IMPORTANT NOTICE

THIS OFFERING CIRCULAR IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QIBs (AS DEFINED BELOW) WHO ARE PURCHASING THE NOTES INSIDE THE UNITED STATES IN RELIANCE ON RULE 144A OR ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AS DEFINED BELOW) OR (2) ADDRESSEES WHO ARE PURCHASING THE NOTES OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN RELIANCE ON REGULATION S (AS DEFINED BELOW).

IMPORTANT: **YOU MUST READ THE FOLLOWING BEFORE CONTINUING**. The following applies to the offering circular following this page (the "**Offering Circular**"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES (EXCEPT TO QUALIFIED INSTITUTIONAL BUYERS) OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY U.S. STATE OR OTHER JURISDICTION AND THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THESE RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE NOTES.

Confirmation of your Representation: In order to be eligible to view the Offering Circular, or make an investment decision with respect to the Notes, investors must be either (1) qualified institutional buyers ("**QIBs**") (within the meaning of Rule 144A under the Securities Act ("**Rule 144A**")), or (2) addressees who are eligible to purchase the Notes outside the United States in an offshore transaction in reliance on Regulation S under the Securities Act ("**Regulation S**"). The Offering Circular is being sent at your request and by accepting the e-mail and accessing the Offering Circular, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) QIBs or (b) addressees who are eligible to purchase the Notes outside the United States in an offshore transaction in reliance on Regulation S, and such addressee to which this e-mail has been delivered is not located in the United States and (2) you consent to delivery of the Offering Circular and any amendments or supplements thereto by electronic transmission.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Offering Circular to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the dealers or any affiliate of any of the dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such dealer or such affiliate on behalf of Issuer (as defined in the Offering Circular) in such jurisdiction.

The Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Arrangers, the Dealers (each as defined in the Offering Circular) or any person who controls any of them or any director, officer, employee or agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Issuer and/or any of the Arrangers or Dealers.

Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature. In addition, holders and beneficial owners shall be responsible for compliance with restrictions on the ownership of Notes imposed from time to time by applicable laws or by any regulatory authority or otherwise. In this context, holders and beneficial owners of Notes shall be deemed to have acknowledged, represented and agreed that such holders and beneficial owners are eligible to purchase Notes under applicable laws and regulations and are not prohibited under any applicable law or regulation from acquiring, owning or selling Notes.

Offering Circular dated 26 January 2021

INDIAN RAILWAY FINANCE CORPORATION LIMITED

(incorporated with limited liability in India)

U.S.$4,000,000,000
GLOBAL MEDIUM TERM NOTE PROGRAMME

On 14 March 2019, Indian Railway Finance Corporation Limited (the "**Issuer**" or the "**Company**") established a U.S.$2,000,000,000 Euro Medium Term Note Program (the "**EMTN Programme**") and prepared an offering circular dated 14 March 2019 (the "**EMTN Offering Circular**"). On 20 January 2020, the Issuer converted the EMTN Programme by way of update into a Global Medium Term Note Program (considered together with the EMTN Programme, the "**Programme**"). As of the date hereof, the size of the Programme is increased from U.S.$2,000,000,000 to U.S.$4,000,000,000. Any Notes (as defined below) issued under the Programme on or after the date hereof are issued subject to the provisions described herein. This does not affect any notes issued before the date of this Offering Circular. Under the Programme, subject to compliance with all relevant laws, regulations and directives, the Issuer may from time to time issue notes (the "**Notes**").

The Notes may be issued on a continuing basis to one or more of the Dealers appointed under the Programme from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an on-going basis. References in this Offering Circular to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes. The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein (the "**Conditions**"), in which event a supplemental offering circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks, see "*Risk Factors*".

The Notes may be issued in bearer form (the "**Bearer Notes**") or in registered form (the "**Registered Notes**"). The aggregate nominal amount of Notes outstanding will not at any time exceed U.S.$4,000,000,000 (or the equivalent in other currencies).

The Notes of each Tranche (as defined herein) in bearer form will initially be represented by a temporary global note in bearer form, without interest coupons (each, a "**temporary Global Note**") or a permanent global note in bearer form (each a "**permanent Global Note**" and, together with temporary Global Notes, the "**Global Notes**"). Global Notes will be deposited on the issue date of the relevant Tranche either with (a) a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**") (the "**Common Depositary**") or (b) such other clearing system as agreed between the Issuer and the relevant Dealer. The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "Summary of Provisions Relating to the Notes while in Global Form".

Notes in registered form ("**Registered Notes**") will be represented by registered certificates (each, a "**Certificate**"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series, and may be represented by a Global Certificate (as defined below). Registered Notes which are sold in an "offshore transaction" within the meaning of Regulation S ("**Unrestricted Notes**") under the U.S. Securities Act of 1933 (the "**Securities Act**") will initially be represented by a permanent registered global certificate (each, an "**Unrestricted Global Certificate**"), without interest coupons, which may be deposited on the issue date (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, with the Common Depositary on behalf of Euroclear and Clearstream, (b) in the case of a Tranche intended to be cleared through The Depository Trust Company ("**DTC**"), a custodian for, and registered in the name of, Cede & Co. as nominee for DTC and (c) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear, Clearstream and/or or delivered outside a clearing system, as agreed between the Issuer and the relevant Dealer.

Registered Notes which are sold in the United States to "qualified institutional buyers" within the meaning of Rule 144A ("**Rule 144A**") under the Securities Act ("**Restricted Notes**") will initially be represented by a permanent registered global certificate (each, a "**Restricted Global Certificate**" and, together with the Unrestricted Global Certificate, the "**Global Certificates**"), without interest coupons, which may be deposited on the issue date either with (a) the Common Depositary on behalf of Euroclear and Clearstream or (b) a custodian for, and registered in the name of, Cede & Co. as nominee for DTC.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in connection with the Programme and application will be made to the SGX-ST for the listing and quotation of any Notes that may be issued under the Programme and which are agreed, at or prior to the time of issue thereof, to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted for listing and quotation on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and listing and quotation of any Notes on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Programme or such Notes.

An application may be made for the Programme or any subsequent listing of the Notes under the Programme on the India International Exchange (IFSC) Limited (the "**INX**"). The INX has not approved or verified the contents of this Offering Circular.

This Offering Circular has not been and will not be registered or filed as a prospectus or a statement in lieu of a prospectus in respect of a public offer, information memorandum or private placement offer letter or any other offering material with any registrar of companies in India (each an "**ROC**") under the Companies Act, 2013 ("**Companies Act**") and other applicable Indian laws for the time being in force, save and except for any information from any part of this Offering Circular which is mandatorily required to be disclosed or filed in India under any applicable Indian laws, including, but not limited to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, and under the listing agreement with any Indian stock exchange (s) pursuant to the Listing Regulations or pursuant to the directives of any regulatory and adjudicatory body in India. This Offering Circular has not been, and will not be, reviewed or approved by any regulatory authority in India, including, but not limited to the Securities and Exchange Board of India ("**SEBI**"), each relevant ROC, the Reserve Bank of India ("**RBI**") or any stock exchange in India. This Offering Circular and the Notes are not and should not be construed as an advertisement, invitation, offer or sale of any securities whether to the public or by way of private placement to any person resident in India. The Notes have not been and will not be, offered or sold to any person resident in India. If you purchase any of the Notes, you will be deemed to have acknowledged, represented and agreed that you are eligible to purchase the Notes under applicable laws and regulations and that you are not prohibited under any applicable law or regulation from acquiring, owning or selling the Notes.

The Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes.

The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include Bearer Notes that are subject to U.S. tax law requirements and restrictions. The Notes may not be offered, sold, or, in the case of Bearer Notes, delivered within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirement of the Securities Act. Registered Notes are subject to certain restrictions on transfer. See *"Subscription and Sale"* and *"Transfer Restrictions"*.

Tranches of Notes to be issued under the Programme will be rated or unrated. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arrangers and Dealers

BNP PARIBAS	DBS Bank Ltd.	HSBC	MUFG	SBICAP	Standard Chartered Bank

NOTICE TO INVESTORS

The Issuer accepts responsibility for the information contained in this Offering Circular. Having taken all reasonable care to ensure that such is the case, the information contained in this Offering Circular is, to the best of the knowledge of the Issuer, in accordance with the facts and contains no omission likely to affect its import. This Offering Circular is to be read in conjunction with all documents which are incorporated herein by reference (see *"Documents Incorporated by Reference"*).

