOR). Besides, the Company has funded Railway projects during the year 2011-12, in respect of which the lease had commenced during the year 2015-16. A separate lease agreement for each year of lease has been executed and as per the terms of the lease agreements, lease rentals are received half yearly in advance. The leases are non-cancellable and shall remain in force until all amounts due under the lease agreements are received.



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Note 34: Contingent liabilities and Commitments**Contingent liabilities**

a.

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Claims against the Company not acknowledged as debt – Claims by bondholders in the consumer / civil courts (Rs. In millions)	4.27	4.27	0.87

b. Claims against the Company not acknowledge as debt – relating to service matter pending in Hon'ble Supreme Court - amount not ascertainable.

c. The procurement/acquisition of assets leased out by the Company to the Indian Railways is done by Ministry of Railways (MOR), Government of India. As per the lease agreements entered into between the Company and MOR, the Sales Tax/ VAT liability, if any, on procurement/acquisition and leasing is recoverable from MOR. Since, there is no sales tax/ VAT demand and the amount is unascertainable, no provision is considered necessary.

d. Directorate General of GST Intelligence (DGGI), Chennai, Zonal Unit has served a show cause notice dated 16 April 2019 on the Company alleging contravention of provisions of Section 67, 68 and 70 of the Finance Act, 1994 by the Company and as to why service tax of Rs. 26,537.65 millions along with interest and penalty be not demanded from the Company.

The Company has submitted reply against the Show Cause notice stating that there is no contravention of provisions of any of the above stated Sections of the Finance Act, 1994 and the Company is not liable to pay the tax. However, if any liability arises that would be recoverable from the Ministry of Railways, India.

e. The Income Tax assessments of the Company have been completed up to the Assessment Year 2017-18. The disputed demand of tax including interest thereon amount to Rs. 9.47 millions. The Company has already filed appeals against the said tax demands and the same are pending at various appellate levels. Based on decisions of the Appellate authorities in other similar matters and interpretation of relevant provisions, the Company is confident that the demands will be either deleted or substantially reduced and accordingly no provision is considered necessary. Further, after adjusting the liability amount, refund order for AY 2016-17 was initiated. Hence, no provision is considered necessary.

Note 35: Expenditure in Foreign Currency

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
a) Interest/Swap Cost on foreign currency borrowings	3,958.38	4,641.21	3,232.57
b) Processing agent/ fiscal Agent/ admin fees	966.29	8.55	2.90
c) Underwriting/ arranger fees	-	-	486.21
d) International credit rating agencies fees	32.83	11.38	28.90
e) Others	5.47	4.46	14.67
Total	4,962.97	4,665.60	3,765.25

Note 36: Segment reporting

The Company has identified "Leasing and Finance" as its sole reporting segment. Thus there is no inter-segment revenue and the entire revenue is presented in the statement of profit and loss is derived from external customers all of whom are domiciled in India, the Company's country of domicile.

All non-current assets other than financial instruments are also located in India.

The Company derives more than 10% of its revenue from a single customer (ie. Ministry of Railways, Government of India (MOR) and entities under the control of MOR). The break up of the revenue is an under:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from MOR & entities under the control of MOR			
- Lease Income	1,10,299.37	94,100.09	82,784.48
- Interest Income	5,548.60	5,251.05	2,343.28
- Pre Commencement lease interest income	22,198.43	11,757.72	7,391.46
Total	1,38,046.40	1,11,108.86	92,519.22



Note 37: Employee benefits

37.1 Particulars	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Contribution to provident fund	3.13	2.41	2.50
Contribution to gratuity	0.93	0.66	2.13
Contribution to leave encashment	3.93	3.01	2.61
Contribution to post retirement medical and pension	1.89	1.24	3.43

37.2 The Company operates a funded gratuity benefit plan.

A) Actuarial Assumptions

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Economic Assumptions			
Discount rate	6.55% p.a	7.50% p.a	7.60% p.a
Salary escalation	6.00% p.a	6.00% p.a	6.00% p.a
Demographic Assumptions			
Retirement age	60	60	60
Attrition rate	0.00%	0.00%	0.00%
Mortality table used	100% of IALM (2012-14)	100% of IALM (2006-08)	100% of IALM (2006-08)

Notes:

1. The discount rate is based on the prevailing market yield of India Government securities as at the balance sheet date for the estimated term of obligations.
2. The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
3. The expected return is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

B) Movements in present value of the defined benefit obligation

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Present value of obligation as at the beginning of the year	9.57	7.65	5.90
Acquisition adjustment out	-	-	-
Interest cost	0.73	0.58	0.42
Past service cost	-	-	1.73
Current service cost	0.83	0.65	0.46
Benefit paid	(1.14)	(2.00)	-
Components of actuarial gain/losses on obligations:			
Due to change in financial assumptions	0.73	0.07	(0.28)
Due to change in demographic assumption	(0.01)	-	-
Due to experience adjustments	(0.45)	2.62	(0.58)
Liability at the end of the year	10.26	9.57	7.65

C) Movements in the fair value of plan assets

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Fair value of plan assets at the beginning of the year	7.78	7.21	6.41
Contribution from the employer	8.72	-	0.32
Interest income	0.61	0.57	0.48
Return on plan assets excluding amounts included in interest income	(0.07)	(0.01)	0.01
Benefits paid	-	-	-
Reimbursement paid by the insurer	-	-	-
Actuarial gain/(loss) for the year on asset	-	-	-
Fair value of the plan assets for the period ending	17.04	7.77	7.22



D) Amount recognised in the Balance Sheet

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Present value of unfunded obligations	-	-	-
Present value of funded obligations	10.26	9.57	7.65
Fair value of plan assets	(17.04)	(7.77)	(7.22)
Net liability recognised in the Balance Sheet	(6.78)	1.80	0.43

E) Expenses recognised in the Statement of Profit and Loss during the year:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Current service cost	0.83	0.65	0.46
Past service cost	-	-	1.73
Net interest cost (Income)	0.10	0.01	(0.05)
Expected return on plan assets	-	-	-
Expense recognised in the Statement of Profit and Loss	0.93	0.66	2.14

F) Expenses recognised in Other Comprehensive Income during the year:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Net cumulative unrecognised actuarial gain/(loss) opening			
Actuarial (gain) / loss for the year on PBO	0.27	2.70	(0.86)
Actuarial (gain) / loss for the year on Asset	0.07	0.01	(0.01)
Unrecognised actuarial gain / (loss) for the period ending	0.34	2.71	(0.87)

G) Composition of the plan assets:

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Policy of insurance	100%	100%	100%

H) Change in Net benefit obligations

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Net defined benefit liability at the start of the period	1.80	0.43	(0.51)
Acquisition adjustment	-	-	-
Total service cost	0.93	0.66	2.18
Net interest cost (income)	-	-	(0.05)
Re-measurements	0.34	2.71	(0.87)
Reimbursement paid by the insurer	-	-	-
Contribution paid to the fund	(8.71)	-	(0.32)
Benefit paid directly by the enterprise	(1.14)	(2.00)	-
Net defined benefit liability for the period ending	(6.78)	1.80	0.43

I) Bifurcation of PBO at the end of year as current and non current:

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Current liability (Amount due within one year)	(1.36)	0.83	0.41
Non-Current liability (Amount due over one year)	(5.42)	0.97	0.02
Total PBO at the end of year	(6.78)	1.80	0.43



J) Bifurcation of defined benefit obligation

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Vested	9.67	8.83	7.47
Non- Vested	0.59	0.74	0.18
	10.26	9.57	7.65

K) Sensitivity analysis of the defined benefit obligation

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
a) Impact of the change in discount rate			
-Impact due to increase of 0.50 %	9.86	9.23	7.36
-Impact due to decrease of 0.50 %	10.67	9.94	7.95
b) Impact of the change in salary increase			
-Impact due to increase of 0.50 %	10.51	9.73	7.88
-Impact due to decrease of 0.50 %	10.07	9.27	7.42

Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

L) The employer's best estimate of contribution expected to be paid during the next year:

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Expected contribution of the next year	0.79	0.83	0.41

M) These plans typically expose the Company to Actuarial Risks such as Investment Risk, Liquidity Risk, Market Risk and Legislative Risk.

Actuarial Risk	It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons: Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected. Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate. Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.
Investment Risk	For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
Liquidity Risk	Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.
Market Risk	Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
Legislative Risk	Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.



37.3 Actuarial Assumptions for unfunded Post Retirement Medical Benefits:

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Compensated absences			
Discount rate	6.55% p.a	7.50% p.a	7.60% p.a
Future salary increase	N/A	N/A	N/A
Medical inflation Rate	8.90%p.a	8.90%p.a	8.90%p.a
Retirement age	60 years	60 years	60 years
Mortality table	100% of IALM (2012-14)	100% of IALM (2006-08)	100% of IALM (2006-08)

These plans typically expose the Company to Actuarial risks such as Investment Risk, Liquidity Risk and Market Risk.

Actuarial Risk	<p>It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:</p> <p>Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.</p> <p>Variability in morbidity rates: If actual morbidity rates are higher than assumed morbidity rate assumption than the Post Retirement Medical Benefits will be paid earlier than expected.</p> <p>Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Post Retirement Medical Benefits will not be paid earlier than expected. This will lead to an actuarial gain in the year of such experience.</p>
Investment Risk	<p>For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.</p>
Liquidity Risk	<p>Employees with high treatment costs and long durations of treatments, accumulate significant level of benefits. Such benefits can lead to strain on the cashflows.</p>
Market Risk	<p>Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.</p>



37.4 The Company operates a funded leave benefit plan.

A) Actuarial Assumptions

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Economic Assumptions			
Discount rate	6.55% p.a.	7.50% p.a.	7.60% p.a.
Salary escalation	6.00% p.a.	6.00% p.a.	6.00% p.a.
Demographic Assumptions			
Retirement age	60	60 Years	60 Years
Attrition rate	0.00%	0.00% p.a.	0.00% p.a.
Mortality table used	100% of IALM (2012-14)	100% of IALM (2006-08)	100% of IALM (2006-08)
Leave Availment and Encashment Rate			
Leave Availment Rate	10% p.a.	10.00% p.a.	10.00% p.a.
Encashment in service	0.00% p.a.	0.00% p.a.	0.00% p.a.

B) Movements in present value of the defined benefit obligation

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Present value of obligation as at the beginning of the year	9.86	9.17	7.16
Acquisition adjustment out	-	-	-
Interest cost	0.70	0.70	0.51
Past service cost	-	-	1.38
Current service cost	1.22	1.12	1.47
Benefit paid	(2.10)	(2.75)	(0.97)
Actuarial (gain)/loss on obligations-due to change in financial assumptions	0.51	0.04	(0.19)
Actuarial (gain)/loss on obligations-due to change in demographic assumptions	2.02	-	-
Actuarial (gain)/loss on obligations- due to experience	-	1.58	(0.19)
Liability at the end of the year	12.21	9.86	9.17

C) Movements in the fair value of plan assets

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Fair value of plan assets at the beginning of the year	6.19	5.76	3.41
Contribution from the employer	2.66	-	1.98
Interest income	0.47	0.48	0.30
Return on plan assets excluding amounts included in interest income	(0.03)	(0.05)	0.07
Benefits paid	-	-	-
Actuarial gain/(loss) for the year on asset	-	-	-
Fair value of the plan assets at the end of the year	9.29	6.19	5.76

D) Amount recognised in the Balance Sheet

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Present value of funded obligation at the end of the year	12.21	9.86	9.17
Fair value of plan assets at the end of the year	9.29	6.19	5.76
Net liability recognised in the Balance Sheet	2.92	3.67	3.41



E) Expenses recognised in the Statement of Profit and Loss during the year:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Current service cost	1.22	1.12	1.47
Past service cost		-	1.38
Net interest cost (Income)	0.22	0.22	0.22
Net value of re measurements on the obligation and planned assets	2.56	1.67	(0.46)
Expense recognised in the Statement of Profit and Loss	4.00	3.01	2.61

F) Components of actuarial gain/loss on obligation

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Due to change in financial assumptions	0.51	0.04	(0.19)
Due to change in demographic assumption	-	-	-
Due to experience adjustments	2.02	1.58	(0.19)
Return on plan assets excluding amounts included in interest income	0.03	0.05	(0.07)
	2.56	1.67	(0.45)

G) Composition of the plan assets:

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Policy of insurance	100%	100%	100%

H) Change in Net benefit obligations

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Net defined benefit liability at the start of the year	3.67	3.41	3.75
Acquisition adjustment			
Total service cost	1.22	1.12	2.85
Net interest cost (Income)	0.48	0.22	0.22
Re-measurements	2.30	1.67	(0.45)
Contribution paid to the fund	(2.65)	-	(1.99)
Benefit paid directly by the enterprise	(2.10)	(2.75)	(0.97)
Net defined benefit liability at the end of the year	2.92	3.67	3.41

I) Bifurcation of PBO at the end of year as current and non current:

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Current liability (Amount due within one year)	1.61	1.22	1.12
Non-Current liability (Amount due over one year)	1.31	2.45	2.29
Total PBO at the end of year	2.92	3.67	3.41

K) Sensitivity analysis of the defined benefit obligation

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
a) Impact of the change in discount rate			
-Impact due to increase of 0.50 %	11.93	9.64	8.97
-Impact due to decrease of 0.50 %	12.49	10.09	9.38
b) Impact of the change in salary increase			
-Impact due to increase of 0.50 %	12.49	10.09	9.39
-Impact due to decrease of 0.50 %	11.93	9.64	8.96

Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.



L) These plans typically expose the Company to actuarial risks such as Investment Risk, Liquidity Risk and Market Risk.