The Issuer, having made all reasonable enquiries, confirms that this Offering Circular contains all material information with respect to the Issuer and the Notes (including all information which, according to the particular nature of the Issuer and of the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes), that the information contained or incorporated in this Offering Circular is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Offering Circular are honestly held and that there are no other facts the omission of which would make this Offering Circular or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

No person has been authorised to give any information or to make any representation other than those contained in this Offering Circular in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Arrangers, the Dealers or the Agents (as defined in *"Summary of the Programme"*). Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Offering Circular and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Arrangers and the Dealers to inform themselves about and to observe any such restriction.

The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and this includes Notes in bearer form that are subject to U.S. tax law requirements. The Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirement of the Securities Act. Registered Notes are subject to certain restrictions on transfer. See *"Subscription and Sale"* and *"Transfer Restrictions"*.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Arrangers, the Dealers or the Agents to subscribe for, or purchase, any Notes.

Potential investors should seek independent advice and verify compliance with ECB Investor Requirements (as defined in the Offering Circular as further set out under "*Subscription and Sale*") prior to any purchase of the Notes. This Offering Circular is being sent at your request and by accepting the e-mail and accessing this Offering Circular you shall be deemed to have represented to us and agreed that you meet the ECB Investor Requirements, are eligible to purchase the Notes and, for so long as you hold any Notes, will meet the ECB Investor Requirements. Further, all Noteholders represent and agree that the Notes will not be offered or sold on the secondary market to any person who do not comply with the ECB Investor Requirements.

The Offering Circular has not been and will not be registered, filed, produced or made available to all as an offer document (whether a prospectus in respect of a public offer or an information memorandum or private placement offer letter or other offering material in respect of any private placement under the Companies Act, 2013 or any other applicable Indian laws) with the Registrar of Companies of India or the Securities and Exchange Board of India or the Reserve Bank of India or any other statutory or regulatory body of like nature in India, save and except for any information from any part of this Offering Circular which is mandatorily required to be disclosed or filed in India under any applicable Indian laws, including, but not limited to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, and under the listing agreement with any Indian stock exchange (s) pursuant to the Listing Regulations or pursuant to the directives of any regulatory and adjudicatory body in India. The Offering Circular or any other offering document or material relating to the Notes has not been and will not be circulated or distributed, directly or indirectly, to any person or the public in India or otherwise generally distributed or circulated in India which would constitute an advertisement, invitation, offer, sale or solicitation of an offer to subscribe for or purchase any securities in violation of applicable Indian laws for the time being in force. For further details, please see sections titled "*Regulations and Supervision*" and "*Subscription and Sale*".

The Arrangers and the Dealers have not separately verified the information contained in this Offering Circular. To the fullest extent permitted by law, none of the Arrangers, the Dealers or the Agents accept any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by the Arrangers, the Dealers or to Agents or on their behalf in connection with the Issuer or the issue and offering of the Notes. The Arrangers, each Dealer and each Agent accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement. Neither this Offering Circular nor any other financial statements contained herein or otherwise are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arrangers, the Dealers or the Agents that any recipient of this Offering Circular or any other financial statements of the Issuer should purchase the Notes.

Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Arrangers, the Dealers or the Agents undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Arranger, the Dealers or the Agents.

From time to time, in the ordinary course of business, certain of the Dealers and their affiliates have provided advisory and investment banking services, and entered into other commercial transactions with the Issuer and its affiliates, including commercial banking services, for which customary compensation has been received. It is expected that the Dealers and their affiliates will continue to provide such services to, and enter into such transactions, with the Issuer and its affiliates in the future.

The Dealers or certain of their respective affiliates may purchase the Notes and be allocated Notes for asset management and/or proprietary purposes and not with a view to distribution.

In making an investment decision, each potential investor must rely on its own examination of the Issuer and the terms of the Notes being offered, including the merits and risks involved. The Issuer does not, and the Arrangers, the Dealers, and the Agents do not, make any representation regarding the legality of investment under any applicable laws.

Potential investors should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

Singapore SFA Production Classification - *In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) or a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID PRODUCT GOVERNANCE/TARGET MARKET – The Pricing Supplement in respect of any Notes may include a legend entitled "**MiFID II Product Governance**" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise none of the Arrangers or the Dealers or any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE/TARGET MARKET – The Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise none of the Arrangers or the Dealers or any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Pricing Supplement may over-allot or effect transactions with a view to supporting the market price of the Notes of the Series (as defined below) of which such Tranche forms part at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

U.S. INFORMATION

This Offering Circular is being delivered on a confidential basis in the United States to a limited number of QIBs for informational use solely in connection with the consideration of the purchase of certain Notes issued under the Programme. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the U.S. or its possessions or to U.S. persons, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and the Treasury regulations promulgated thereunder.

Registered Notes may be offered or sold within the United States only to QIBs in transactions exempt from registration under the Securities Act in reliance on Rule 144A or any other applicable exemption. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be made in reliance upon the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A.

Each purchaser or holder of Restricted Notes will be deemed, by its acceptance or purchase of any such Restricted Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in *"Subscription and Sale"* and *"Transfer Restrictions"*.

Neither the Programme nor the Notes have been approved or disapproved by the U.S. Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States nor have the foregoing authorities approved this Offering Circular or confirmed the accuracy or determined the adequacy of the information contained in this Offering Circular. Any representation to the contrary is unlawful.

AVAILABLE INFORMATION

For so long as any of the Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, during any period in which it is neither subject to Section 13 or 15(d) under the U.S. Securities Exchange Act of 1934 (the "**Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any QIB who is a holder or beneficial owner of such restricted securities, or to any prospective purchaser of restricted securities who is a QIB, designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information specified in Rule 144A(d)(4) under the Securities Act.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a listed company organised and incorporated under the laws of India. All of the directors and executive officers of the Issuer named herein are residents of India and all or a substantial portion of the assets of the Issuer and of such persons are located in India. As a result, it may not be possible for investors to effect service of process outside India upon the Issuer or such persons, or to enforce judgments against them obtained in courts outside India predicated upon civil liabilities of the Issuer or such directors and officers under laws other than Indian law.

India is not a signatory or a party to any international treaty in relation to the recognition or enforcement of foreign judgments. The Issuer understands that in India, the statutory basis for recognition of foreign judgments is found in Section 13 and Section 44A of the Indian Code of Civil Procedure, 1908 (the "**Civil Code**"). Under Indian law, a foreign judgment is conclusive as to any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where the judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognise the law of India in cases where such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law in force in India.

Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of the section in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. Under the Civil Code, a court in India will upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and is not applicable to arbitration awards, even if such awards are enforceable as a decree or judgment. While the United Kingdom, United Arab Emirates, Singapore and Hong Kong have been declared by the Government as a reciprocating territory for the purpose of Section 44A of the Civil Code, the United States has not been so declared. Accordingly, a judgment of a court in the United States may be enforced only by a suit upon the judgment and not by proceedings in execution whereas, a judgment of a superior court in the United Kingdom may be enforced by proceedings in execution and a judgment not of a superior court, by a fresh suit resulting in a judgment or order. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

Under section 14 of the Code, a court in India shall presume, upon production of any document purporting to be a certified copy of a foreign judgment, that such judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Foreign Exchange Management Act, 1999 to execute such a judgment and/or to repatriate any amount recovered pursuant to execution, and any such amount may be subject to tax in accordance with applicable laws. Any judgment in a foreign currency would be converted into Rupees on the date of the decree and not on the date of the payment. The Issuer cannot predict whether a suit brought in an Indian court will be disposed in a timely manner or be subject to considerable delays. The Issuer would not be entitled to immunity based on sovereignty from any legal proceedings in India.

NOTICE TO POTENTIAL INVESTORS IN NOTES

Holders and beneficial owners of Notes to be issued by an Issuer under this Programme shall be responsible for compliance with restrictions on the ownership of the Notes imposed from time to time by applicable laws or by any regulatory authority or otherwise. In this context, holders and beneficial owners of Notes issued by an Issuer shall be deemed to have acknowledged, represented and agreed that such holders and beneficial owners are eligible to purchase such Notes under applicable laws and regulations and are not prohibited under any applicable law or regulation from acquiring, owning or selling such Notes issued by an Issuer. Potential investors should seek independent advice and verify compliance prior to any purchase of the Notes.

The holders and beneficial owners of Notes shall be deemed to confirm that for so long as they hold any Notes, they will comply with the ECB Investor Requirements (for further information, see the section entitled "*Subscription and Sale – India*"). Further, all Noteholders (including holders and beneficial owners) represent and agree that the Notes will not be transferred or sold or offered on the secondary market to any person who does not comply with the ECB Investor Requirements or comply with the ECB Guidelines.

To comply with applicable laws and regulations, the relevant Issuer or its duly appointed agent may from time to time request Euroclear and Clearstream, Luxembourg to provide them with details of the accountholders within Euroclear and Clearstream, Luxembourg, as may be appropriate, that hold the Notes and the number of Notes held by each such accountholder.

Euroclear and Clearstream, Luxembourg participants which are holders of the Notes or intermediaries acting on behalf of such Noteholders would be deemed to have hereby authorised Euroclear and Clearstream, Luxembourg, as may be appropriate, to disclose such information to the Issuer or its duly appointed agent.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Capitalised terms which are used but not defined in any particular section of this Offering Circular will have the meaning attributed thereto in "*Terms and Conditions of the Notes*" or any other section of this Offering Circular. In addition, all references to "India" are references to the Republic of India. All references to the "Government" are references to the Government of India. References to the "United States" or the "U.S.", are to the United States of America. All references to the "United Kingdom" or the "UK" herein are to the United Kingdom of Great Britain and Northern Ireland. References herein to "Rs.", "Rupees" and "INR" are to the lawful currency of India, references to "U.S. dollar" and "U.S.$" are to the lawful currency of the United States. In addition, all references to "Sterling" and "£" refer to pounds sterling, references to "Singapore dollars" and "S$" refer to Singapore dollars, reference to "JPY" refer to the Japanese yen and references to "euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

Any reference to any laws such as acts, rules, notifications and/or regulations shall be deemed to include all amendments thereto.

Certain figures in the financial statements and related financial information included in this Offering Circular are stated in "crore" or "lakh", whereas in the rest of this Offering Circular financial information is stated in million of Rupees unless otherwise specified. In this Offering Circular, references to "lakh" mean "100 thousand"; "million" means "10 lakh"; "crore" means "10 million" or "100 lakhs"; and "billion" means "1,000 million" or "100 crores".

For convenience, unless otherwise specified, certain Rupees amounts have been translated into U.S. dollar amounts as of 30 September 2020, based on the prevailing exchange rate of Rs. 73.799 = U.S.$1.00 and, being the reference rate released by Financial Benchmarks India Pvt Ltd on 30 September 2020, which is available on the website of FBIL (*Source:* https://www.fbil.org.in/).

Since 1 April 2018, the Issuer has prepared its financial statements in accordance with Indian Accounting Standards ("**Ind AS**"). For a discussion on certain significant differences between Ind AS and IFRS, see *"Summary of certain differences among IFRS and IND AS"*. The Issuer's financial year ends on 31 March of each year, so all references to a particular financial year, to "Fiscal Year" are to the twelve months ended 31 March of that year. The Issuer publishes its financial statements in Rupees. Unless stated otherwise, all financial information as of and for the years ended 31 March 2019 and 2020 and as of and for the six months ended 30 September 2019 and 2020 set out in this Offering Circular are presented in accordance with Ind AS.

The degree to which the financial information prepared in accordance with Ind AS will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Offering Circular should accordingly be limited. The Issuer has not attempted to explain those differences or quantify their impact on the financial data included herein, and the Issuer urges prospective investors to consult their own advisors regarding such differences and their impact on the Issuer's financial data.

The financial information as at and for the six months ended 30 September 2020 and 30 September 2019 and the Fiscal Years ended 2020, 2019 and 2018 included in this Offering Memorandum has been derived from the reviewed restated historical financial statements of the Issuer as at and for the six months ended 30 September 2020 and 30 September 2019 and as at and for the Fiscal Years 2020, 2019 and 2018 (the "**Reviewed Restated Historical Financial Statements**"). The Reviewed Restated Historical Financial Statements have been prepared by the Issuer on the basis of previously audited financial statements as at and for the six months ended 30 September 2020 and 30 September 2019 and as at and for the Fiscal Years 2020, 2019, 2018, adjusted for (i) changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2020, 31 March 2019 and 31 March 2018 and the six month periods ended 30 September 2020 and 30 September 2019, following a detailed reconciliation of various Ministry of Railways ledgers in its books of accounts and (ii) Ind AS adjustments to the audited financial statements as at and for the year ended 31 March 2018 previously prepared under Indian GAAP. Please refer to "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Six months ended 30 September 2020 as compared to six months ended 30 September 2019*" and Annexure VII of the Reviewed Restated Historical Financial Statements for further information.

Certain figures in this Offering Circular have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. All the figures in this Offering Circular have been presented in millions or in whole numbers where the numbers have been too small to present in millions, unless otherwise stated.

FORWARD-LOOKING STATEMENTS

This Offering Circular includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Offering Circular and include statements regarding the intentions, beliefs or current expectations of the Issuer concerning, among other things, the results of operation, financial condition, liquidity, prospects, growth, strategies and the businesses in which the Issuer operates.

By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and that the Issuer's actual results of operations, financial condition and liquidity, and the development of the businesses in which the Issuer operates, may differ materially from those made in or suggested by the forward-looking statements contained in this Offering Circular. In addition, even if the results of operations, financial condition and liquidity and the development of the businesses in which the Issuer operates are consistent with the forward-looking statements contained in this Offering Circular, those results or developments may not be indicative of results or developments in subsequent periods.

The cautionary statements set forth above should be considered in connection with any subsequent written or oral forward-looking statements that the Issuer or persons acting on its behalf may issue. The Issuer does not undertake any obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this Offering Circular.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under *"Risk Factors"*.

Any forward-looking statements that the Issuer makes in this Offering Circular speak only as at the date of such statements, and the Issuer undertakes no obligation to update such statements. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, and should only be viewed as historical data.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated in, and to form part of, this Offering Circular:

(a) the Issuer's most recently published audited annual financial statements and, if published later, the Issuer's most recently published audited or reviewed, as the case may be, unconsolidated condensed interim financial results (see "*Presentation of Financial and Other Information*" for a description of the financial statements currently published by the Issuer); and

(b) all supplements or amendments to this Offering Circular circulated by the Issuer from time to time.

Any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

The Issuer will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer at its office set out at the end of this Offering Circular. In addition, such documents will be available free of charge from the principal office of the paying agent in Hong Kong (which for the time being is Deutsche Bank AG, Hong Kong Branch) for the Notes listed on the SGX-ST.

If the terms of the Programme are modified or amended in a manner which would make this Offering Circular, as so modified or amended, inaccurate or misleading, to an extent which is material in the context of the Programme, a new offering circular will be prepared.

SUMMARY

Overview

The Issuer is the dedicated market borrowing arm of the Indian Railways. Its primary business is financing the acquisition of rolling stock assets and project assets of the Indian Railways and lending to other entities under the Ministry of Railways. The Ministry of Railways is responsible for the acquisition of rolling stock and for the improvement, expansion and maintenance of railways infrastructure. The Issuer is responsible for raising the finance necessary for such activity. Over the last three decades, the Issuer has played a significant role in supporting the capacity enhancement of the Indian Railways by financing a significant proportion of its annual plan outlay.

The Issuer is majority-owned by the Government acting through the Ministry of Railways. The Issuer is registered with the RBI as a Non-Banking Financial Company ("**NBFC**") and is classified under the category of an "Infrastructure Finance Company" under Section 45-IA of the Reserve Bank of India Act, 1934. The Issuer was notified as a "Public Financial Institution" under the Companies Act through a notification dated 8 October 1993 issued by the Ministry of Corporate Affairs.

The Issuer follows a financial leasing model for financing the rolling stock assets and project assets of the Indian Railways. The period of lease with respect to rolling stock assets is typically 30 years comprising a primary period of 15 years followed by a secondary period of 15 years. In terms of the leasing arrangements, the principal amount and interest (the cost of funds) pertaining to the leased assets is effectively payable during the primary 15-year lease period, along with a margin agreed each year between the Ministry of Railways and the Issuer. For the second 15-year period, the Issuer charges the Indian Railways a nominal rate which is subject to revision on mutually acceptable terms. At the end of the lease period of 30 years, the relevant leased assets may be transferred to the Indian Railways, if requested by the Indian Railways, also at a nominal price. The lease periods for funding project assets for the Indian Railways are also 30 years, and follow a similar model as for rolling stock.

In Fiscal Years 2017, 2018, 2019 and 2020 (revised estimate), we were responsible for financing 72%, 93%, 84% and 76%, respectively, of the rolling stock purchased by us and leased to the Ministry of Railways (*Source: Ministry of Railways*). The total value of rolling stock assets financed by the Issuer up to 31 March 2018, 2019, 2020 and 30 September 2020 since commencement was Rs. 1,699,890 million, Rs. 1,940,440 million, Rs. 2,238,107.84 million and Rs. 2,346,271.68 million, respectively, while the value of rolling stock assets financed in Fiscal Year 2018, Fiscal Year 2019, Fiscal Year 2020 and in the six months ended 30 September 2020 was Rs. 186,698.60 million, Rs. 240,550.85 million, Rs. 335,441.09 million and Rs 108,163.84 million, respectively.