Actuarial Risk	<p>It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:</p> <p>Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected. Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the leave benefit will be paid earlier than expected. The acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.</p> <p>Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the leave benefit will be paid earlier than expected. The impact of this will depend on the relative values of the assumed salary</p>
Investment Risk	<p>For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the</p>
Liquidity Risk	<p>Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.</p>
Market Risk	<p>Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in</p>



Indian Railway Finance Corporation Limited

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Annexure VI: Notes to restated financial statement

(All amounts in millions of INR, unless stated otherwise)

Note 38: Financial Instruments**38.1: Capital management**

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to shareholders and also complying with the ratios stipulated in the loan agreements through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (Debt Securities & Borrowings as detailed in Note 15 & 16 offset by cash and bank balances as detailed in Note 3) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

38.1.1 Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Debt (See note 'i' below)	23,43,767.21	17,39,326.75	13,40,055.28
Cash and cash equivalents	13.80	37.07	11.28
Net debt	23,43,753.41	17,39,289.68	13,40,044.00
Total equity	3,09,624.34	2,50,286.53	2,03,719.09
Net debt to equity ratio (in times)	7.57	6.95	6.58

38.1.2 Net Worth

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Total Assets	27,59,341.69	20,66,036.10	16,14,684.09
Total Liabilities	24,49,717.35	18,15,749.57	14,10,965.00
Net Worth	3,09,624.34	2,50,286.53	2,03,719.09

38.1.3 Debt Equity Ratio

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Debt	23,43,767.21	17,39,326.75	13,40,055.28
Equity	3,09,624.34	2,50,286.53	2,03,719.09
	7.57	6.95	6.58

Note:

i) Debt computed as under:

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Debt Securities (Note 15)	15,52,904.56	12,35,978.99	11,08,442.46
Borrowing (other than debt securities) (Note 16)	7,90,862.65	5,03,347.76	2,31,612.82
Total Debt	23,43,767.21	17,39,326.75	13,40,055.28



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Annexure VI: Notes to restated financial statement

(All amounts in millions of INR, unless stated otherwise)

38.2 Financial Instruments - Accounting classification and fair value measurement

38.2.1 Categories of financial instruments

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Financial assets			
Measured at amortised cost			
Cash and cash equivalents	13.80	37.07	11.28
Bank balance other than above	993.83	773.59	986.92
Investments (Pass through certificates)	22.14	33.30	45.42
Loans	64,233.71	58,954.87	52,379.55
Other financial assets	11,87,487.29	7,40,307.26	4,51,076.00
Receivables (Lease Receivables)	14,85,798.00	12,50,265.12	10,94,716.56
Measured at fair value through Profit and Loss			
Derivative financial instruments	-	466.90	968.47
Measured at fair value through Other Comprehensive Income			
Investments (IRCON International Limited)	92.98	98.15	94.36
Financial liabilities			
Measured at amortised cost			
Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises	0.50	0.08	2.40
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	377.08	121.71	84.75
Debt securities	15,52,904.56	12,35,978.99	11,08,442.45
Borrowings (Other than debt securities)	7,90,862.65	5,03,347.76	2,31,612.82
Other financial liabilities (Interest accrued but not due, amount payable to MOR)	1,01,047.19	72,999.28	56,625.68
Measured at fair value through Profit and Loss			
Derivative financial instruments	4,065.15	3,105.95	7,495.79



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Annexure VI: Notes to restated financial statement

(All amounts in millions of INR, unless stated otherwise)

38.2.2: Fair value measurements

Fair value hierarchy

The fair value hierarchy reflects the significance of the inputs used in making the measurements and has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices in markets that are not active) or indirectly (i.e. quoted prices for similar assets or liabilities);

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2020:

Particular	Fair Value measurement at end of the reporting period/ year using		
	Level 1	Level 2	Level 3
Investment in IRCON International Limited	92.98	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2019:

Particular	Fair Value measurement at end of the reporting period/ year using		
	Level 1	Level 2	Level 3
Investment in IRCON International Limited	98.15	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2018:

Particular	Fair Value measurement at end of the reporting period/ year using		
	Level 1	Level 2	Level 3
Investment in IRCON International Limited		-	94.36

Valuation technique used to determine fair value

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

The Company holds nominal Equity (less than 0.26%) in IRCON International Limited. The equity shares of IRCON International Limited were listed on National Stock Exchange (NSE) with effect from 28 September 2018. The Company had elected to classify its investment in IRCON International Limited as fair value through other comprehensive income(OCI). The fair value as on 31 March 2020 and 31 March 2019 has been measured as per the quoted on National Stock Exchange (Level 1 Input). The fair market value in earlier years has been determined on the basis of book value computed as per the preceding year's annual financial statement of IRCON International Limited as available with the Company (Level 3 Input).

Dividend received

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Dividend received (IRCON International Limited)	5.92	5.14	4.87

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.



38.3 Financial risk management

The Company's activities expose it to a variety of financial risks which includes market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company's focus is to ensure liquidity which is sufficient to meet the Company's operational requirements. The Company monitors and manages key financial risks so as to minimise potential adverse effects on its financial performance. The Company has a risk management policy which covers the risks associated with the financial assets and liabilities. The details for managing each of these risks are summarised ahead.

38.4: Market risk

Market risk is the risk that the expected cash flows or fair value of a financial instrument could change owing to changes in market prices. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Company use derivative instruments to manage market risk against the volatility in foreign exchange rates and interest rates in order to minimize their impact on its results and financial position. Company policy is not to utilize any derivative financial instruments for trading or speculative purposes.

38.5: Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Liabilities as at			Assets as at		
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Secured foreign currency term loan	454.58	625.44	784.36	-	-	-
Unsecured bonds from overseas capital market	1,51,671.11	69,571.19	62,579.67	-	-	-
Unsecured foreign currency term loans	96,539.07	25,618.35	49,136.46	-	-	-
Total	2,48,664.76	95,814.98	1,12,500.49	-	-	-

Foreign currency sensitivity analysis

The following table details the company's sensitivity to a 10% increase and decrease in the INR against the relevant outstanding foreign currency denominated monetary items. 10% sensitivity indicates management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where Rupee appreciates 10% against the relevant currency. A negative number below indicates a decrease in profit or equity

Particulars	As at 31 March 2020		As at 31 March 2019		As at 31 March 2018	
	INR strengthens by 10%	INR weakening by 10%	INR strengthens by 10%	INR weakening by 10%	INR strengthens by 10%	INR weakening by 10%
Profit or (loss)	24,866.48	(24,866.48)	9,581.50	(9,581.50)	11,250.05	(11,250.05)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does

38.6: Interest rate risk management

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Company use financial instruments to manage its exposure to changing interest rates and to adjust its mix of fixed and floating interest rate debt on long-term debt.

The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/ lower and all other variables were held constant, the Company's:

i) Profit for the year ended 31 March 2020 would decrease/increase by Rs. 6972.21 million (31 March 2019: decrease/increase Rs. 5,861.05 millions; 31 March 2018: decrease/increase Rs. 5,144.72 millions). This is mainly attributable to the Company's exposure to interest rates on its variable rate debt securities;

ii) Profit for the year ended 31 March 2020 would decrease/increase by Rs. 3,235.53 millions (31 March 2019: decrease/increase Rs. 1,837.40 millions ; 31 March 2018: decrease/increase Rs. 845.15 millions). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.



38.7: Other price risks

The Company has a small amount of investment in equity instruments, price risk of which is not considered material.

38.8: Credit risk management

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

The Company consider the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is significant increase in credit risk, it considers reasonable and supportive forward looking information such as:

- (i) Actual or expected significant adverse change in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation.
- (iv) Significant increase in credit risk and other financial instruments of the same counterparty.
- (v) Significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements.

Credit risk is managed through approvals, establishing credit limits, continuous monitoring of creditworthiness of customers to which the company grants credit terms in the normal course of business. The company also assesses the financial reliability of customers taking into account the financial condition, current economic trends and historical bad debts and ageing of accounts receivables.

The Company's major exposure is from lease receivables from Ministry of Railways, Government of India and loans to Rail Vikas Nigam Limited and IRCON International Limited which are under the control of Ministry of Railways. There is no credit risk on lease receivables being due from sovereign. With respect to loan given to Rail Vikas Nigam Limited and IRCON International Limited, the company consider the Reserve Bank of India directions in terms of its circular no. RBI/2017-18/181_DNBR (PD) CC. No. 092/03.10.001/2017-18 dated 31-May-2018 read with letter no. DNRB (PD). CO.No.1271/03.10.001/2018-19 dated 21-December-2018, to be adequate compliance with the impairment norms as per Ind AS 109, Financial Instruments, as IRCON International Limited and Rail Vikas Nigam Limited, both, are under Ministry of Railways, Government of India and the Company do not expect any concern in the repayment of aforesaid loans.



38.9: Liquidity risk management

Liquidity risk is defined as the potential risk that the Company cannot meet the cash obligations as they become due.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short, medium, and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Besides, there is a provision in the lease agreements with the Ministry of Railways (MOR) whereby MDR undertakes to provide lease rentals in advance (to be adjusted from future payments) in case the Company doesn't have adequate liquidity to meet its debt service obligations.

Liquidity and interest risk tables

The following tables detail the company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the company may be required to pay.

Particulars	0-1 year	1-3 years	3-5 years	5+ years	Total	Recognition of borrowings at amortised cost using effective interest rate method	Fair value hedge adjustment-recoverable from Ministry of Railways	Carrying Amount (Balance Sheet amount as per IND AS)
31 March 2020								
-Trade Payables-Other Payables	377.58	-	-	-	377.58	-	-	377.58
Other Financial Liabilities								
-Interest accrued but not due	50,625.36	-	-	49,865.43	1,00,490.79	-	-	1,00,490.79
-Liability for matured and unclaimed bonds and interest accrued thereon	96.82	-	-	-	96.82	-	-	96.82
-Amount Payable to MOR	459.09	-	-	-	459.09	-	-	459.09
-Earnest Money Deposit	0.49	-	-	-	0.49	-	-	0.49
Debt Securities								
-Bonds in Domestic Market	74,013.98	1,96,603.88	1,27,264.14	9,65,749.30	13,63,631.30	(1,031.94)	-	13,62,599.36
-Commercial Paper	38,634.09	-	-	-	38,634.09	-	-	38,634.09
-Bonds in Overseas Market	-	-	37,950.00	1,13,850.00	1,51,800.00	(128.89)	-	1,51,671.11
Borrowing (Other than Debt Securities)								
Borrowings in India	76,369.00	69,430.56	98,591.24	4,49,478.20	6,93,869.00	-	-	6,93,869.00
Borrowings outside India	227.70	227.70	-	1,01,755.57	1,02,210.97	(2,127.10)	(3,090.22)	96,993.65
31 March 2019								
-Trade Payables-Other Payables	121.79	-	-	-	121.79	-	-	121.79
Other Financial Liabilities								
-Interest accrued but not due	39,266.18	26,497.39	7,154.47	-	72,918.04	-	-	72,918.04
-Liability for matured and unclaimed bonds and interest accrued thereon	80.91	-	-	-	80.91	-	-	80.91
-Earnest Money Deposit	0.33	-	-	-	0.33	-	-	0.33
Debt Securities								
-Bonds in Domestic Market	76,152.10	1,89,172.40	1,61,167.10	7,11,184.27	11,37,675.87	(1,127.84)	-	11,36,548.03
-Commercial Paper	29,859.77	-	-	-	29,859.77	-	-	29,859.77
-Bonds in Overseas Market	-	-	34,815.00	34,815.00	69,630.00	(58.81)	-	69,571.19
Borrowing (Other than Debt Securities)								
Borrowings in India	1,32,104.00	77,000.00	28,000.00	2,39,999.97	4,77,103.97	-	-	4,77,103.97
Borrowings outside India	208.89	417.78	-	29,342.05	29,968.72	(618.98)	(3,105.95)	26,243.79
31 March 2018								
-Trade Payables-Other Payables	87.15	-	-	-	87.15	-	-	87.15
Other Financial Liabilities								
-Interest accrued but not due	38,422.84	-	-	18,144.35	56,567.19	-	-	56,567.19
-Liability for matured and unclaimed bonds and interest accrued thereon	58.16	-	-	-	58.16	-	-	58.16
-Earnest Money Deposit	0.33	-	-	-	0.33	-	-	0.33
Debt Securities								
-Bonds in Domestic Market	92,170.00	1,50,166.08	2,04,603.89	5,90,209.95	10,37,149.92	(1,263.01)	-	10,35,886.91
-Commercial Paper	9,975.88	-	-	-	9,975.88	-	-	9,975.88
-Bonds in Overseas Market	32,750.00	-	-	32,750.00	65,500.00	(21.18)	(2,129.15)	62,579.67
Borrowing (Other than Debt Securities)								
Borrowings in India	39,692.00	42,000.00	-	1,00,000.00	1,81,692.00	-	-	1,81,692.00
Borrowings outside India	26,396.50	393.00	196.50	28,221.92	55,207.93	(690.47)	(4,596.64)	49,920.82



38.10: Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The objective of hedging is to minimize the volatility of INR cash flows of highly probable forecast transaction.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

As on 31 March 2020

Types of hedge and risks	Nominal value (Foreign Currency) USD		Carrying amount of hedging instruments	Maturity date	Hedge ratio	Weighted average strike price/rate USD
	No. of Outstanding Contracts	Amount				
Forward Contract						
1. Sell	-	-	-	-	-	-
2. Buy	-	-	-	-	-	-
Swap Contracts						
1. Buy	2	291.79	3,217.10	10-03-2026	1:1	N/A
2. Buy	2	74.07	848.05	30-03-2026	1:1	N/A

As at 31 March 2019

Types of hedge and risks	Nominal value (Foreign Currency) USD		Carrying amount of hedging instruments	Maturity date	Hedge ratio	Weighted average strike price/rate USD
	No. of Outstanding Contracts	Amount				
Forward Contract						
1. Sell	-	-	-	-	-	-
2. Buy	-	-	-	-	-	-
Swap Contracts						
1. Buy	2	291.79	2,080.28	10-03-2026	1:1	N/A
2. Buy	2	74.07	558.77	30-03-2026	1:1	N/A