The following table sets forth certain information on the rolling stock assets financed by the Issuer since commencement of its business until 30 September 2020:

Rolling Stock Assets	Cumulative assets financed up to 31 March 2017	Addition in Fiscal Year 2018	Cumulative assets financed up to 31 March 2018	Addition in Fiscal Year 2019	Cummulative assets financed up to 31 March 2019	Additions in Fiscal Year 2020	Cummulative assets financed up to 31 March 2020	Additions in the six months ended 30 September 2020	Cummulative assets financed up to 30 September 2020
					No. of Units				
Locomotives	8,998	645	9,643	707	10,350	982	11,332	338	11,670
Coaches	47,825	3,947	51,772	5,598	57,370	7,278	64,648	1,955	66,603
Wagons	214,456	6,290	2,20,746	9,069	229,815	11,245	241,060	3,842	244,902

In addition, the Issuer has also extended debt financing, in the past, to other entities under the administrative control of the Ministry of Railways, consistent with its objective of being the principal source of finance for the Indian Railways. The Issuer has in the past financed entities, including RVNL, Railtel Corporation of India Limited, Konkan Railway Corporation Limited and Rail Land Development Authority and Ircon. As of the date of this Offering Circular such loans have been repaid to the Issuer.

At the beginning of each Fiscal Year, the Ministry of Railways provides the Issuer with its target fund requirement based on its planned capital expenditure, which the Issuer meets by raising funds through various sources including the issue of taxable bonds in India, term loans from banks/financial institutions, 54EC capital gain bonds, external commercial borrowings including bonds and syndicated loans, internal accruals, asset securitisation and lease financing.

For all the rolling stock assets acquired during a financial year by the Indian Railways, the Issuer enters into a lease agreement with the Ministry of Railways following the close of each respective Fiscal Year. Lease rentals include the Issuer's capital recovery, the cost of borrowing and a certain margin agreed between the Issuer and the Ministry of Railways.

The Issuer's revenue from operations was Rs. 92,069.65 million in Fiscal Year 2018, Rs. 109,873.54 million in Fiscal Year 2019, Rs. 134,210.17 million in Fiscal Year 2020 and Rs. 73,831.20 million in the six months ended 30 September 2020. The Issuer's profit after tax was Rs. 20,014.6 million in Fiscal Year 2018, Rs. 21,399.33 million in Fiscal Year 2019, Rs. 31,920.96 million in Fiscal Year 2020 and Rs.18,868.41 million in the six months ended 30 September 2020. The Issuer's loan assets, which includes lease receivables, advances for funding of railway projects and loans to railway entities, were Rs. 1,545,346.66 million as of 31 March 2018, Rs. 2,009,373.33 million as of 31 March 2019, Rs. 2,661,369.90 million as of 31 March 2020 and Rs. 2,780,075.92 million as of 30 September 2020. Annual disbursements to the Ministry of Railways was Rs. 367,222.50 million in Fiscal Year 2018, Rs. 525,351.85 million in Fiscal Year 2019, Rs. 713,920.69 million in Fiscal Year 2020 and Rs. 190,163.84 million in the six months ended 30 September 2020. The Issuer's capital adequacy ratio was 320.58% as of 31 March 2018, 347.14% as of 31 March 2019, 395.39% as of 31 March 2020 and 433.92% as of 30 September 2020. As of 30 September 2020, the Issuer did not have any non-performing assets.

The Issuer has received the highest credit ratings of 'AAA' by CRISIL, 'ICRA (AAA)' by ICRA and 'CARE AAA' by CARE each with respect to the Issuer's Long Term debt programme. International credit rating agencies such as Moody's have rated the Issuer Baa3 (Negative) while Fitch, Standard & Poor and Japan Credit Rating Agency have rated the Issuer BBB- (Negative), BBB- (Stable) and BBB+ (Stable), respectively.

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is qualified in its entirety by the remainder of this Offering Circular. Words and expressions defined in "Terms and Conditions of the Notes" below or elsewhere in this Offering Circular have the same meanings in this summary.

Issuer:	Indian Railway Finance Corporation Limited
Description:	Global Medium Term Note Programme.
Size:	Up to U.S.$4,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Dealers:	BNP Paribas DBS Bank Ltd. The Hongkong and Shanghai Banking Corporation Limited MUFG Securities Asia Limited SBICAP (Singapore) Limited Standard Chartered Bank The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to "**Permanent Dealer**" are to the persons listed above as Dealer and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "**Dealers**" are the Permanent Dealer and all persons appointed as a dealer in respect of one or more Tranches.
Fiscal Agent, Registrar, Paying Agent, Transfer Agent and Calculation Agent:	Deutsche Bank AG, Hong Kong Branch
U.S. Paying Agent and U.S. Registrar	Deutsch Bank Trust Companies Americas
U.S. Transfer Agent	Deutsch Bank Trust Companies Americas
Method of Issue:	The Notes may be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the pricing relevant supplement (the "**Pricing Supplement**").
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
Form of Notes:	The Notes may be issued as Bearer Notes or Registered Notes. Each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with TEFRA D (as defined in *"Selling Restrictions"* below), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by

	Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series and may be represented by a Global Certificate. Unrestricted Notes in registered form will initially be represented by an Unrestricted Global Certificate, without interest coupons, which may be deposited on the issue date (i) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, with a Common Depositary on behalf of Euroclear and Clearstream, (ii) in the case of a Tranche intended to be cleared through DTC, with a custodian for, and registered in the name of Cede & Co. as nominee for DTC or (iii) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear, Clearstream, DTC or delivered outside a clearing system, as agreed between the Issuer and the relevant Dealer. Restricted Notes in registered form will initially be represented by a Restricted Global Certificate, without interest coupons, which may be deposited on the issue date either (i) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, with a Common Depositary on behalf of Euroclear and Clearstream or (ii) with a custodian for, and registered in the name of Cede & Co. as nominee for, DTC.
Clearing Systems:	Clearstream, Euroclear, DTC and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Fiscal Agent, and the relevant Dealer.
Initial Delivery of Notes:	On or before the issue date for each Tranche, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream or (in the case of Global Certificates only) a custodian for DTC, or deposited with a depositary or sub-custodian for any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent, and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.
Currencies:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealer.
Maturities:	Subject to compliance with all relevant laws, regulations and directives, any maturity as may be agreed between the Issuer and the relevant Dealer.
Fixed Rate Notes:	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement.
Floating Rate Notes:	Floating Rate Notes will bear interest determined separately for each Series as follows: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. as amended, supplemented or replaced; or (ii) by reference to LIBOR or EURIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin.

	Interest periods will be specified in the relevant Pricing Supplement.
Zero Coupon Notes:	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.
Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange as may be specified in the relevant Pricing Supplement.
Index Linked Notes:	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula as may be specified in the relevant Pricing Supplement.
Interest Periods and Interest Rates:	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.
Redemption:	The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable.
Redemption by Instalments:	The Pricing Supplement issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Other Notes:	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, Partly Paid Notes and any other type of Note that the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Pricing Supplement and the Supplemental Offering Circular.
Optional Redemption and Redemption for Change of Control:	The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, or if a Change of Control Put Event occurs and if so the terms applicable to such redemption.
Notes that can be issued under the Programme:	The Issuer may issue only Senior Notes.
Status of the Notes:	The Notes and the Receipts and Coupons relating to them constitute direct, unsubordinated and (subject to Condition 4(a)) unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and the Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a), at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.
Negative Pledge:	See *"Terms and Conditions of the Notes — Covenants"*.
Events of Default:	See *"Terms and Conditions of the Notes — Events of Default"*.
Cross Acceleration:	See *"Terms and Conditions of the Notes — Events of Default — Cross-Acceleration"*.