As at 31 March 2018

Types of hedge and risks	Nominal value (Foreign Currency) USD		Carrying amount of hedging instruments	Maturity date	Hedge ratio	Weighted average strike price/rate USD
	No. of Outstanding Contracts	Amount				
Forward Contract						
1. Sell	-	-	-	-	-	-
2. Buy	6	300.00	2,899.15	26-02-2019	1:1	77.47
3. Buy	3	250.00	2,242.45	03-12-2018	1:1	76.18
Swap Contracts						
1. Buy	2	291.79	1,163.19	10-03-2026	1:1	N/A
2. Buy	2	74.07	320.71	30-03-2026	1:1	N/A
3. Buy	1	200.00	98.17	03-12-2018	1:1	N/A

Disclosure of effects of hedge accounting on financial performance

Cash Flow hedge	Opening	Changes during the year	Closing	Receivables/ (Payables) from MOR	Impact on financial performance
31 March 2020	466.90	(1,441.83)	(974.93)	1,441.83	-
31 March 2019	968.47	(501.57)	466.90	501.57	-
31 March 2018	685.78	282.69	968.47	(282.69)	-

Note 39: Capital Funds, Risk Weighted Assets and Capital Risk Adjusted Ratio (CRAR) of Company are given below:

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Capital Fund-Tier I	3,09,620.17	2,50,281.85	2,03,713.11
Capital Fund-Tier II			
Risk weighted assets along-with adjusted value of off balance sheet items	76,631.71	71,629.96	63,396.43
CRAR			
CRAR-Tier I Capital	404.04%	349.41%	321.33%
CRAR-Tier II Capital	404.04%	349.41%	321.33%
Amount of subordinated debt raised as Tier-II capital	-	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-	-



Note 40: The particulars of loans given as required to be disclosed by section 186 (4) of Companies Act, 2013 are as below:

S.No.	Name of Party	As at 31 March 2020				As at 31 March 2019				As at 31 March 2018			
		Amount of loan outstanding	Loan Given during the year	Terms	Purpose of Utilization by Recipient	Amount of loan outstanding	Loan Given during the year	Terms	Purpose of Utilization by Recipient	Amount of loan outstanding	Loan Given during the year	Terms	Purpose of Utilization by Recipient
1	Rail Vikas Nigam Limited (RVNL) -I	30,219.41	14,079.60	3 + 12 years	Regular project Work	18,766.30	800.00	3 + 12 years	Regular project Work	20,379.55	925.00	3 + 12 years	Regular project Work
2	IRCON International Limited	24,612.27	-	5 years	Station Development	30,765.34	-	5 years	Station Development	32,000.00	32,000.00	5 years	Station Development
3	Rail Vikas Nigam Limited (RVNL) -II	5,660.00	-	3 + 12 years	Regular project Work	9,660.00	9,660.00	3 + 12 years	Regular project Work	52,379.55	32,925.00		
	Total	64,491.68	14,079.60			59,191.64	10,460.00			52,379.55	32,925.00		



Note 41: Other Disclosures

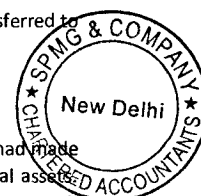
- (a) Lease rental is charged on the assets leased from the first day of the month in which the Rolling Stock assets have been identified and placed on line as per the Standard Lease Agreements executed between the Company and MOR from year to year.
- (b) Ministry of Railways (MOR) charges interest on the value of the assets identified prior to the payments made by the Company, from the first day of the month in which the assets have been identified and placed on line to the first day of the month in which the money is paid to the MOR. However, no interest is charged from the MOR on the amount paid by the company prior to identification of Rolling stock by them.
- (c) (i) Interest rate variation on the floating rate linked rupee borrowings and interest rate and exchange rate variations on interest payments in the case of foreign currency borrowings are adjusted against the lease income in terms of the variation clauses in the lease agreements executed with the Ministry of Railways. During the year ended 31 March 2020, such differential has resulted in an amount of Rs. 583.35 millions accruing to the Company (31 March 2019: Rs. 707.98 millions; 31 March 2018: Rs. 477.42 millions (accruing to MOR), which has been accounted for in the lease income.
- (ii) In respect of foreign currency borrowings, which have not been hedged, variation clause have been incorporated in the lease agreements specifying notional hedging cost adopted for working out the cost of funds on the leases executed with MOR. Hedging cost in respect of these foreign currency borrowings is compared with the amount recovered by the company on such account on notional cost basis and accordingly, the same is adjusted against the lease income. During the year ended 31 March 2020 in respect of these foreign currency borrowings, the Company has recovered a sum of Rs.170.37 millions (31st March 2019: Rs. 699.39 millions; 31 March 2018: Rs. 1,423.21 millions) on this account from MOR against a sum of Rs. NIL millions (31 March 2019: Rs. 1,732.43 millions, 31 March 2018: Rs. 2,097.67 millions) incurred towards hedging cost and the balance amount of Rs. 170.37 millions (31 March 2019: Rs. 1,033.05 millions; 31 March 2018: Rs. 674.46 millions) is recoverable from MOR.
- (d) The Leases executed for Rolling Stock in the year 1989-90, 1988-89 & 1987-88 for Rs. 10,725.60 millions, 8,607.27 millions & Rs. 7703.27 millions have expired on 31 March 2020, 31 March 2019 & 31 March 2018 respectively. During the primary and secondary lease periods full value of assets (including interest) has been recovered from the lessee (MOR). These assets have outlived their useful economic life. Formalities for the transfer of these assets to MOR are under progress and necessary adjustments in the accounts if required, will be carried out on transfer of Rolling Stock to MOR.

Note 42:

- (a) (i) The Reserve Bank of India has issued Master Direction – Non- Banking Financial Company- Systemically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 vide notification DNBR.PD.008/03.10.119/2016-17 dated 1st September 2016 as amended from time to time have become mandatory with effect from 31 May 2018. The Reserve Bank of India has granted exemption to the Company in respect of classification of asset, provisioning norms and credit concentration norms to the extent of direct exposure to sovereign.
- (ii) Till the financial year 2017-18, the Company, being a Gov. NBFC, was exempt from creation and maintenance of Reserve Fund as specified u/s 45-IC of Reserve Bank of India Act, 1934. However, the said exemption has been withdrawn by the Reserve Bank of India (RBI) vide Notification No. DNBR (PD) CC.NO.092/0310.001/2017-18 dated 31st May, 2018. Accordingly, the Company is now creating the Reserve Fund as required u/s 45IC of RBI Act, 1934, wherein at least 20% of net profit every year will be transferred before the declaration of dividend. No appropriation is allowed to be made from the reserve fund except for the purpose as may be specified by the Bank from time to time and further, any such appropriation is also required to be reported to the Bank within 21 days from the date of such withdrawal. The Company created a reserve of Rs. 7,384.85 millions & Rs. 4,509.50 as on 31 March 2020 & 31st March 2019 u/s 45IC.
- (b) In terms of the Ministry of Corporate Affairs circular dated 18th April 2002, the Company, being a Non-Banking Finance Company registered with RBI, is required to create Bond Redemption Reserve equivalent to 50% of the value of the bonds raised through Public issue by the redemption date of such Bonds. Subsequently, the requirement for creation of Bond Redemption Reserve in case of Public Issue of bonds by Non-Banking Finance Company registered with RBI was brought down to 25% by MCA vide their circular dated 11th February 2013. Further, the Companies (Share Capital and Debentures) Rules, 2014 dated 3rd April 2014 also mandates the Non- Banking Finance Companies registered with RBI to create Bond Redemption Reserve equivalent to 25% of the value of the Bonds raised through public issue by the redemption dates of such bonds. Accordingly, the Company was required to transfer 50% of the value of the bonds raised through public issue during FY 2011-12 and 25% of the value of Bonds raised through Public Issue during 2012-13, FY 2013-14 and FY 2015-16 to Bond Redemption Reserve by the redemption dates of such Bonds. The Company has raised Rs. 2,48,816.74 millions through public issue of bonds in FY 2011-12, FY 2012-13, FY 2013-14 and FY 2015-16. The average residual maturity of the above mentioned bonds is more than 7 years as on 31st March 2019. The Company had transferred an amount of Rs. 57,145.59 millions to the Bond Redemption Reserve till the end of F.Y. 2018-19.

However, the Ministry of Corporate Affairs has notified the Companies (Share Capital and Debentures) Amendments Rules, 2019 on 16 August 2019 which exempts NBFC listed companies registered with Reserve Bank of India u/s45-IA of the RBI Act, 1934 from creation of Debenture Redemption reserve. Accordingly, the balance outstanding against Bond Redemption Reserve as on 31 March 2019 amounting to Rs. 57,145.59 millions has been transferred to Retained earnings.

- (c) The Comptroller & Auditor General of India (C&AG) during the course of their supplementary review of accounts for the Financial year 2018-19 had made an observation that the 'Advance against the Railway infrastructure Assets to be leased.' should have been classified under other non financial assets. Based on the reply furnished by the Company, the C&AG had decided to drop the observation. However, as agreed, during the course of discussion with the C&AG, the matter has been referred to the Expert Advisory Committee of the Institute of Chartered Accountants of India for an expert opinion. Pending reply from the Institute, Company has classified the aforesaid advances as 'other financial assets.'



Note 43:

- i The Finance Act, 2001 provides for levy of service tax on the finance and interest charges recovered through lease rental instalments on the Financial Leases entered on or after 16-07-2001. The Central Government vide Order No.1/1/2003-ST dated 30 April 2003 and subsequent clarification dated 15-12-2006 issued by Ministry of Finance has exempted the Lease Agreements entered between the Company and Ministry of Railways from levy of Service Tax thereon u/s 93(2) of Finance Act, 1994.
- ii The GST Council in their meeting held on 19 May 2017 has exempted the services of leasing of assets (rolling stock assets including wagons, coaches, locos) by Indian Railways Finance Corporation to Indian Railways from the levy of Goods & Service Tax (GST), Notification No. 12/2017 (Heading 9973) which has been made applicable with effect from 1 July 2017.
- iii Company had deposited a sum of Rs 14,664.47 millions under reverse charge mechanism on transfer of funds to MoR for making payments on behalf of Company to contractors for construction of projects. The amount so deposited had been shown as an amount recoverable from MoR. As the above did not involve any supply from MoR to the Company, a refund application has been filed with the GST Deptt. and the amount recoverable from MoR has been transferred to GST Refund Account. The refund application is yet to be disposed of by the GST Department. In the event of non admissibility of refund claim the by the GST Department, the amount would be adjusted against the GST liability on lease rentals from infrastructure assets or other GST liability in future.



Note 44:

Increase/Decrease in liability due to exchange rate variation on foreign currency loans for purchase of leased assets amounting to Rs. 16,784.85 millions (31 March 2019: Increase Rs. 2,670.04 millions; 31 March 2018: Increase Rs. 492.30 millions) has not been charged to the Statement of Profit and Loss as the same is recoverable from the Ministry of Railways (lessee) separately as per lease agreements. The crystallized exchange rate variation loss on foreign currency loans repaid during the year amounting to Rs. 92.86 millions (31 March 2019: Rs.5,779.74 millions; 31 March 2018: Rs.4,017.60 millions) has been recovered from the Lessee, leaving a balance of Rs. 21,803.80 millions recoverable from MOR as on 31 March 2020 (31 March 2019: Rs. 5,111.80 millions; 31 March, 2018: Rs.8,221.51 millions).

Effective portion of (loss)/gain on account of decrease/increase in the fair value of the derivative assets (hedging instruments) amounting to (Rs. 1441.83 millions) as on 31 March 2020 (31 March 2019, (Rs. 501.57 millions) , 31 March 2018: Rs. 282.69 millions) classified as cash flow hedges has not been recognised in the other comprehensive income as the same is recoverable/refundable to the MOR (Lessee) since the derivatives have been contracted to hedge the financial risk of MOR (Lessee).

Note 45:

The Ministry of Railways (MOR) vide letter dated 23 July 2015 had authorized the Company to draw funds from LIC in consultation with MOR for funding of Railway Projects in line with leasing methodology adopted by Company for funding Railway Projects in past. Pending execution of the Lease Documents, the Company has entered into a Memorandum of Understanding with the Ministry of Railways on 23 May 2017 containing principal terms of the lease transactions. The total sum of Rs. 9,36,552.90 millions disbursed to MOR till the end of 31 March 2020 (31 March 2019: Rs. 5,97,152.90 millions; 31 March 2018:Rs. 3,73,598.90 millions) has been shown as 'Advance against Railway Infrastructure Assets to be leased'. During the year ended 31 March 2020 a sum of Rs. 94,642.38 millions (31 March 2019: 51,935.50 millions; 31 March 2018: Rs. 24651.65 millions,) incurred by the Company on account of interest cost on the funds borrowed for the purpose of making aforesaid advances has been capitalised and added to the Advance paid against Infrastructure assets to be leased out to MoR. Under erstwhile Indian GAAP, the said amount was accounted for as Interest Income which under the Ind AS has now been reduced from interest expense. In respect of National Project, a total sum of Rs. 75,787.00 millions disbursed to MoR till the end of 31 March 2020 (31 March 2019: Rs. 50,787.00 millions; 31 March 2018: Nil,) has been shown as 'Advance Funding Against National Project' on which a sum of Rs. 4,097.94 millions (31 March 2019: Rs.41.17 millions; 31 March 2018: Nil) has been incurred by the Company on account of interest cost on the funds borrowed for the purpose of making aforesaid advances has been capitalised and added to the Advance funding against National Project to be leased out to MoR. The same would be recovered through lease rentals in future over the life of the leases. Details are as under:

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Advance paid against infrastructure assets to be leased	9,36,552.90	5,97,152.90	3,73,598.90
-Add: Borrowing cost capitalised on borrowed funds	94,642.38	51,935.50	24,651.65
Total	10,31,195.28	6,49,088.40	3,98,250.55

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Advance funding against National Project	75,787.00	50,787.00	-
-Add: Borrowing cost capitalised on borrowed funds	4,097.94	41.17	-
Total	79,884.94	50,828.17	-

Capitalisation rate used to determine the borrowing cost

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Capitalisation rate	7.47%	8.01%	7.47%

Note : Revenue on railway infrastructure Projects and National Projects will be recognized only after entering into agreement with MOR.

Note 46:

- (a) Office building including parking area has been capitalised from the date of taking possession. However, the sale/transfer deed is still pending for execution in favour of the Company. Stamp duty payable on the registration of office building works out to about Rs. 9.15 millions (as certified by approved valuer) (31 March 2019: Rs. 9.15 millions; 31 March 2018: Rs. 9.15 millions), which will be accounted for on registration.
- (b) During the period under review an amount of Rs. 72.45 millions on account of the benefit accruing due to reduction in the interest rate pertaining to the financial year 2017-18 has been passed on to MOR during the year ended on 31st March 2020, by way of reduction of equivalent amount from the Lease Income instead of recognising the same as a prior period item. The amount involved is not considered material in terms of the extant policy of the Company and accordingly, the effect of the same has been considered in the current reporting period.
- (c) The Company has made a provision of Rs.118.80 millions in the financial statements for the year ended on 31st March 2020 towards the stamp duty on account of increase in the Equity Capital infused by MOR from time to time in the earlier years. The aforesaid stamp duty has been computed at the basic rate. The Company is in the process of getting the stamp duty adjudicated by the Collector of Stamps. The actual liability will be known upon receipt of adjudication order and differential amount, if any, will be provided for and paid in the year of adjudication.



(d) Impact of change in accounting policy in;

The Company has not recognized any deferred tax asset or liability for the accounting period commencing on or after 1st April 2017 as per Gazette Notification no. S.O. 529(E) dated 5th February 2018 as amended by notification no. S.O. 1465 dated 2 April 2018 issued by Ministry of Corporate Affairs, Government of India. However, deferred tax liability of Rs. 64,431.40 Million recognized till 31st March 2017 was not reversed and was presented under Non – Financial Liabilities in the Balance Sheet as advised by Ministry of Corporate Affairs, Government of India vide their communication no. Eoffice F.No.17/32/2017 – CL – V dated 26th November 2018. However, based on Company's request, the Ministry of Corporate Affairs, Government of India again examined the matter in consultation with Accounting Standards Board of the Institute of Chartered Accountants of India & National Financial Reporting Authority and vide their communication no. Eoffice F.No.17/32/2017 – CL – V dated 20th March 2020 advised the Company to apply paragraph 11 of Ind AS 01, First Time adoption of Ind AS read with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors. Accordingly, the Company has during the current financial year reversed the deferred tax liability of Rs. 64,431.40 million by crediting the retained earnings as at 1st April 2017 being the date of transition to Ind AS treating this as a change in accounting policy that results in the financial statements providing reliable and more relevant information about the effects of the transactions, other events or conditions on the entity's financial position, financial performance or cash flows.

1) Deferred tax liabilities (net)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Deferred tax liability (net) before change in accounting policy	64,431.40	64,431.40	64,431.40
-Less: Adjusted in retained earnings due to change in accounting policy	(64,431.40)	(64,431.40)	(64,431.40)
Deferred tax liability (net) after change in accounting policy	-	-	-

2) Retained Earnings

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Balance of retained earning at the beginning of the period before change in accounting policy	-	3,613.41	1,488.63
-Add: Deferred tax liability due to change in accounting policy (Refer accounting policy note no. 2.7)	64,431.40	64,431.40	64,431.40
Balance of retained earning at the beginning of the period after change in accounting policy	64,431.40	68,044.81	65,920.03

e) Estimation of uncertainty relating to the Global Health Pandemic COVID-19

The outbreak of Coronavirus (COVID -19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has adopted measures to curb the spread of infection in order to protect the health of our employees and ensure business continuity with minimal disruption.

The Company has evaluated impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant Impact on its financial results. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue monitoring any material changes to future economic conditions.



Note 47:

(a) The Company discharges its obligation towards payment of interest and redemption of bonds, for which warrants are issued, by depositing the respective amounts in the designated bank accounts. Reconciliation of such accounts is an ongoing process and has been completed upto 31 March 2020. The Company does not foresee any additional liability on this account. The total balance held in such specified bank accounts as on 31 March 2020 is Rs. 95.29 millions (31 March 2019 is Rs. 80.91 millions; 31 March, 2018: Rs. 58.16 millions).

(b) The Company is required to transfer any amount remaining unclaimed and unpaid in such interest and redemption accounts after completion of 7 years to Investor Education Protection Fund (IEPF) administered by the Ministry of Corporate Affairs, Government of India. During the year ended 31 March 2020, a sum of Nil millions was deposited in IEPF (31 March 2019: Rs.0.07 millions; 31 March 2018: Rs.0.07 millions).

Note 48:

The Company, in the earlier years, had executed Asset Securitisation Transactions by securitising an identified portion of future lease rentals originating on its assets leased to Ministry of Railways. As part of the securitisation transaction, future lease rentals were transferred to a bankruptcy remote Special Purpose Vehicle (SPV) which, in turn, issued Pass Through Certificates (PTCs) to the investors. The lease receivables, accordingly, were derecognised in the books of account of the company.

In terms of the Reserve Bank of India (RBI) Guidelines on Minimum Retention Requirement issued by the Reserve Bank of India as applicable to the Non-Banking Finance Companies, the company being the originator, had opted to retain a minimum of 5% of the book value of the receivables being securitised. Accordingly, the Company had invested Rs. 169.77 millions in the Pass Through Certificates (PTCs) issued by the 'Special Purpose Vehicle' towards Minimum Retention Requirement. Out of the amount invested in Pass Through Certificates (PTCs), Rs. 147.54 millions have matured till 31 March 2020 (31 March 2019 is Rs. 136.48 millions; 31 March, 2018: Rs.124.35 millions), leaving a balance of Rs. 22.23 millions as on 31 March 2020 (31 March 2019 is Rs. 33.30 millions; 31 March, 2018: Rs.45.42 millions). Details of the amount invested in Pass Through Certificates (PTCs) and outstanding as on 31 March 2020 is as follows:

As on 31 March 2020

Series	Date of Maturity	Nos of PTC	Face value per PTC	Total amount
S	15-Apr-20	5	1.03	5.16
T	15-Oct-20	5	0.99	4.93
U	15-Apr-21	5	0.94	4.71
V	15-Oct-21	5	0.90	4.50
W	15-Apr-22	5	0.59	2.93
Total		25		22.23

As at 31 March 2019

Series	Date of Maturity	Nos of PTC	Face value per PTC	Total amount
Q	15-Apr-19	5	1.13	5.67
R	15-Oct-19	5	1.08	5.40
S	15-Apr-20	5	1.03	5.16
T	15-Oct-20	5	0.99	4.93
U	15-Apr-21	5	0.94	4.71
V	15-Oct-21	5	0.90	4.50
W	15-Apr-22	5	0.59	2.93
Total		35		33.30

As at 31 March 2018

Series	Date of Maturity	Nos of PTC	Face value per PTC	Total amount
O	15-Apr-18	5	1.24	6.20
P	15-Oct-18	5	1.18	5.92
Q	15-Apr-19	5	1.13	5.67
R	15-Oct-19	5	1.08	5.40
S	15-Apr-20	5	1.03	5.16
T	15-Oct-20	5	0.99	4.93
U	15-Apr-21	5	0.94	4.71
V	15-Oct-21	5	0.90	4.50
W	15-Apr-22	5	0.59	2.93
Total		45		45.42



Note 49: Corporate Social Responsibility

As per Section 135 of Companies Act 2013 a Corporate Social responsibility Committee has been formed by the Company. During the year the Company has undertaken Corporate Social Responsibility activities as approved by the CSR Committee which are specified in Schedule VII of the Companies Act 2013.

- i) Gross amount required to be spent by the company for the year ended 31 March 2020 is Rs. 505.24 millions (31 March 2019: Rs. 441.80 millions; 31 March 2018: Rs. 399.74 millions) including unspent amount carried forward from the earlier years against which the Company has spent a sum of Rs 113.39 millions (31 March 2019: Rs. 16.66 millions; 31 March 2018: Rs. 76.96 millions) during the year ended 31 March 2020.

ii) Amount spent during the year on:

As at 31 March 2020

Sl. No	Particulars	In cash	Yet to be paid in cash	Total
i)	Construction/Acquisition of any assets	-	-	-
ii)	On Purpose other than (i) above	454.44	40.04	494.48
ii a)	Sanitation and safe drinking water (Item No. (i) of Schedule - VII)	389.51	22.97	412.48
ii b)	Promoting Education (Item No. (ii) of Schedule – VII)	51.19	4.87	56.07
ii c)	Social Welfare (Item No.(iii) of Schedule-VII)	-	-	-
ii d)	Forest & Environment, animal welfare etc. (Item No. (iv) of Schedule-VII)	-	-	-
ii e)	Contribution to 'Clean Ganga Fund' (Item No.(iv) of Schedule-VII)	-	-	-
ii f)	Ensuring environment sustainability item No. (iv) of Schedule - (VII)	13.74	12.20	25.94
ii g)	Measures for armed forces veterans,(Item No. (vi) of ScheduleVII)	-	-	-
	Grand Total (i+ii)	454.44	40.04	494.48

As at 31 March 2019

Sl. No	Particulars	In cash	Yet to be paid in cash	Total
i)	Construction/Acquisition of any assets	-	-	-
ii)	On Purpose other than (i) above	71.97	12.80	84.78
ii a)	Sanitation and safe drinking water (Item No. (i) of Schedule - VII)	29.54	-	29.54
ii b)	Social Welfare (Item No.(iii) of Schedule-VII)	-	-	-
ii c)	Forest & Environment, animal welfare etc. (Item No. (iv) of Schedule-VII)	-	-	-
ii d)	Contribution to 'Clean Ganga Fund' (Item No.(iv) of Schedule-VII)	-	-	-
ii e)	Ensuring environment sustainability item No. (iv) of Schedule - (VII)	32.44	12.80	45.24
ii f)	Measures for armed forces veterans,(Item No. (vi) of ScheduleVII)	10.00	-	10.00
	Grand Total (i+ii)	71.97	12.80	84.78

As at 31 March 2018

Sl. No	Particulars	In cash	Yet to be paid in cash	Total
i)	Construction/Acquisition of any assets	-	-	-
ii)	On Purpose other than (i) above	207.29	30.51	237.80
ii a)	Contribution to 'Swachh bharat Kosh' (Item No. I of Schedule-VII)	-	-	-
ii b)	Health Care (Item No.(i) of Schedule-VII)	-	-	-
ii c)	Social Welfare (Item No.(iii) of Schedule-VII)	24.78	-	24.78
ii d)	Forest & Environment, animal welfare etc. (Item No. (iv) of Schedule-VII)	73.65	30.51	104.15
ii e)	Contribution to 'Clean Ganga Fund' (Item No.(iv) of Schedule-VII)	108.87	-	108.87
ii f)	Art & Culture, Public Libraries (Item No (v) of Schedule-VII)	-	-	-
	Grand Total (i+ii)	207.29	30.51	237.80



Indian Railway Finance Corporation Limited

CIN U65910DL1986GOI026363

Annexure VI: Notes to restated financial statement

(All amounts in millions of INR, unless stated otherwise)

Note 50: Interest on deposit & Investment include Tax Deducted at Source amounting to Rs. 3.78 millions for the year ended 31 March 2020 (31 March 2019: Rs. 3.46 millions; 31 March 2018: Rs. 3.11 millions) Ministry of Railways has also deducted tax at source amounting to Rs. 4,051.72 millions (31 March 2019: Rs.3,705.12 millions; 31 March 2018: Rs. 3,291.92 millions) on lease rentals.

Note 51: Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:

Particular	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Principal amount remaining unpaid as at year end	0.50	0.08	2.40
Interest due thereon remaining unpaid as at year end	-	-	-
Interest paid by the company in terms of Section 16 of MSME Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-	-
Interest due and payable for the period of delay in making payment but without adding the interest specified under MSME Development Act, 2006.	-	-	-
Interest accrued and remaining unpaid as at year end.	-	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises.	-	-	-

Note 52: In respect of physical verification of assets given on lease, Ministry of Railways (Lessee) is required to maintain the leased assets in good working condition as per laid down norms, procedures and standards, as detailed & agreed in standard lease agreement. In the opinion of the management, the aforesaid system is satisfactory considering the fact that the assets are maintained and operated by the Central Government.



53.1 Related party disclosures

Related parties and their relationships

i. Transactions with Key Management Personnel

Key Management Personnel

Relationship:

As on 31.03.2020

Designation	Name	Period
Chairman & Managing Director	Sh. Amitabh Banerjee	(From 12 October 2019)*
Managing Director	Sh. Vijay Kumar	(From 26 July 2018 to 11 October 2019)
Director - Finance	Sh. Niraj Kumar	(From 1 July 2015)**
Company Secretary	Sh. Vijay Babulal Shirode	(From 9 March 2018)

* Shri Amitabh Banerjee was appointed as Managing Director on the IRFC Board on 12th October, 2019. He took over the charge of Chairman & Managing Director on the IRFC Board on 21st May, 2020.