Ratings:	Tranches of Notes will be rated or unrated. Where a Tranche of Notes is/are to be rated, such rating will be specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Early Redemption:	Except as provided in *"Optional Redemption and Redemption for Change of Control"* above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See *"Terms and Conditions of the Notes — Redemption, Purchase and Options"*.
Withholding Tax:	All payments of principal and interest by or on behalf of the Issuer in respect of the Notes, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within a Relevant Jurisdiction (as defined in the Terms and Conditions of the Notes), unless such withholding or deduction is required by law. The current applicable withholding tax rate is 5%, subject to applicable surcharge and education cess and subject to any lower rate of tax provided by any applicable tax treaty. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, subject to certain exceptions as set out in *"Terms and Conditions of the Notes — Taxation"*.
Listing:	Approval in-principle has been received from the SGX-ST in connection with the Programme and application will be made to the SGX-ST for the listing and quotation of any Notes that may be issued under the Programme and which are agreed, at or prior to the time of issue thereof, to be so listed on the SGX-ST. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of S$200,000 (or its equivalent in foreign currencies). An application may be made for the Programme or any subsequent Notes issued under the Programme to be listed on the INX. Any Notes if listed on the INX will be accepted for clearance through Euroclear and Clearstream.
Governing Law:	English law.
Selling Restrictions:	The United States, the European Economic Area , the United Kingdom, Japan, Hong Kong, Singapore, India and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See *"Subscription and Sale"*. Category 1 selling restrictions will apply for the purposes of Regulation S under the Securities Act. Bearer Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")) ("**TEFRA "D**") unless (i) the relevant Pricing Supplement states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) ("**TEFRA C**") or (ii) the

	Notes are issued other than in compliance with TEFRA D or TEFRA C but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable. In the case of a distribution under Rule 144A, Notes will be issued in registered form, as defined in U.S. Treas. Reg. §5f.103-1(c).
Transfer Restrictions:	There are restrictions on the transfer of Notes sold pursuant to Rule 144A. See *“Transfer Restrictions”* and *“Subscription and Sale”* below.
Others:	Any issuance of Notes will need to comply with ECB Guidelines.

FORM OF PRICING SUPPLEMENT

Pricing Supplement dated [●]
INDIAN RAILWAY FINANCE CORPORATION LIMITED
Legal entity identifier (LEI): 335800F2JHSOGXQEBY56

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the U.S.$4,000,000,000 Global Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 26 January 2021 [and the Supplemental Offering Circular dated [•]]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the Offering Circular [, the Supplemental Offering Circular dated [•]] and this Pricing Supplement.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated [original date]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [current date] [and the Supplemental Offering Circular dated [•], save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the Offering Circular [, the Supplemental Offering Circular dated [•]] and this Pricing Supplement.]

[**PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.]

[**UK PRIIPs REGULATION – PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 ("**FSMA**") to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[**MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")][MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor"**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

UK MIFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that the Notes are [prescribed capital markets products [OR] capital markets products other than prescribed capital markets products] (as defined in CMP Regulations 2018) and [are] [Excluded Investment Products [OR] Specified Investment Products] (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement]

1	Issuer:		Indian Railway Finance Corporation Limited
2	(a)	Series Number:	[●]
	(b)	[Tranche Number:	[●] (*If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible*)]
3	Specified Currency or Currencies:		[●]
4	Aggregate Nominal Amount:		
	(a)	Series:	[●]
	(b)	[Tranche:	[●]
5	Issue Price:		[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (*in the case of fungible issues only, if applicable*)]
6	(a)	Specified Denominations: *(in the case of Registered Notes, this means the minimum integral amount in which transfers can be made)*	[●] *Notes [(including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the issuer in the United Kingdom or whose issue otherwise constitutes a contravention of S 19 FSMA and] which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).* *If the specified denomination is expressed to be €100,000 or its equivalent and multiples of a lower principal amount (for example €1,000), insert the following:* *"€100,000 and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No notes in definitive form will be issued with a denomination above [€199,000]".*
	(b)	Calculation Amount:	[●]
7	(a)	Issue Date:	[●]
	(b)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable] (*N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes*.)
8	Maturity Date:		[*specify date (for Fixed Rate Notes) or [for Floating Rate Notes] Interest Payment Date falling in or nearest to the relevant month and year/None*]
9	Interest Basis:		[[●] per cent. Fixed Rate [from [●] to [●]] [[*specify reference rate*] +/- [●] per cent. Floating Rate [from [●] to [●]] [Zero Coupon] [Index Linked Interest] [Other (*specify*)] (further particulars specified below)

10	Redemption/Payment Basis:		[Redemption at par] [Index Linked Redemption] [Dual Currency Redemption] [Partly Paid] [Instalment] [Other (*specify*)]
11	Change of Interest Basis or Redemption/Payment Basis:		[*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis*] [Not Applicable]
12	Put/Call Options:		[Investor Put] [Issuer Call] [Change of Control Put] [(further particulars specified below)]
13	(a)	Status of the Notes:	Senior
	(b)	Date of [Board] approval for issuance of Notes obtained:	[●] [and [●], respectively]]/[None required] (*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*)
	(c)	Date of regulatory approval for issuance of Notes obtained:	[[●]/None required]
14	Listing		[SGX-ST/*specify other*/None]
15	Method of distribution:		[Syndicated/Non-syndicated]
PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE			
16	Fixed Rate Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Rate(s) of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other (*specify*)] in arrear]
	(b) Interest Payment Date(s):		[[●]in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted]
	(c)	Fixed Coupon Amount(s):	[●] per Calculation Amount
	(d)	Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●][*Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)] and the Interest Payment Date(s) to which they relate*]
	(e)	Day Count Fraction:	[30/360 / Actual/Actual (ICMA/ISDA) or / other]
	(f)	[Determination Date(s):	[●] in each year (*Insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last coupon. N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA).*)
	(g)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not applicable/*Give details*]
17	Floating Rate Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Interest Period(s):	[●]
	(b)	Specified Interest Payment Dates:	[●]

	(c)	Interest Period Date:	[●] (*Not applicable unless different from Interest Payment Date*)
	(d)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[*specify other*]]
	(e)	Business Centre(s):	[●]
	(f)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/*specify other*]
	(g)	(g)Party responsible for calculating the Rate(s) of Interest and Interest Amount (if not the [Agent]):	[●]
	(h)	Screen Rate Determination:	
		— Reference Rate:	[●] (*Either LIBOR, EURIBOR or other, although additional information is required if other*)
		— Interest Determination Date(s):	[●]
		— Relevant Screen Page:	[●]
	(i)	ISDA Determination:	
		—Floating Rate Option:	[●]
		— Designated Maturity:	[●]
		— Reset Date:	[●]
		— ISDA Definitions:	[2000/2006] (If different to those set out in the Conditions, please specify)
	(j)	Margin(s):	[+/-][●] per cent. per annum
	(k)	Minimum Rate of Interest:	[●] per cent. per annum
	(l)	Maximum Rate of Interest:	[●] per cent. per annum
	(m)	Day Count Fraction:	[●]
	(n)	Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]
18	Zero Coupon Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Amortisation Yield:	[●] per cent. per annum
	(b)	Any other formula/basis of determining amount payable:	[●]
19	Index Linked Interest Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a)	Index/Formula	[*Give or annex details*]
	(b)	Manner in which the Rate(s) of Interest is/are to be determined:	[*Give or annex details*]

	(c)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):	[●]
	(d)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted:	[●]
	(e)	Interest Period(s):	[●]
	(f)	Specified Interest Payment Dates:	[●]
	(g)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
	(h)	Business Centre(s):	[●]
	(i)	Minimum Rate of Interest:	[●] per cent. per annum
	(j)	Maximum Rate of Interest:	[●] per cent. per annum
	(k)	Day Count Fraction:	[●]
20	Dual Currency Interest Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a)	Rate of Exchange/method of calculating Rate of Exchange:	[*Give or annex details*]
	(b)	Party, if any, responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Agent]):	[●]
	(c)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[●] [*Need to include a description of market disruption or settlement disruption events and adjustment provisions*]
	(d)	Person at whose option Specified Currency(ies) is/ are payable:	[●]
	(e)	Day Count Fraction:	[●]
PROVISIONS RELATING TO REDEMPTION			
21	Call Option		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Optional Redemption Date(s):	[●]
	(b)	Optional Redemption Amount(s) of each Note and specified denomination method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/*specify other*/*see Appendix*]
	(c)	If redeemable in part:	
		(i) Minimum Redemption Amount:	[●] per Calculation Amount
		(ii) Maximum Redemption Amount:	[●] per Calculation Amount
	(d)	Notice Period	[●]
22	Put Option		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)