**Shri Niraj Kumar was superannuated as on 31st July 2020.

As on 31.03.2019

Designation	Name	Period
Managing Director	Sh. S.K Pattanayak	(From 9 March 2017 to 26 July 2018)
Managing Director	Sh. Vijay Kumar	(From 26 July 2018)
Director - Finance	Sh. Niraj Kumar	(From 1 July 2015)
Company Secretary	Sh. Vijay Babulal Shirode	(From 9 March 2018)

As on 31.03.2018

Designation	Name	Period
Managing Director	Sh. S.K Pattanayak	(From 9 March 2017)
Director - Finance	Sh. Niraj Kumar	(From 1 July 2015)
Company Secretary & Group General Manager (TL)	Sh. S.K Ajmani	(Uptill 8 March 2018)
DGM(CS) & Law	Sh. Vijay Babulal Shirode	(From 9 March 2018)

Transactions:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Salary/Allowances	9.39	6.46	12.71
Reimbursements	0.26	0.30	3.86
Incentives	6.55	1.44	1.58
Total	16.20	8.20	18.15

ii. Details of significant transactions and outstanding balances with Ministry of Railways are as under

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
- Lease Receivables	14,85,798.00	12,50,265.12	10,94,716.56
- Advance for Railways Infrastructure Assets	10,31,195.28	6,49,088.40	3,98,250.55
- Advance for National Project	79,884.94	50,828.17	-
-Interest accrued but not due on advance for railway project to be leased	43,945.37	21,340.11	9,649.87
- Other Payables	(459.09)	-	-
- Other Receivables	22,778.73	9,374.53	35,946.30

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
- Lease Income	1,10,299.37	94,100.09	82,784.48
- Pre-commencement Lease-interest income	22,198.43	11,757.72	7,391.46

53.2 Transactions with the Government related entities

i. The Company is a Government related entity as the entire equity shareholding of the Company is held by the President of India through Ministry of Railways, Government of India. The Company is also related to Rail Vikas Nigam Limited and IRCON International Limited which are also government related entities and with whom the Company has transactions. The Company has been exempted from disclosure in para 25 of Ind AS 24, 'Related Party Transactions' being a government related entity.

ii. Details of significant transactions with Rail Vikas Nigam Limited and IRCON International Limited

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
- Closing Balances of Loan to Rail Vikas Nigam Ltd	39,879.41	28,426.30	20,379.55
- Closing Balances of Loan to IRCON International Ltd.	24,612.27	30,765.34	32,000.09
- Interest Income received thereon	5,548.60	5,251.05	2,343.28
- Interest Receivables	9,669.86	9,669.11	7,183.74



54.1: Investments

Particulars		As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
1	Value of investments			
	i Gross value of investments			
	(a) In India	115.21	131.45	139.78
	(b) Outside India	-	-	-
	ii Provisions for depreciation			
	(a) In India	-	-	-
	(b) Outside India	-	-	-
	iii Net value of investments			
	(a) In India	115.21	131.45	139.78
	(b) Outside India	-	-	-
2	Movement of provisions held towards depreciation on investments			
	i Opening balance	-	-	-
	ii Add: Provisions made during the year	0.09	-	-
	iii Less: Write-off/ write-back of excess provisions during the year	-	-	-
	iv Closing balance	0.09	-	-

54.2: Derivatives

54.2.1: Forward rate agreement/ Interest rate swap

Particulars		As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
i	The notional principal of swap agreements	27,769.33	25,475.35	37,064.31
ii	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	466.90	968.47
iii	Collateral required by the NBFC upon entering into swaps	-	-	-
iv	Concentration of credit risk arising from the swaps	-	-	-
v	The fair value of the swap book	(4,065.16)	(2,639.05)	(1,385.72)



54.2.2: Disclosure of risk exposure in derivatives

Qualitative disclosure

The Company enters into derivatives for the purpose of hedging and not for trading/speculation purposes.

The Company has framed a risk management policy duly approved by the board in respect of its External Commercial Borrowings (ECBs). A risk management committee comprising the Managing Director and Director Finance has been formed to monitor, analyze and control the currency and interest rate risk in respect of ECBs.

The Company avails various derivative products like currency forwards, Cross Currency swap, Interest rate swap etc. for hedging the risks associated with its ECBs.

Quantitative disclosures

As at 31 March, 2020

Particulars	Currency derivatives	Cross Currency & Interest Rate Derivatives	Interest rate derivatives
i Derivatives (notional principal amount) For hedging	-	13,884.67	13,884.67
ii Marked to market positions			
a) Asset	-	-	-
b) Liability	-	3,090.22	974.93
iii Credit exposure	-	2,082.70	416.54
iv Unhedged exposure	-	-	1,71,171.45

As at 31 March 2019

Particulars	Currency derivatives	Cross Currency & Interest Rate Derivatives	Interest rate derivatives
i Derivatives (notional principal amount) For hedging	-	12,737.67	12,737.67
ii Marked to market positions			
a) Asset	-	-	466.90
b) Liability	-	3,105.95	-
iii Credit exposure	-	1,910.65	849.03
iv Unhedged exposure	-	-	17,231.05

As at 31 March 2018

Particulars	Currency derivatives	Cross Currency & Interest Rate Derivatives	Interest rate derivatives
i Derivatives (notional principal amount) For hedging	42,284.86	11,982.16	25,082.16
ii Marked to market positions			
a) Asset	-	-	968.47
b) Liability	5,150.91	2,354.19	-
iii Credit exposure	845.70	1,797.32	1,393.44
iv Unhedged exposure	84,682.92	-	30,125.77



54.2.3. Derivative Instruments

The Company judiciously contracts financial derivative instruments in order to hedge currency and / or interest rate risk. All derivative transactions contracted by the Company are in the nature of hedging instruments with a defined underlying liability. The Company does not deploy any financial derivative for speculative or trading purposes.

(a) The Company uses foreign currency forward contracts to hedge its risk associated with foreign currency fluctuations in respect of its External Commercial Borrowings.

Outstanding foreign exchange forward contracts entered into by the Company which have been used for hedging the foreign currency risk on repayment of external commercial borrowings (principal portion):

No. of Contracts	As at 31 March 2020		As at 31 March 2019		As at 31 March 2018	
	Borrowing outstanding in foreign currency (USD Million)	INR equivalent (millions)	No. of Contracts	Borrowing outstanding in foreign currency (USD Million)	INR equivalent (millions)	No. of Contracts
-	-	-	-	-	-	9
						SSD
						42,284.85

(b) In respect of following External Commercial Borrowings, the Company has executed cross currency swap to hedge the foreign exchange exposure in respect of both principal outstanding and interest payments and converted its underlying liability from one foreign currency to another:

No. of Contracts	As at 31 March 2020		As at 31 March 2019		As at 31 March 2018		Remarks
	Borrowing outstanding in foreign currency	Notional USD equivalent	No. of Contracts	Borrowing outstanding in foreign currency	Notional USD equivalent	No. of Contracts	
1	JPY 12000 Million	145.90 Million	1	JPY 12000 Million	145.90 Million	JPY 12 Billion	Back to back recovery of INR/USD exchange rate variation from MDR.
1	JPY 3000 Million	37.04 Million	1	JPY 3000 Million	37.04 Million	JPY 3 Billion	Back to back recovery of INR/USD exchange rate variation from MDR.

The foreign currency borrowings which have not been hedged, are as follows:

No. of Contracts	As at 31 March 2020		As at 31 March 2019		As at 31 March 2018		Remarks
	Borrowing outstanding in foreign currency	No. of Contracts	Borrowing outstanding in foreign currency	No. of Contracts	Borrowing outstanding in foreign currency	No. of Contracts	
1	USD 6.00 Million	1	USD 9.00 Million	1	USD 12.00 Million		
1	USD 500 Million	2	USD 200 Million	1	USD 500 Million		
1	USD 500 Million	1	USD 500 Million	2	USD 350 Million		
1	JPY 26,231.25 Million (Equivalent to USD 250 Million)	1	JPY 26,231.25 Million (Equivalent to USD 250 Million)	1	JPY 26,231.25 Million (Equivalent to USD 250 Million)		Back to back recovery of exchange rate variation from MDR.
1	JPY 32,856 Millions (Equivalent to USD 250 Million)	-	-	-	-		
1	USD 300 Million	-	-	-	-		
1	USD 700 Million	-	-	-	-		
1	USD 300 Million	-	-	-	-		
1	JPY 33,189 million (Equivalent to USD 300 Million)	-	-	-	-		

(c) Other than currency forward contracts, the Company also reports to interest rate derivatives like Cross Currency Interest Rate Swap for hedging the interest rate risk associated with its external commercial borrowings.

The Company recognizes these derivatives in its Financial Statements at their Fair Values. Further, in view of the fact that these derivatives are Over the Counter (OTC) contracts customized to match the residual tenor and value of the underlying liability, the Company relies on the valuations done by the counter parties to the derivative transactions using the theoretical valuation models.

No. of transaction	Description of Derivative	Notional Principal	Fair Value Asset / (liability)		Fair Value Asset / (liability)	
			As at 31 March 2020	As at 31 March 2019	As at 31 March 2018	As at 31 March 2018
2	Cross Currency Interest Rate Swap (JPY Fixed Interest Rate Liability to USD Floating Rate Liability)	JPY 12 Bn. / USD Mio 145.90; JPY 3 Bn. / USD Mio 37.04	(5,090.22)	(5,105.95)	(2,354.19)	
2	Foreign Currency Interest Rate Swap (Floating Rate USD Libor to Fixed Rate)	JPY 12 Bn. / USD Mio 145.90; JPY 3 Bn. / USD Mio 37.04	(974.93)	466.90	970.30	
1	Foreign Currency Interest Rate Swap (Floating Rate USD Libor to Fixed Rate)	USD 200.00 Mio	-	-	98.17	



54.3: Disclosures relating to securitisation
 The Company has not entered into any securitisation transaction during the year. However, the Company had entered into two securitisation transactions in respect of its lease receivables from MoR on 25 January 2010 and 24 March 2011. As per Ind AS 109, financial instruments, the gain on these transactions was recognised in the year of transactions, itself.

54.3.1
 In terms of the Minimum Retention Requirement (MRR) as contained in the draft guidelines issued by RBI in April 2010, the Company had invested 5% of the total securitized amount towards MMR in respect of its second securitisation transaction executed in 2011. The present exposure on account of securitisation transaction at 31 March 2020 is Rs. 22.23 millions (31 March 2019: Rs. 33.30 millions; 31 March 2018: 45.42 millions). The details are as below:

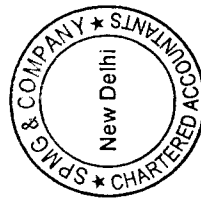
Particulars	As at		As at		As at	
	31 March 2020	31 March 2019	31 March 2019	31 March 2018	31 March 2018	31 March 2018
1	No. of SPVs sponsored by the NBFC for securitisation transactions	2	2	2	2	2
2	Total amount of securitised asset as per books of the SPV sponsored	961.25	1,511.66	2,078.89	2,078.89	2,078.89
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	22.23	33.30	45.42	45.42	45.42
a)	Off-balance sheet exposures					
	First loss					
	Others	22.23	33.30	45.42	45.42	45.42
b)	On-balance sheet exposures					
	First loss					
	Others					
4	Amount of exposures to securitisation transactions other than MRR	NIL	NIL	NIL	NIL	NIL
	* Impairment loss as per Ind AS 109 has been made for an amount of Rs. .09 million					

54.3.2: Company has not sold any financial assets to Securitization / Reconstruction Company for asset construction during the year ended on 31 March 2020 (31 March 2019: Nil; 31 March 2018: Nil).

54.3.3: Company has not undertaken any assignment transaction during the year ended on 31 March 2020 (31 March 2019: Nil; 31 March 2018: Nil).

54.3.4: Company has neither purchased nor sold any non-performing financial assets during the year ended on 31 March 2020 (31 March 2019: Nil; 31 March 2018: Nil).

54.4: Asset liability management maturity pattern of certain items of Assets and Liabilities
 Refer financial instrument notes 369



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54.3: Exposures

54.3.1: Exposure to real estate sector

The Company does not have any exposure to real estate sector.

54.3.2: Exposure to capital market

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
i Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt (includes investment in fully convertible preference shares)	19.99	19.39	19.99
- At Cost	92.98	98.15	94.36
- At Fair Value			
ii Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds			
iii Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security			
iv Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances (excluding loans where security creation is under process)			
v Secured and unsecured advances to stockbrokers and guaranteees issued on behalf of stockbrokers and market makers			
vi Loans sanctioned to corporates against the security of shares/ bonds / debentures or other securities or on clean basis for meeting promoters contribution to the equity of new companies in anticipation of raising resources			
vii Bridge loans to companies against expected equity flows / issues			
viii All exposures to Venture Capital Funds (both registered and unregistered)			
Total exposure to capital market	92.98	98.15	94.36

54.3.4: Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Reserve Bank of India has issued Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 vide notification no.DNBR.009/CGM(CDS)-2015 dated 27th March 2015. The Company, being a Government Company, these Directions, except the provisions contained in Paragraph 25 thereof, are not applicable to the Company.

54.3.5: Unsecured advances

The outstanding amounts against unsecured loans, advances & lease receivables are as under:

20

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Ministry of Railways, Government of India			
- Lease receivables	14,85,798.00	12,50,865.12	10,94,716.56
- Other receivables/(payables)	39,879.41	28,426.30	20,379.55
Rail Vikas Nigam Limited, a wholly owned entity of Ministry of Railways, Govt. of India	24,612.27	30,765.34	32,000.00
IRCON International Limited	9,669.86	9,669.11	7,183.74
Interest accrued thereon (Rail Vikas Nigam Limited & IRCON International Limited)	15,58,959.54	13,19,125.87	11,54,279.85
Total			



54.6: Miscellaneous

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
54.6.1: Registration obtained from other financial sector regulators	NIL	NIL	NIL

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
54.6.2: Disclosure of Penalties imposed by RBI and other regulators	NIL	NIL	NIL

54.6.3: Ratings assigned by credit rating agencies and migration of ratings during the year

a. Rating assigned by credit rating agencies and migration of ratings during the year:

S.No	Rating Agencies	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Long Term Rating				
1	CRISIL	CRISIL AAA / Stable	CRISIL AAA	CRISIL AAA
2	ICRA	ICRA AAA / Stable	ICRA AAA	ICRA AAA
3	CARE	CARE AAA / Stable	CARE AAA	CARE AAA
Short Term Rating				
1	CRISIL	CRISIL A1+	CRISIL A1+	CRISIL A1+
2	ICRA	ICRA A1+	ICRA A1+	ICRA A1+
3	CARE	CARE A1+	CARE A1+	CARE A1+

b. Long term foreign currency issuer rating assigned to the Company as at:

S.No	Rating Agencies	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Long Term Rating				
1	Fitch Rating	BBB-/Stable	BBB-/Stable	BBB-/Stable
2	Standard & Poor	BBB-/Stable	BBB-/Stable	BBB-/Stable
3	Moody's	Baa3/Stable	Baa2/Stable	Baa2/Stable
4	Japanese Credit Rating Agency	BBB+/Stable	BBB+/Stable	BBB+/Stable

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
54.6.4 (a) : Net Profit or Loss for the period	-	-	481.60
54.6.4 (b) : Prior period items	-	-	-
54.6.4 (c) : Changes in accounting policies (Refer note no.46 (d))	64,431.40	64,431.40	64,431.40

Note 54.7

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
54.7.1: Provisions and Contingencies	Refer Note 34	Refer Note 34	Refer Note 34
54.7.2: Drawn down from reserves	NIL	NIL	NIL

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
54.7.3: Concentration of Deposits, Advances, Exposures and NPAs			
54.7.3.1: Concentration of Deposits (for deposit taking NBFCs)	Company is a non deposit accepting NBFC	Company is a non deposit accepting NBFC	Company is a non deposit accepting NBFC



54.7.3.2: Concentration of advances

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Total advances to twenty largest borrowers	26,61,111.93	20,09,136.56	15,45,346.66
Percentage of advances to twenty largest borrowers to total advances of the NBFC	100%	100%	100%

54.7.3.3: Concentration of exposures

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Total exposure to twenty largest borrowers/ customers	26,61,204.91	20,09,234.71	15,45,441.02
Percentage of exposure to twenty largest borrowers/ customers to total exposure of the NBFC on borrowers/customers	100%	100%	100%

54.7.3.4: Concentration of NPAs

NIL NIL NIL

54.7.3.5: Sector-wise NPAs

NIL NIL NIL

54.7.4: Movement of NPAs

NIL NIL NIL

54.7.5: Overseas Assets

NIL NIL NIL

54.7.6: Off-balance sheet SPVs sponsored

NIL NIL NIL

54.8: Disclosure of complaints

54.8.1: Investor complaints

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
(a) No. of complaints pending at the beginning of the year	-	-	-
(b) No. of complaints received during the year	1,345	1,073	603
(c) No. of complaints redressed during the year	1,345	1,073	603
(d) No. of complaints pending at the end of the year	-	-	-



Note 55: Current and non current classification

As required by the paragraph 61 of Ind AS 1, Presentation of financial statements, the classification into current and non current of line item of assets and liabilities as in the balance sheet is as under :

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

a) Classification of balance sheet as at 31 March 2020

Line Item	As at 31 March 2020		
	Amount	Current	Non-current
Assets			
Financial Assets			
Cash and cash equivalents	13.80	13.80	-
Bank balance other than (a) above	993.83	993.83	-
Derivative financial instruments	-	-	-
Receivables			
- Trade receivables	-	-	-
- Lease receivables	14,85,798.00	1,12,525.68	13,73,272.32
Loans	64,233.71	2,657.44	61,576.27
Investments	115.12	10.05	105.07
Other financial assets	11,87,487.29	4,599.95	11,82,887.34
Total financial assets	27,38,641.75	1,20,800.75	26,17,841.00
Non-financial assets			
Current tax assets (net)	5,864.06	5,864.06	-
Deferred tax assets (net)	-	-	-
Property, plant and equipment	110.04	-	110.04
Other Intangible assets	0.43	-	0.43
Other non-financial assets	14,725.41	-	14,725.41
Total non-financial assets	20,699.94	5,864.06	14,835.88
Total Assets	27,59,341.69	1,26,664.81	26,32,676.88
Liabilities			
Financial liabilities			
Derivative financial instruments	4,065.15	-	4,065.15
Trade payable	377.58	377.58	-
Debt securities	15,52,904.56	1,12,291.99	14,40,612.57
Borrowings (other than debt securities)	7,90,862.65	1,54,346.29	6,36,516.36
Other financial liabilities	1,01,047.19	51,192.73	49,854.46
Total financial liabilities	24,49,257.13	3,18,208.59	21,31,048.54
Non-financial liabilities			
Current tax liabilities (net)	-	-	-
Provisions	138.03	121.14	16.89
Deferred tax liabilities (net)	-	-	-
Other non-financial liabilities	322.19	322.19	-
Total non-financial liabilities	460.22	443.33	16.89
Total liabilities	24,49,717.35	3,18,651.92	21,31,065.43
Equity			
Equity share capital	1,18,804.60	-	1,18,804.60
Other equity	1,90,819.74	-	1,90,819.74
Total equity	3,09,624.34	-	3,09,624.34
Total Liabilities and Equity	27,59,341.69	3,18,651.92	24,40,689.77



b) Classification of balance sheet as at 31 March 2019

Line Item	As at 31 March 2019		
	Amount	Current	Non-current
Assets			
Financial Assets			
Cash and cash equivalents	37.07	37.07	-
Bank balance other than above	773.59	773.59	-
Derivative financial instruments	466.90	-	466.90
Receivables			
- Lease receivables	12,50,265.12	95,104.40	11,55,160.72
Loans	58,954.87	8,779.57	50,175.30
Investments	131.45	11.06	120.39
Other financial assets	7,40,307.26	10,267.89	7,30,039.37
Total financial assets	20,50,936.26	1,14,973.58	19,35,962.68
Non-financial assets			
Current tax assets (net)	-	-	-
Deferred tax assets (net)	-	-	-
Property, plant and equipment	112.25	-	112.25
Other Intangible assets	0.50	-	0.50
Other non-financial assets	14,987.09	14,961.79	25.30
Total non-financial assets	15,099.84	14,961.79	138.05
Total Assets	20,66,036.10	1,29,935.37	19,36,100.73
Liabilities			
Financial liabilities			
Derivative financial instruments	3,105.95	-	3,105.95
Trade payable	121.79	121.79	-
Debt securities	12,35,978.99	1,06,011.36	11,29,967.63
Borrowings (other than debt securities)	5,03,347.76	1,24,312.45	3,79,035.31
Other financial liabilities	72,999.28	38,510.91	34,488.37
Total financial liabilities	18,15,553.77	2,68,956.51	15,46,597.26
Non-financial liabilities			
Current tax liabilities (net)	29.69	29.69	-
Provisions	117.96	80.98	36.98
Deferred tax liabilities (net)	-	-	-
Other non-financial liabilities	48.15	48.15	-
Total non-financial liabilities	195.80	158.82	36.98
Total liabilities	18,15,749.57	2,69,115.33	15,46,634.24
Equity			
Equity share capital	93,804.60	-	93,804.60
Other equity	1,56,481.93	-	1,56,481.93
Total equity	2,50,286.53	-	2,50,286.53
Total Liabilities and Equity	20,66,036.10	2,69,115.33	17,96,920.77



c) Classification of balance sheet as at 31st March 2018

Line Item	As at 31 March 2018		
	Amount	Current	Non-current
Assets			
Financial Assets			
Cash and cash equivalents	11.28	11.28	-
Bank balance other than above	986.92	986.92	-
Derivative financial instruments	968.47	98.17	870.30
Receivables			
- Lease receivables	10,94,716.56	82,368.55	10,12,348.01
Loans	52,379.55	2,413.25	49,966.30
Investments	139.78	12.12	127.66
Other financial assets	4,51,076.00	39,481.02	4,11,594.98
Total financial assets	16,00,278.56	1,25,371.31	14,74,907.25
Non-financial assets			
Current tax assets (net)	259.27	259.27	-
Property, plant and equipment	112.69	-	112.69
Other Intangible assets	0.27	-	0.27
Other non-financial assets	14,033.30	14,008.00	25.30
Total non-financial assets	14,405.53	14,267.27	138.26
Total Assets	16,14,684.09	1,39,638.58	14,75,045.51
Liabilities			
Financial liabilities			
Derivative financial instruments	7,495.79	5,141.60	2,354.19
Trade payable	87.15	87.15	-
Debt securities	11,08,442.46	1,31,981.77	9,76,460.69
Borrowings (other than debt securities)	2,31,612.82	63,844.41	1,67,768.41
Other financial liabilities	56,625.68	37,020.28	19,605.40
Total financial liabilities	14,04,263.90	2,38,075.21	11,66,188.69
Non-financial liabilities			
Current tax liabilities (net)	-	-	-
Provisions	108.37	93.29	15.08
Deferred tax liabilities (net)	-	-	-
Other non-financial liabilities	6,592.73	6,592.73	-
Total non-financial liabilities	6,701.10	6,686.02	15.08
Total liabilities	14,10,965.00	2,44,761.23	11,66,203.77
Equity			
Equity share capital	65,264.60	-	65,264.60
Other equity	1,38,454.49	-	1,38,454.49
Total equity	2,03,719.09	-	2,03,719.09
Total Liabilities and Equity	16,14,684.09	2,44,761.23	13,69,922.86



For the purpose of this note:-

i) The Company classify an assets as current when,

- It expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- It holds the asset primarily for the purpose of trading;
- It expects to realise the asset within twelve months after the reporting period or;
- The asset is cash or a cash equivalents (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non current.

ii) The Company classify a liability as current when,

- It expects to settle the liability in its normal operating cycle;
- It holds the liability primarily for the purpose of trading;
- The liability is due to be settled within twelve months after the reporting period or;
- It does not have an unconditional right to defer settlements of the liability for at least twelve months after the reporting period (see paragraph 73). Terms of a liability that could at the option of the counterparty, result in its settlement by the issue of equity instruments do not affects its classification.

All other liabilities are classified as non current .



Note 56 SCHEDULE TO THE BALANCE SHEET OF A NON-BANKING FINANCIAL COMPANY AS REQUIRED UNDER MASTER DIRECTION - NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NDN-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016

S. No.	Particulars	As at 31st March 2020		As at 31st March 2019		As at 31 March 2018	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	Liabilities Side:						
1)	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid :						
	(a) Debentures/ Bonds :						
	- Secured	11,57,742.13	-	9,74,691.31	-	8,74,035.51	-
	- Unsecured	3,56,528.34	-	2,31,427.91	-	2,24,431.07	-
	(b) Deferred Credits	-	-	-	-	-	-
	(c) Term Loans	7,90,862.65	-	5,03,347.76	-	2,31,612.82	-
	(d) Inter-corporate loans and Other Borrowings	-	-	-	-	-	-
	(e) Commercial Paper	38,634.09	-	29,359.77	-	9,975.88	-
	(f) Public Deposits	-	-	-	-	-	-
	(g) Fixed Deposits accepted from Corporates	-	-	-	-	-	-
	(h) FCNR Loans	-	-	-	-	-	-
	(i) External Commercial Borrowings	-	-	-	-	-	-
	(j) Associated liabilities in respect of securitization transactions	-	-	-	-	-	-
	(k) Subordinate debt (including NCDs issued through Public issue)	-	-	-	-	-	-
	(l) Other Short Term Loans and credit facilities from banks	-	-	-	-	-	-
2)	Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :						
	(a) In the form of Unsecured debentures -	-	-	-	-	-	-
	(b) In the form of partly secured debentures i.e. Debentures where there is a shortfall in the value of security	-	-	-	-	-	-
	(c) Other public deposits	-	-	-	-	-	-
	Asset side:						
3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :						
	(a) Secured	-	-	-	-	-	-
	(b) Unsecured	12,51,669.21	-	7,99,216.52	-	5,03,410.01	-
4)	Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities :						
	(i) Lease assets including lease rentals under sundry debtors :						
	(a) Financial lease	14,85,798.00	-	12,50,265.12	-	10,94,716.56	-
	(b) Operating lease	-	-	-	-	-	-
	(ii) Stock on hire including hire charges under sundry debtors :						
	(a) Assets on hire	-	-	-	-	-	-
	(b) Repossessed Assets	-	-	-	-	-	-
	(iii) Other loans counting towards AFC activities:						
	(a) Loans where assets have been repossessed	-	-	-	-	-	-
	(b) Loans other than (a) above	-	-	-	-	-	-
5)	Break-up of Investments :						
	Current Investments :						
	1. Quoted :						
	(i) Shares:(a) Equity	-	-	-	-	-	-
	(b) Preference	-	-	-	-	-	-
	(ii) Debentures and Bonds	-	-	-	-	-	-
	(iii) Units of mutual funds	-	-	-	-	-	-
	(iv) Government Securities	-	-	-	-	-	-
	2. Unquoted :						
	(i) Shares:(a) Equity	-	-	-	-	-	-
	(b) Preference	-	-	-	-	-	-
	(ii) Debentures and Bonds	-	-	-	-	-	-
	(iii) Units of mutual funds	-	-	-	-	-	-
	(iv) Government Securities	-	-	-	-	-	-
	(v) Investments in Pass Through Certificates under securitization transactions	-	-	-	-	-	-
	(vi) Commercial Papers	-	-	-	-	-	-
	(vii) Investments in Pass Through Certificates under securitization transactions	-	-	-	-	-	-
	Long Term Investments :						
	1. Quoted :						
	(i) Shares: (a) Equity	92.98	-	98.15	-	-	-
	(b) Preference	-	-	-	-	-	-
	(ii) Debentures and Bonds	-	-	-	-	-	-
	(iii) Units of mutual funds	-	-	-	-	-	-
	(iv) Government Securities	-	-	-	-	-	-
	2. Unquoted :						
	(i) Shares:(a) Equity	-	-	-	-	94.36	-
	(b) Preference	-	-	-	-	-	-
	(ii) Debentures and Bonds	-	-	-	-	-	-
	(iii) Units of mutual funds	-	-	-	-	-	-
	(iv) Government Securities	-	-	-	-	-	-
	(v) Investments in Pass Through Certificates under securitization transactions	22.23	-	33.30	-	45.42	-