	(a)	Optional Redemption Date(s):	[●]
	(b)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount (s):	[[●] per Calculation Amount/*specify other*/*see Appendix*]
	(c)	Notice period:	[●]
23	Change of Control Put Option:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a)	Change of Control Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s)	[●] per Calculation amount
	(b)	Change of Control Put Period	[●]
	(c)	Change of Control Put Date	[●]
24	Final Redemption Amount of each Note:		[●] per Calculation Amount/*specify other*/see Appendix]
25	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Conditions):		[●] per Calculation Amount/*specify other*/see Appendix]
GENERAL PROVISIONS APPLICABLE TO THE NOTES			
26	Form of Notes:		**Bearer Notes**: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] *(For this option to be available, such Notes shall only be issued in denominations that are equal to, or greater than, €100,000 (or its equivalent in other currencies) and integral multiples thereof.)* Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note/Global Certificate] [Registered Notes] [Unrestricted Global Certificate ([U.S.$/€][●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg] [Restricted Global Certificate ([U.S.$][●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]
27	Financial Centre(s) or other special provisions relating to Payment Days:		[Not Applicable/*give details*] (*Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 16(b), 17(b) and 19(h) relate*)
28	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):		[Yes/No. *If yes, give details*]
29	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of		[Not Applicable/*give details*]

	failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	
30	Details relating to Instalment Notes:	
	(a) Instalment Amount(s):	[Not Applicable/*give details*]
	(a) Instalment Date(s):	[Not Applicable/*give details*]
31	Redenomination, renominalisation and reconventioning provisions:	[Not Applicable/The provisions [in Condition [●]] [annexed to this Pricing Supplement] apply]
32	Consolidation provision	[Not Applicable/The provisions [in Condition [●]] [annexed to this Pricing Supplement] apply]
33	Other terms or special conditions:	[Not Applicable/*give details*]
DISTRIBUTION		
34	(a) If syndicated, names of Managers	[Not Applicable/*give names*]
	(b) Stabilising Manager(s) (if any):	[Not Applicable/*give name*]
35	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
36	U.S. Selling Restrictions:	[Reg. S Compliance Category 1; TEFRA D/TEFRA C/TEFRA not applicable][Rule 144A]
37	Additional selling restrictions:	[Not Applicable/*give details*]
OPERATIONAL INFORMATION		
38	Any clearing system(s) other than DTC, Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
39	Delivery:	Delivery [against/free of] payment
40	Additional Paying Agent(s) (if any):	[●]
41	ISIN:	[●]
42	Common Code:	[●]
43	CUSIP:	[●]
44	Rating:	[●] (*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated that issue than rating*.)
GENERAL INFORMATION		
45	The aggregate principal amount of Notes in the Currency issued has been translated into U.S. dollars at the rate of [•], producing a sum of	[Not Applicable/U.S.$[●]]
46	Prohibition of Sales to EEA Retail Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute ''packaged'' products, ''Not Applicable'' should be specified. If the Notes may constitute ''packaged'' products and no KID will be prepared, ''Applicable'' should be specified*.)
47	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute ''packaged'' products, ''Not Applicable'' should be specified. If the Notes may constitute ''packaged'' products and no KID will be prepared, ''Applicable'' should be specified.*)

Purpose of Pricing Supplement

This Pricing Supplement comprises the final terms required for issue and the listing and quotation on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") of the Notes described herein pursuant to the U.S.$4,000,000,000 Global Medium Term Note Programme of Indian Railway Finance Corporation Limited.

Responsibility

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Pricing Supplement. Approval in-principle from, admission to the Official List of, and listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Programme or the Notes.

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of Indian Railway Finance Corporation Limited:

By: ____

Duly authorised

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions (the "**Conditions**") that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "**Notes**" are to the Notes of one Series only, not to all Notes that may be issued under the Programme. All italicised wording in the Conditions does not form part of the terms and conditions and is solely for clarificatory purposes.*

*The issuance of, and the Conditions in relation to, the Notes are subject to the Foreign Exchange Management Act, 1999, as amended (the "**FEMA**") and the rules, regulations, directions, circulars, and guidelines issued by the Reserve Bank of India (the "**RBI**"), including but not limited to, the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended, the Master Direction External Commercial Borrowings, Trade Credits and Structured Obligations dated 26 March 2019, as amended and the Master Direction on Reporting under Foreign Exchange Management Act, 1999, dated 1 January 2016, as amended (together, the "**ECB Guidelines**"). Programme documentation, including the Pricing Supplement and the Conditions, will be updated, if required, to conform to the ECB Guidelines prior to any issuance of Notes under the Programme.*

*Any redemption of the Notes prior to the Maturity Date (as defined below) may require the Issuer to obtain the prior approval of the RBI or the designated authorised dealer bank ("**AD Bank**"), as the case may be, in accordance with the ECB Guidelines in effect at the time and such approval may not be forthcoming*. The Notes are issued pursuant to an Agency Agreement (as amended or supplemented as at the Issue Date, the "**Agency Agreement**") dated January 20, 2020 between Indian Railway Finance Corporation Limited (the "**Issuer**"), Deutsche Bank AG, Hong Kong Branch as fiscal agent, paying agent, registrar, transfer agent and calculation agent, Deutsche Bank Trust Company America as U.S. paying agent and the other agents named in it. The fiscal agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent), the "**Registrar**", the "**Transfer Agents**" and the "**Calculation Agent(s)**". The Noteholders (as defined below), the holders of the interest coupons (the "**Coupons**") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") and the holders of the receipts for the payment of instalments of principal (the "**Receipts**") relating to Notes in bearer form of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

As used in these terms and conditions (the "**Conditions**"), "**Tranche**" means Notes which are identical in all respects.

Copies of the Agency Agreement are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

1 Form, Denomination and Title

The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") in each case in the Specified Denomination(s) shown hereon provided that in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation (EU) 2017/1129, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

All Registered Notes shall have the same Specified Denomination. Notes which are listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies) or such other amount as may be allowed or required from time to time.

Notes sold in reliance on Rule 144A will be in minimum denominations of U.S.$200,000 (or its equivalent in other currencies) and integral multiples of U.S.$1,000 (or its equivalent in other currencies) in excess thereof, subject to compliance with all legal and/or regulatory requirements applicable to the relevant currency.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note (together with an Index Linked Interest Note, an "**Index Linked Note**"), an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown in the applicable Pricing Supplement, which Interest and Redemption/Payment Basis shall be in accordance with applicable laws, including but not limited to the ECB Guidelines.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "**holder**" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2. No Exchange of Notes and Transfers of Registered Notes

(a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

(b) **Transfer of Registered Notes**: One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer in accordance with the Agency Agreement. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) **Exercise of Options or Partial Redemption in Respect of Registered Notes**: In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) **Delivery of New Certificates**: Each new Certificate to be issued pursuant to Conditions 2(b) or (c) shall be available for delivery within three business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) **Transfer Free of Charge**: Transfers of Notes and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment by the relevant Noteholder of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require), and the Issuer shall not be responsible for any documentary stamp tax payable on the transfer of Notes effected in the Republic of India ("**India**") unless the Issuer is the counterparty directly liable for that documentary stamp tax.

(f) **Closed Periods**: No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(b)).

3 Status

The Notes and the Receipts and Coupons relating to them constitute direct, unsubordinated and (subject to Condition 4(a)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and the Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a), at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

4 Negative Pledge

So long as any Note, Receipt or Coupon relating thereto remains outstanding (as defined in the Agency Agreement):

(a) the Issuer will not, and will ensure that none of its Material Subsidiaries will, create or permit to subsist any mortgage, charge, lien, pledge or other form of encumbrance or security interest (each a "**Security Interest**") upon the whole or any part of its undertaking, assets or revenues, present or future, to secure any Relevant Indebtedness, or any guarantee of or indemnity in respect of any Relevant Indebtedness;

(b) the Issuer will procure that no other person creates or permits to subsist any Security Interest upon the whole or any part of the undertaking, assets or revenues present or future of that other person to secure any Relevant Indebtedness; and

(c) the Issuer will not procure the granting by the Government of India or any agency or department thereof of any guarantee of, or indemnity in respect of, any Relevant Indebtedness,

unless, at the same time or prior thereto, the Issuer's obligations under the Notes (i) are secured equally and rateably therewith or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, or (ii) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

In these Conditions:

(i) "**Relevant Indebtedness**" means (1) any present or future indebtedness of the Issuer in the form of, or represented by, bonds, notes, debentures, loan stock or other debt securities denominated, payable, optionally payable or which confer a right to receive payment in a currency other than Indian Rupees or which are denominated, payable or optionally payable or which confer a right to receive payment in Indian Rupees (including synthetic Indian Rupee denominated bonds issued by the Issuer outside India) and more than 50 per cent. of the aggregate principal amount thereof is initially issued and distributed outside India by the Issuer in accordance with Indian foreign exchange and external commercial borrowing laws and regulations; and (2) any guarantee or indemnity of such indebtedness, and for the avoidance of doubt, excludes loans or any project loans whether such loans are denominated in foreign currency or Indian Rupees;

(ii) "**Material Subsidiary**" means at any time a Subsidiary of the Issuer:

(a) whose total revenue or profit before exceptional and extraordinary items and tax (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent in each case (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, are equal to) not less than 10 per cent. of the consolidated total revenue or, as the case may be, profit before exceptional and extraordinary items and tax or, as the case may be, consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries, provided that:

(1) if the then latest audited consolidated accounts of the Issuer and its Subsidiaries show a net loss before exceptional and extraordinary items and tax for the relevant financial period then there shall be substituted for the words "profit before exceptional and extraordinary items and tax" the words "total revenue" for the purposes of this definition;

(2) in the case of a Subsidiary of the Issuer acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of the Issuer and its Subsidiaries for

the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Issuer;

(b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately prior to such transfer is a Material Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Material Subsidiary and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (b) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition; or

(c) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, generated (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, generate total revenue or profit before exceptional and extraordinary items and tax equal to) not less than 10 per cent. of the consolidated total revenue or, as the case may be, profit before exceptional and extraordinary items and tax, or represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (a) above, provided that the transferor Subsidiary (if a Material Subsidiary) shall upon such transfer forthwith cease to be a Material Subsidiary unless immediately following such transfer its undertaking and assets generate (or, in the case aforesaid, generate total revenue or, as the case may be, profit before exceptional and extraordinary items and tax equal to) not less than 10 per cent. of the consolidated total revenue or, as the case may be, profit before exceptional and extraordinary items and tax, or its assets represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (a) above, and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (c) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition; and

(iii) "**Subsidiary**" means any company or other business entity of which the first company owns or controls (either directly or indirectly through another or other Subsidiaries) 50 per cent. or more of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity, or any company or other business entity which at any time has its accounts consolidated with those of the first company, or which under the laws, regulations or generally accepted accounting principles from time to time of the jurisdiction of the first company, should have its accounts consolidated with those of the first company.

5 Interest and other Calculations

All interest payable on any of the Notes shall be subject to applicable laws, including but not limited to, the ECB Guidelines and in accordance with any specific approval received by the Issuer from the RBI or AD Bank pursuant to the ECB Guidelines or any other laws or regulations.

(a) **Interest on Fixed Rate Notes**: Each Fixed Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h).

(b) **Interest on Floating Rate Notes and Index Linked Interest Notes**:

(i) *Interest Payment Dates*: Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) (as defined in the applicable Pricing Supplement) or, if no Specified Interest Payment Date(s) (as defined in the applicable Pricing Supplement) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes*: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified hereon;

(y) the Designated Maturity is a period specified hereon; and

(z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon.

(y) if the Relevant Screen Page is not available or, if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (x)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(iv) *Rate of Interest for Floating Rate Notes denominated in Indian Rupees*: In relation to any Floating Rate Notes which are denominated in Indian Rupees, the Rate of Interest will be calculated by reference to the prevailing yield of the securities of the Government of India with the corresponding maturity of the relevant Floating Rate Notes or as may be otherwise permitted under the ECB Guidelines, and will be further set out in the Pricing Supplement in relation to such Floating Rate Notes.

(v) *Rate of Interest for Index Linked Interest Notes*: The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

(c) **Zero Coupon Notes**: Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).

(d) **Dual Currency Notes**: In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.

(e) **Partly Paid Notes**: In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.

(f) **Accrual of Interest**: Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(g) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding**:

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin subject always to the next paragraph.

(ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country of such currency.

(h) **Calculations**: The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts**: The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(j) **Definitions**: In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Business Day**" means:

(i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London and the principal financial centre for such currency; and/or

(ii) in the case of euro, a day on which the TARGET System is operating (a "**TARGET Business Day**"); and/or

(iii) in the case of Indian Rupees, a day on which commercial banks and foreign exchange markets settle payments in New York and New Delhi; and/or

(iv) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**"):

(i) if "**Actual/Actual**" or "**Actual/Actual — ISDA**" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified hereon, the actual number of days in the Calculation Period divided by 365;

(iii) if "**Actual/365 (Sterling)**" is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "**Actual/360**" is specified hereon, the actual number of days in the Calculation Period divided by 360;

(v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(vi) if "**30E/360**" or "**Eurobond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \text{ x } (Y_2 - Y_1)] + [30 \text{ x } (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

(vii) if "**30E/360 (ISDA)**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \text{ x } (Y_2 - Y_1)] + [30 \text{ x } (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30;

(viii) if "**Actual/Actual-ICMA**" is specified hereon,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

"**Determination Date**" means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s);

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

"**Interest Accrual Period**" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Period Date and each successive period beginning on and including an Interest Period Date and ending on but excluding the next succeeding Interest Period Date;

"**Interest Amount**" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period;

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified hereon "Interest Determination Date" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro;

"**Interest Period**" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date unless otherwise specified hereon;

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified hereon;

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon;

"**Rate of Interest**" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon;

"**Reference Banks**" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified hereon;

"**Reference Rate**" means the rate specified as such hereon;

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified hereon (or any successor or replacement page, section, caption, column or other part of a particular information service);

"**Specified Currency**" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated; and

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

(k) **Calculation Agent**: The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, such requirement to have been duly communicated to the Calculation Agent pursuant to the provisions of the Agency Agreement, the Issuer shall appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(l) **Benchmark Discontinuation**

(i) **Independent Adviser**

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(l)(ii)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 5(l)(iv)). In making such determination, the Independent Adviser appointed pursuant to this Condition 5(l) shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Paying Agents, the Noteholders, the Receiptholders or the Couponholders for any determination made by it, pursuant to this Condition 5(l).

If the Independent Adviser appointed by the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5(l)(i) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 5(l)(i).

(ii) **Successor Rate or Alternative Rate**

If the Independent Adviser, determines that:

(1) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(l)); or

(2) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(l)).

(iii) **Adjustment Spread**

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) **Benchmark Amendments**

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 5(l) and the Independent Adviser, determines (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(l)(v), without any requirement for the consent or approval of Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition5(l)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) **Notices, etc.**

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 5(l) will be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 14, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:

(1) confirming (A) that a Benchmark Event has occurred, (B) the Successor Rate or, as the case may be, the Alternative Rate, (C) the applicable Adjustment Spread and (D) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 5(l); and

(2) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

The Fiscal Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Fiscal Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents and the Noteholders.

(vi) **Survival of Original Reference Rate**

Without prejudice to the obligations of the Issuer under Condition 5(l)(i), (ii), (iii) and (iv), the Original Reference Rate and the fallback provisions provided for in Condition 5(b)(iii) will continue to apply unless and until a Benchmark Event has occurred.

(vii) **Definitions**:

As used in this Condition 5(l):

"**Adjustment Spread**" means either (1) a spread (which may be positive, negative or zero) or (2) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(B) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or

(C) (if the Independent Adviser determines that no such spread is customarily applied) the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be);

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 5(l)(ii) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

"**Benchmark Amendments**" has the meaning given to it in Condition 5(l)(iv);

"**Benchmark Event**" means:

(1) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or

(2) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(3) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(4) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or

(5) it has become unlawful for the Fiscal Agent, any Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate;

provided that in the case of sub-paragraphs (2), (3) and (4), the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be, and not the date of the relevant public statement.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 5(l)(i);

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes;

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body, and which is in accordance with the ECB Guidelines.

6 Redemption, Purchase and Options

(a) **Redemption by Instalments and Final Redemption**:

(i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(ii) Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

(b) **Early Redemption**:

(i) *Zero Coupon Notes*:

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) *Other Notes*: The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

ECB Guidelines, at the time of redemption, may require the Issuer to obtain the prior approval of the RBI or the AD Bank, as the case may be, in accordance with the ECB Guidelines before effecting such a redemption prior to the Maturity Date and such approval may not be forthcoming.

(c) **Redemption for Taxation Reasons**: The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Note) or, at any time, (if this Note is neither a Floating Rate Note nor an Index Linked Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of India or any political subdivision or any authority thereof or therein having power to tax (or any taxing authority of any taxing jurisdiction to which the Issuer is or has become subject), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

ECB Guidelines, at the time of redemption for taxation reasons, may require the Issuer to obtain the prior approval of the RBI or the AD Bank, as the case may be, in accordance with the ECB Guidelines before effecting such a redemption prior to the Maturity Date and such approval may not be forthcoming.

(d) **Redemption at the Option of the Issuer**: If Call Option is specified hereon, the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem, all or, if so provided, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

ECB Guidelines, at the time of redemption, may require the Issuer to obtain the prior approval of the RBI or the AD Bank, as the case may be, in accordance with the ECB Guidelines before effecting such a redemption prior to the Maturity Date and such approval may not be forthcoming.