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6) Borrower group-wise classification assets financed as in (3) and (4) above :

S.no	Category	As at 31 March 2020			As at 31 March 2019			As at 31 March 2018		
		Amount of Net provision			Amount of Net provision			Amount of Net provision		
		Secured	Unsecured	Total	Secured	Unsecured	Total	Secured	Unsecured	Total
1	Related Parties									
	(a) Subsidiaries									
	(b) Companies in the same group	-	-	-	-	-	-	-	-	-
	(c) Other related parties	-	27,37,467.21	-	-	20,49,481.64	-	-	15,98,126.57	-
2	Other than related parties	-	-	-	-	-	-	-	-	-
	Total	-	27,37,467.21	-	-	20,49,481.64	-	-	15,98,126.57	-

7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

S.no	Category	As at 31 March 2020		As at 31 March 2019		As at 31 March 2018	
		Market value/Break up/or fair value of NAV	Book value (net of provision)	Market value/Break up/or fair value of NAV	Book value (net of provision)	Market value/Break up/or fair value of NAV	Book value (net of provision)
1	Related Parties						
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the same group	-	-	-	-	-	-
	(c) Other related parties	92.98	92.98	98.15	98.15	94.36	94.36
2	Other than related parties	22.23	22.14	33.30	33.30	45.42	45.42
	Total	115.21	115.12	131.45	131.45	139.78	139.78

8) Other information:

S.no	Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
i)	Gross Non-Performing Assets :			
	(a) Related parties	-	-	-
	(b) Other than related parties	-	-	-
ii)	Net Non-Performing Assets :			
	(a) Related parties	-	-	-
	(b) Other than related parties	-	-	-
iii)	Assets acquired in satisfaction of debt :	-	-	-



Note 57 DISCLOSURE AS REQUIRED UNDER RBI NOTIFICATION NO. RBI/2019-20/170 DOR (NBFC).CC .PD .NO .109/22.10.106/2019-20 DATED 13 MARCH 2020 ON IMPLEMENTATION OF INDIAN ACCOUNTING STANDARDS

- (i) A comparison between provisions required under extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109 for the year ended 31 March 2020

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard *	Stage 1	15,60,103.26	296.85	15,59,806.41	296.85	-
	Stage 2	-	-	-	-	-
Subtotal for standard		15,60,103.26	296.85	15,59,806.41	296.85	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms						
	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	15,60,103.26	296.85	15,59,806.41	296.85	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total		15,60,103.26	296.85	15,59,806.41	296.85	-

* Standard assets includes amount recoverable from ministry of railways being due from sovereign. The Reserve Bank of India has granted exemption to the Company in respect of classification of asset, provisioning norms and credit concentration norms to the extent of direct exposure to sovereign (refer note no. 42(a) (i))



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Annexure VI: Notes to restated financial statement

(All amounts in million of INR, unless stated otherwise)

- (ii) A comparison between provisions required under extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109 for the year ended 31 March 2019

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard *	Stage 1	13,19,293.36	275.45	13,19,017.91	275.45	-
	Stage 2	-	-	-	-	-
Subtotal for standard		13,19,293.36	275.45	13,19,017.91	275.45	-
Non-Performing Assets (NPA)						
Substandard	Stage 3					
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful						
Loss	Stage 3					
Subtotal for NPA		-	-	-	-	-
	Stage 1					
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms						
	Stage 2					
	Stage 3					
Subtotal		-	-	-	-	-
Total	Stage 1	13,19,293.36	275.45	13,19,017.91	275.45	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total		13,19,293.36	275.45	13,19,017.91	275.45	-

* Standard assets includes amount recoverable from ministry of railways being due from sovereign. The Reserve Bank of India has granted exemption to the Company in respect of classification of asset, provisioning norms and credit concentration norms to the extent of direct exposure to sovereign (refer note no. 42(a) (i))



- (iii) A comparison between provisions required under extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109 for the year ended 31 March 2018

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	11,54,460.53	-	11,54,460.53	-	-
	Stage 2	-	-	-	-	-
Subtotal for standard		11,54,460.53	-	11,54,460.53	-	-
Non-Performing Assets (NPA)						
Substandard	Stage 3					
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful						
Loss	Stage 3					
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms						
	Stage 1					
	Stage 2					
	Stage 3					
Subtotal		-	-	-	-	-
Total	Stage 1	11,54,460.53	-	11,54,460.53	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total		11,54,460.53	-	11,54,460.53	-	-



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Annexure VI: Notes to restated financial statement
(All amounts in million of INR, unless stated otherwise)

Since the total impairment allowances under Ind AS 109 is equal to the total provisioning required under IRACP (including standard asset provisioning) as at 31 March 2020, no amount is required to be transferred to 'Impairment Reserve'. The gross carrying amount of asset as per Ind AS 109 and Loss allowances (Provisions) thereon includes interest accrual on net carrying value of stage - 3 assets as permitted under Ind AS 109. While, the provisions required as per IRACP norms does not include any such interest as interest accrual on NPAs is not permitted under IRACP norms.

The balance in the 'Impairment Reserve' (as and when created) shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, RBI.

(ii) In terms of recommendations as per above referred notification, the Company has adopted the same definition of default for accounting purposes as guided by the definition used for regulatory purposes.

As at 31 March 2020, there are no loan accounts that are past due beyond 90 days but not treated as impaired.



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Annexure VI: Notes to restated financial statement

(All amounts in million of INR, unless stated otherwise)

**Note 58 DISCLOSURES AS REQUIRED UNDER COVID 19 REGULATORY PACKAGE -
ASSET CLASSIFICATION AND PROVISIONING ISSUED BY RBI VIDE NOTIFICATION NO.
RBI/2019-20/220 DOR.No. BO.BC.63/21/04.048/2019 -20 DATED 17 APRIL 2020**

S.no	Particulars	Amount
i	Respective amounts in SMA / overdue categories, where the moratorium / deferment was extended in terms of paragraph 2 & 3 of the aforesaid notification	Nil
ii	Respective amount where asset classification benefit is extended	Nil
iii	Provisions made during quarter 4 of Financial year 2019 - 20	Nil
iv.	Provisions adjusted during the respective accounting periods against slippages and residual provisions in terms of paragraph 6 of the aforesaid notification	Nil



Indian Railway Finance Corporation Limited

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Annexure VI: Notes to restated financial statement

(All amounts in millions of INR, unless stated otherwise)

Note 59:

- a) Previous year figures have been regrouped/ rearranged, whenever necessary, in order to make them comparable with those of the current year.

Note 60: Approval of financial statements

- a) The audited financial statements were approved by the Board of Directors as under:

Particulars	Date
For the year ended 31 March 2020	28 August 2020
For the year ended 31 March 2019	05 September 2019
For the year ended 31 March 2018	10 September 2018

- b) These restated financial statement have been approved by the Board of Directors on 29th September 2020.

For SPMG & Co.

Chartered Accountants

(FRN 509249C)

(Vinod Gupta)

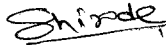
(Partner)

M.No. 090687



For and on behalf of the Board of Directors

Indian Railway Finance Corporation Limited


(Vijay Babulal Shirode)
Company Secretary
& JGM (Law)
FCS: 6876


(Shelly Verma)
Director Finance
DIN: 07935630


(Amitabh Banerjee)
Chairman &
Managing Director
DIN: 03315975

Place: New Delhi

Date: 29th September 2020

Summarized below are the restatement adjustments made to the audited financial statements and their impact on the profit of the Company:

Particulars	Year ended	
	31 March 2018	
Net profit after tax as per Previous GAAP	29,073.07	
Ind AS adjustments		
Pre commencement lease - interest income recognized	(15,373.78)	
Unabsorbed forward premium derecognized	2,138.87	
Securitization gain - recognised during the year	(5.84)	
Borrowing Cost on Northern Railway Infrastructure Assets capitalised	15,373.78	
Adjustment of transaction cost/Effective Interest Rate on debt securities & borrowings	480.12	
Adjustment of transaction cost/Effective Interest Rate on advances to employees	(0.02)	
Lease Income	(2,138.87)	
Employees benefit expenses - recognised in OCI	(0.87)	
Adjustment of Current tax Liability - recognised in OCI	0.19	
Adjustment of Deferred tax liability	-	
Total effects of transition to Ind AS	473.58	
Profit for the period as per Ind AS	20,546.65	
Remesurement of defined benefit plans	0.67	
Remesurement of Equity instruments - Ircon International Limited	7.34	
Tax impact on remesurement of defined benefit plans	(0.12)	
Tax impact on remesurement of Equity instruments	-	
Net profit/(loss) after tax as per Ind AS (before material restatement adjustments)	20,554.67	

Notes to above adjustments:-

i. Material regroupings

Appropriate adjustments have been made in the restated financial information, wherever required, by reclassification of the corresponding items of incomes, expenses, assets and liabilities, in order to bring them in line with the requirements of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended) and as per the audited financial statements of the Company for the year ended ended 31 March 2020 prepared in accordance with the Schedule II of the Companies Act, 2013. As notified by the Ministry of Corporate Affairs vide Gazetted Notification dated 11 October 2018 as applicable to Non-Banking Financial Company whose financial statement are required to be drawn up in compliance of Companies (Indian Accounting Standards) Rules 2015.

ii. Reconciliation of total equity

Particulars	As at	As at
	31 March 2018	1 April 2017
Total equity including share application money as per previous GAAP	1,35,652.10	1,20,095.97
Ind AS and material restatement adjustments		
Fair value of investment	74.38	67.04
Proposed equity dividend reversed (including dividend distribution tax)	2,109.78	403.49
Recognition of borrowings at amortised cost using effective interest rate	2,016.77	1,536.65
Recognition of advances to employees at amortised cost using effective interest rate	(0.20)	(0.17)
Gain on securitisation	8.38	14.22
Security premium	(42.11)	(42.11)
Deferred tax liability	(532.24)	(532.24)
Total	3,634.76	1,446.88
Total equity as restated (before material restatement adjustments)	1,39,286.86	1,21,542.85

- iii. After 31 March 2017, the Company does not recognize deferred tax asset or deferred tax liability. As per the Gazette Notification no. S.O. 529(E) dated 5 February 2018 as amended by notification no. S.O. 1465 dated 2 April 2018 issued by Ministry of Corporate Affairs, Government of India and letter no.F.No.17/16/2017-CL-V dated 20th March 2020 of Ministry of Corporate Affairs Government of India. the provision of Indian Accounting Standards 12 relating to deferred tax assets (DTA) or deferred tax liability (DTL) does not apply to the company w.e.f. 1 April 2017.
- iv. The Company has computed expected credit loss as per Ind AS 109, Financial Instruments in accordance with Reserve Bank of India direction RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020 based on Reserve Bank of India circular no. RBI/2017-18/181_DNBR (PD) CC No. 092/03.10.001/2017-18 dated 31 May 2018 read with letter no. DNRB (PD) CO No. 1271/03.10.001/2018-19 dated 21 December 2018 which was earlier exempted vide notification DNBR.PD.008/03.10.119/2016-17 dated 1st September 2016 for all government NBFC company.

B. Restatement after transition to Ind AS due to material readjustments

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	31 March 2018
Total equity as per audited Ind AS accounts as per Note A above	3,09,624.34	1,85,855.13	1,39,286.86
Adjustment of subsequent event	-	-	-
Write back of deferred tax liability as per letter no.F.No.17/16/2017-CL-V dated 20th March 2020 of Ministry of Corporate Affairs Government of India.	-	64,431.40	64,431.40
Adjustment of income tax	-	-	0.83
Total equity as per restated accounts	3,09,624.34	2,50,286.53	2,03,719.09
Total comprehensive income as per audited Ind AS accounts as per Note A above	36,918.72	22,549.15	20,554.67
Adjustment of subsequent event	-	-	-
Less/add- income tax for earlier years debited to the Statement of Profit & Loss	-	(0.88)	(55.78)
Less/add- income tax for earlier years adjusted in the year to which it relates	-	-	-
Total comprehensive income as per restated accounts	36,918.72	22,548.27	20,498.89

For SPMG & Co.
 Chartered Accountants
 (FRN 509249C)

(Vinod Gupta)
 (Partner)
 M.No. 090687



For and on behalf of the Board of Directors
 Indian Railway Finance Corporation Limited

(Vijay Babulaj Shirode)
 Company Secretary &
 JGM (Law)
 FCS: 6876

(Shelly Verma)
 Director Finance
 DIN: 07935630

(Amitabh Banerjee)
 Chairman & Managing
 Director
 DIN: 03315975

Place: New Delhi
 Date: 29th September 2020

Indian Railway Finance Corporation Limited

CIN U65910DL1986GOI026363

Annexure VIII: Statement on accounting ratios

(All amounts in millions of INR, unless stated otherwise)

Particulars	As at	As at	As at
	31 March 2020	31 March 2019	31 March 2018
A. Net worth	3,09,624.34	2,50,286.53	2,03,719.09
B. Average Net Worth	2,79,955.44	2,27,002.81	1,62,659.28
C. Profit attributable to the owners of the Company	36,918.72	22,548.27	20,498.89
Weighted average number of equity shares outstanding during the period/year (in Rs.)			
D. For basic earnings per share	9,39,41,21,202	6,57,33,75,068	6,52,64,60,000
E. For diluted earnings per share	9,39,41,21,202	6,57,33,75,068	6,52,64,60,000
F. Number of shares outstanding at the end of the period/year	11,88,04,60,000	9,38,04,60,000	6,52,64,60,000
Restated basic earnings per share (INR) (C/D)	3.93	3.43	3.14
Restated diluted earnings per share (INR) (C/E)	3.93	3.43	3.14
Return on average net worth (%) (C/B)	13.19%	9.93%	12.60%
Net assets value per share of INR 10/- each (A/F)	26.06	26.68	31.21
Face value (INR)	10.00	10.00	10.00
Earnings before interest, tax, depreciation and amortisation (EBITDA)	1,37,726.63	1,10,850.63	92,304.18

Notes:

1. The ratios have been computed as below:

Basic earnings per share (INR) = net profit after tax attributable to owners of the Company, as restated / Weighted average number of equity shares outstanding during the year

Diluted earnings per share (INR) = net profit after tax attributable to owners of the Company, as restated / Weighted average number of potential equity shares outstanding during the year

Return on average net worth (%) = Net profit after tax attributable to owners of the Company, as restated / net worth as restated

Net asset value per share (INR) = net worth, as restated / number of equity shares outstanding as at year end

2. Earning per share (EPS) calculation is in accordance with the notified Indian Accounting Standard (Ind AS) 33 'Earnings per share' prescribed by the Companies (Indian Accounting Standards) Rules, 2015, as amended.

3. The amounts disclosed above are based on the restated financial information of the Company.

4. Net worth means the aggregate value of the paid up share capital of the Company and all reserves created out of profits and securities premium as per restated statement of assets and liabilities of the Company.

5. Earnings before interest, tax, depreciation and amortisation (EBITDA) is as per restated statement of profit and loss of the Company for respective reported period/years.

6. The face value of Equity shares was sub-divided from Rs. 1,000 to Rs. 10 in the Annual General Meeting held on 12 September 2017. However, for the purpose of this Annexure, to ensure comparability, all the numbers, amounts and ratios have been determined by assuming that the sub-division of the face value of equity shares from Rs. 1,000 to Rs. 10 occurred on: 31 March 2017.

For SPMG & Co.
Chartered Accountants
(FRN 509249C)



(Vinod Gupta)

(Partner)
M.No. 090687

For and on behalf of the Board of Directors
Indian Railway Finance Corporation Limited


(Vijay Babulal Shirode)
Company Secretary &
JGM (Law)
FCS: 6876


(Shelly Verma)
Director Finance
DIN: 07935630


(Amitabh Banerjee)
Chairman & Managing
Director
DIN: 03315975

Place: New Delhi

Date: 29th September 2020

Indian Railway Finance Corporation Limited

CIN U65910DL1986GOI026363

Annexure IX: Restated statement of capitalisation

(All amounts in millions of INR, unless stated otherwise)

Particulars	Pre-Issue (As at 31 March 2020)	Post-Issue
Total borrowings:		
Debt-securities	15,52,904.56	-
Borrowings other than debt securities	7,90,862.65	-
Total borrowings (A)	23,43,767.21	-
Total equity		
Equity share capital	1,18,804.60	-
Other equity	1,90,819.74	-
Total equity (B)	3,09,624.34	-
Total borrowings/Total equity ratio (A/B)	7.57	-

Notes:

1. The amounts disclosed above are based on the restated statement of assets and liabilities as per **Annexure I**.
2. The above statement should be read with the statement of notes to the restated financial information in **Annexure VI**.
3. These amounts (as adjusted for issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished.

For SPMG & Co.

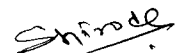
Chartered Accountants
(FRN 509249C)


(Vinod Gupta)
(Partner)



M.No. 090687

For and on behalf of the Board of Directors
Indian Railway Finance Corporation Limited


(Vijay Babulal Shirode)
Company Secretary &
JGM (Law)
FCS: 6876


(Shelly Verma)
Director Finance
DIN: 07935630


(Amitabh Banerjee)
Chairman & Managing
Director
DIN: 03315975

Place: New Delhi

Date: 29th September 2020

Indian Railway Finance Corporation Limited**Annexure X: Restated Consolidated Statement of Dividend**

(All amounts in millions of INR, unless stated otherwise)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Equity Shares			
No of shares	11,88,04,60,000	9,38,04,60,000	6,52,64,60,000
Face value*	10.00	10.00	10.00
Amount (in millions)	1,18,804.60	93,804.60	65,264.60
Final Dividend**			
Rate of dividend (%)	2.13%	2.68%	0.51%
Dividend per share (in Rs.)	0.21	0.27	0.05
Amount of dividend	2,000.00	1,750.00	335.24
Corporate dividend tax	411.11	359.72	68.25
Interim Dividend			
Rate of dividend (%)	-	2.13%	3.06%
Dividend per share (in Rs.)	-	0.21	0.31
Amount of dividend	-	2,000.00	2,000.00
Corporate dividend tax	-	411.11	407.15

* The face value of Equity shares was sub-divided from Rs. 1,000 To Rs. 10 in the Annual General Meeting held on 12 September 2017. However, for the purpose of this Annexure, to ensure comparability, all the numbers, amounts and other information have been determined by assuming that the sub-division of the face value of equity shares from Rs 1,000 to Rs. 10 occurred on 31 March 2017.

** Proposed for the preceeding financial year but paid in the respective financial year as approved by the shareholders in the Annual General Meetings for approval of amount of the preceeding financial year.

For SPMG & Co.Chartered Accountants
(FRN 509249C)

(Vinod Gupta)
(Partner)

M.No. 090687

For and on behalf of the Board of Directors**Indian Railway Finance Corporation Limited**

Shirode
(Vijay Babulal Shirode)
Company Secretary &
JGM (Law)
FCS: 6876

Shelly
(Shelly Verma)
Director Finance
DIN: 07935630

Amitabh
(Amitabh Banerjee)
Chairman & Managing
Director
DIN: 03315975

Place: New Delhi

Date: 29th September 2020

Indian Railway Finance Corporation Limited
Annexure XI: Restated Statement of AUM & Borrowings
(All amounts in millions of INR, unless stated otherwise)

a) Assets Under Management:

S.no	Particulars	As at	As at	As at
		31 March 2020	31 March 2019	31 March 2018
1	Lease Receivables	14,85,798.00	12,50,265.12	10,94,716.56
2	Loan Assets	64,491.68	59,191.64	52,379.55
3	Advance Against Railways Infrastructure assets	11,11,080.22	6,99,916.57	3,98,250.55
	Total AUM	26,61,369.90	20,09,373.33	15,45,346.66

b) Entitled Margin Rate over and above weighted average cost of incremental borrowings

S.no	Particulars	As at	As at	As at
		31 March 2020	31 March 2019	31 March 2018
1	Project Assets	35 bps	35 bps	25 bps
2	Rolling Stock	40 bps	40 bps	30 bps

c) Diversified sources of funding – Breakup of total borrowings*.

S.no	Particulars	As at	% of	As at	% of	As at	% of
		31 March 2020	Borrowing	31 March 2019	Borrowing	31 March 2018	Borrowing
1	Short Term Loans	-	-	-	-	-	-
2	External Commercial Borrowings	2,54,010.97	10.81%	99,598.72	5.71%	1,20,707.93	8.94%
3	Taxable Bonds	10,32,828.36	43.95%	7,97,600.83	45.72%	6,97,074.88	51.65%
4	Rupee Term Loan	6,93,869.00	29.52%	4,77,103.97	27.35%	1,81,692.00	13.46%
5	Tax Free Bonds	3,30,802.94	14.08%	3,40,075.04	19.50%	3,40,075.04	25.20%
6	Commercial Papers	38,750.00	1.65%	30,000.00	1.72%	10,000.00	0.74%
	TOTAL	23,50,261.27	100.00%	17,44,378.56	100.00%	13,49,549.85	100.00%

* Before Unamortisation

For SPMG & Co.
Chartered Accountants
(FRN 509249C)



(Vinod Gupta)

(Partner)
M.No. 090687

Place: New Delhi
Date: 29th September 2020

For and on behalf of the Board of Directors
Indian Railway Finance Corporation Limited

(Vijay Babulal Shirode)
Company Secretary & JGM
(Law)
FCS: 6876

(Shelly Verma)
Director Finance
DIN: 07935630

(Amitabh Banerjee)
Chairman & Managing Director
DIN: 03315975

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as of March 31, 2020, on the basis of our Updated Restated Financial Statements, and as adjusted for the Issue. This table should be read in conjunction with the section titled "Financial Statements" on page 38 of this Addendum, respectively.

(₹ in million, except ratios)

Particulars*	Pre-Issue as at March 31, 2020	As adjusted for the Issue#
Borrowings		
Debt securities	15,52,904.56	[●]
Borrowings (other than debt securities)	7,90,862.65	[●]
Total Borrowings (B)	23,43,767.21	[●]
Equity		
Equity share capital	1,18,804.60	[●]
Other Equity	1,90,819.74	[●]
Total equity (A)	3,09,624.34	[●]
Ratio		
Total Borrowings/ Equity (B/A)	7.57: 1	[●]
Total capitalisation (A+B)	26,53,391.55	[●]

*These terms shall carry the meaning as per Schedule III of the Companies Act, as applicable.

#To be updated upon finalisation of the Issue Price.

GOVERNMENT AND OTHER APPROVALS

The MCA, through notification no. S.O. 529(E), dated February 5, 2018 as amended by notification number S.O. 1465 dated April 2, 2018 has exempted our Company from the applicability of Accounting Standard 22 under Indian GAAP or Indian Accounting Standard 12 under Ind AS, as applicable, relating to deferred tax assets or deferred tax liability with effect from April 2017. Ministry of Corporate Affairs (MCA) vide their communication no. Eoffice F.No.17/32/2017-CL-V dated March 20, 2020, advised the Company to apply paragraph 11 of Ind AS 01, first time adoption of Ind AS read with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors. Accordingly, our Company has during the current financial year reversed the deferred tax liability of Rs.64,431.40 million by crediting the retained earnings as at April 1, 2017, being the date of transition to Ind AS.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Eligibility for the Issue

We are an unlisted company, satisfying the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations in the following manner:

- Our Company has net tangible assets of at least ₹ 30 million in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- our Company has an average operating profit of at least ₹150 million, during the preceding three full years (of 12 months each), with operating profit earned in each of these preceding three years;
- our Company has a pre-Issue net worth of at least ₹10 million in each of the three preceding full years (of 12 months each); and
- our Company has not changed its name in the last one year.

Set forth below are our Company's operating profit, net tangible assets, monetary assets, monetary assets as a percentage of our net tangible assets and net worth, derived from our Updated Restated Financial Statements, included in this Red Herring Prospectus:

(₹ in million)

Particulars	March 31, 2020	March 31, 2019	March 31, 2018
Net tangible assets*, as restated	27,59,341.26	20,66,035.60	16,14,683.82
Monetary assets**, as restated	1,007.63	810.66	998.20
Monetary assets, as restated as a % of net tangible assets, as restated***	0.04%	0.04%	0.06%
Operating profit****, as restated	36,928.09	29,020.02	25,919.71
Net worth*****, as restated	3,09,624.34	2,50,286.53	2,03,719.09

Notes:

* 'Net tangible assets' are defined as the sum of all assets excluding intangible assets (defined in Indian Accounting Standard (Ind AS-38) issued by the ICAI).

** 'Monetary' assets include cash and cash equivalents and bank balances including any amount held in fixed and term deposits.

*** 'Monetary assets', as restated as a percentage of the net tangible assets, as restated means restated monetary assets divided by restated net tangible assets, expressed as a percentage.

**** 'Operating profit' has been calculated by deducting total expenses (excluding tax and depreciation expenses) from revenue from operations.

***** 'Net worth' has been defined as the aggregate of paid up share capital and other equity.

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines and regulations issued by the Government of India and the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Addendum are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Amitabh Banerjee

Chairman & Managing Director

Place: New Delhi

Date: 23/10/2020

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines and regulations issued by the Government of India and the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Addendum are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Anand Prakash

Part-time Government Director

Place: New Delhi

Date: 23/10/2020

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines and regulations issued by the Government of India and the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Addendum are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Baldeo Purushartha

Part-time Government Director

Place: New Delhi

Date: 23/10/2020

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines and regulations issued by the Government of India and the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Addendum are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Chetan Venugopal

Part-time Non-official Director

(Independent Director)

Place: New Delhi

Date: 23/10/2020

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines and regulations issued by the Government of India and the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Addendum are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ashok Kumar Singhal
Non-official Director
(Independent Director)

Place: New Delhi

Date: 23/10/2020

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines and regulations issued by the Government of India and the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Addendum are true and correct.

SIGNED BY THE DIRECTOR (FINANCE) AND CHIEF FINANCIAL OFFICER OF OUR COMPANY

Shelly Verma

Director (Finance) and Chief Financial Officer

Place: New Delhi

Date: 23/10/2020

DECLARATION

We, the undersigned, on behalf of the Selling Shareholder, hereby certify that all statements, disclosures and undertakings made or confirmed by us in this Addendum in relation to ourselves and the Equity Shares being offered by us in the Issue are true and correct. We assume no responsibility as a Selling Shareholder, for any other statements, including, any of the statements made or confirmed by or relating to the Company or any other person(s) in this Addendum.

SIGNED ON BEHALF OF THE SELLING SHAREHOLDER

Authorised Signatory

On behalf of the President of India, acting through the Ministry of Railways, Government of India

Name: Anand Prakash

Designation: Executive Director Finance (RM), Ministry of Railways, Railway Board

Place: New Delhi

Date: 23.10.2020