(e) **Redemption for Change of Control**: If Change of Control Put Event is specified hereon and a Change of Control Put Event occurs, the holder of any such Note will have the option (a "**Change of Control Put Option**") (unless prior to the giving of the relevant Change of Control Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 6(c) or 6(d) above) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Change of Control Put Date (as defined below) at 100 per cent. of its principal amount, together with interest accrued to (but excluding) the Change of Control Put Date.

A "**Change of Control Put Event**" will be deemed to occur when the Government of India (i) ceases to be the direct or indirect owner of, or have the voting power over, 51 per cent. or more of the Issuer's issued share capital giving the right to vote at a general meeting or (ii) ceases to have the right to appoint and/or remove all or the majority of the members of the board of directors or other governing body of the Issuer, whether directly or indirectly, by ownership of share capital, possession of voting rights, contract or otherwise.

Promptly upon the Issuer becoming aware that a Change of Control Put Event has occurred, the Issuer shall give notice (a "**Change of Control Put Event Notice**") to the Noteholders in accordance with Condition 14 specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of a Bearer Note must deliver such Note to the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the "**Change of Control Put Period**") of 30 days after a Change of Control Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a "**Change of Control Put Notice**"). The Note should be delivered together with all Coupons appertaining thereto maturing after the date which is seven days after the expiration of the Change of Control Put Period (the "**Change of Control Put Date**"), failing which the Paying Agent will require payment from or on behalf of the Noteholder of an amount equal to the face value of any missing Coupon. Any amount so paid will be reimbursed to the Noteholder against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 12) at any time after such payment, but before the expiry of the period of five years from the date on which such Coupon would have become due, and not thereafter. The Paying Agent to which such Note and Change of Control Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Change of Control Put Notice to which payment is to be made, on the Change of Control Put Date by transfer to that bank account and, in every other case, on or after the Change of Control Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. A Change of Control Put Notice, once given, shall be irrevocable. For the purposes of these Conditions, receipts issued pursuant to this Condition 6(e) shall be treated as if they were Notes.

To exercise the Change of Control Put Option, the holder of a Registered Note must deposit the Certificate evidencing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly signed and completed Change of Control Put Notice obtainable from the Registrar or any Transfer Agent within the Change of Control Put Period. No Certificate so deposited and option so exercised may be withdrawn without the prior consent of the Issuer. Payment in respect of any Certificate so deposited will be made, if the holder duly specified a bank account in the Change of Control Put Notice to which payment is to be made, on the Change of Control Put Date by transfer to that bank account and, in every other case, by cheque drawn on a Bank (as defined in Condition 7(a)) and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register.

The Issuer shall redeem or purchase (or procure the purchase of) the relevant Notes on the Change of Control Put Date unless previously redeemed (or purchased) and cancelled.

ECB Guidelines, at the time of redemption, may require the Issuer to obtain the prior approval of the RBI or the AD Bank, as the case may be, in accordance with the ECB Guidelines before effecting such a redemption prior to the Maturity Date and such approval may not be forthcoming.

(f) **Redemption at the Option of Noteholders**: If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

ECB Guidelines, at the time of redemption, may require the Issuer to obtain the prior approval of the RBI or the AD Bank, as the case may be, in accordance with the ECB Guidelines before effecting such a redemption prior to the Maturity Date and such approval may not be forthcoming.

(g) **Partly Paid Notes**: Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.

(h) **Purchases**: The Issuer and its Subsidiaries may, if permitted under applicable laws, at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. Such Notes may be held, reissued, resold or, at the option of the Issuer surrendered to any Paying Agent and/or the Registrar for cancellation in accordance with applicable laws.

(i) **Cancellation**: All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

7 Payments and Talons

(a) **Bearer Notes**: Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) **Registered Notes**:

(i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or the Registrar and in the manner provided in paragraph (ii) below.

(ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first-named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

(iii) Registered Notes, if so specified on them, may be issued in the form of one or more Global Notes registered in the name of, or the name of a nominee for, The Depository Trust Company ("**DTC**"). Payments of principal and interest in respect of Registered Notes denominated in U.S. Dollars will be made in accordance with Conditions 7(b)(i) and (ii). Payments of principal and interest in respect of Registered Notes registered as aforesaid and denominated in a Specified Currency other than U.S. Dollars will be made by the Fiscal Agent in the relevant Specified Currency in accordance with the following provisions. The amounts in such Specified Currency payable by the Fiscal Agent to DTC with respect to Registered Notes held by DTC or its nominee will be received from the Issuer by the Fiscal Agent who will make payments in such Specified Currency by wire transfer of same day funds to the designated bank account in such Specified Currency of those DTC participants entitled to receive the relevant payment who have made an irrevocable election to DTC, in the case of interest payments, on or prior to the third DTC Business Day after the Record Date for the relevant payment of interest and, in the case of principal payments, at least 12 DTC Business Days prior to the relevant payment date of principal, to receive that payment in such Specified Currency. The Fiscal Agent, after converting amounts in such Specified Currency into U.S. Dollars, will deliver such U.S. Dollar amount in same day funds to DTC for payment through its settlement system to those DTC participants entitled to receive the relevant payment who did not elect to receive such payment in such Specified Currency. The Agency Agreement sets out the manner in which such conversions are to be made.

(c) **Payments in the United States**: Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) **Payments Subject to Laws**: All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) **Appointment of Agents**: The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent(s) act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require and (v) such other agents as may be required by any stock exchange on which the Notes may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) **Unmatured Coupons and Receipts and unexchanged Talons**:

(i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index Linked Notes), those Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date (but excluding the date of redemption), as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) **Talons**: On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) **Non-Business Days**: If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "**Financial Centres**" hereon and:

(i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency, or

(ii) (in the case of a payment in euro) which is a TARGET Business Day.

(i) **Provisions relating to INR denominated Notes**: the following provisions will apply to any Notes denominated in Indian Rupees:

(i) **Payments in U.S. Dollars**: Principal and interest will be payable by the Issuer in U.S. Dollars. The amount of principal and interest to be paid will be determined by the Calculation Agent and will be translated from Indian Rupees to U.S. Dollars at the Reference Rate (as defined below) for conversion of Indian Rupees to U.S. Dollars on the applicable Rate Fixing Date (as defined below).

(ii) **Adjustments to Interest Payment Date and Maturity Date**: If a Scheduled Rate Fixing Date (as defined below) is adjusted for an Unscheduled Holiday or if a Valuation Postponement (as defined below) applies, then the Interest Payment Date or Maturity Date relating to such Scheduled Rate Fixing Date shall be two Payment Business Days after the date on which the Reference Rate for such Interest Payment Date or Maturity Date is determined. If any Interest Payment Date or Maturity Date is adjusted in accordance with the preceding sentence, then such adjustment (and the corresponding payment obligations to be made on such dates) shall apply only to such Interest Payment Date or the Maturity Date, as applicable, and no further adjustment shall apply to the amount of interest or principal payable and Noteholders will not be entitled to any additional interest in respect of such adjustment.

(iii) **Applicable Price Source Fallback Provisions**: If a Price Source Disruption Event occurs, the Calculation Agent shall apply each of the following price source disruption fallbacks (each a "**Price Source Disruption Fallback**") for the determination of the Reference Rate in the following order, until the Reference Rate can be determined:

(a) Valuation Postponement (as defined below);

(b) Fallback Reference Price: SFEMC INR Indicative Survey Rate (INR 02);

(c) Fallback Survey Valuation Postponement (as defined below); and

(d) Appointment by the Issuer of an Independent Financial Institution (as defined below) to determine the Reference Rate.

(iv) **Deferral Period for Unscheduled Holiday**: If the Scheduled Rate Fixing Date is postponed due to the occurrence of an Unscheduled Holiday (as defined below), and if the Rate Fixing Date has not occurred on or before the 14th calendar day after the Scheduled Rate Fixing Date (any such period being a "**Deferral Period**"), then the next day after the Deferral Period that would have been a Fixing Business Day but for the Unscheduled Holiday, shall be deemed to be the Rate Fixing Date.

(v) **Interpretation**: For the purposes of this Condition 7:

(a) "**Cumulative Events**" means, notwithstanding anything to the contrary, that in no event shall the total number of consecutive calendar days during which either (i) valuation is deferred due to an Unscheduled Holiday, or (ii) a Valuation Postponement shall occur (or any combination of (i) and (ii)), exceed 14 consecutive calendar days in the aggregate.

Accordingly, (x) if, upon the lapse of any such 14 calendar day period, an Unscheduled Holiday shall have occurred or be continuing on the day following such period that otherwise would have been a Fixing Business Day, then such day shall be deemed to be a Rate Fixing Date, and (y) if, upon the lapse of any such 14 calendar day period, a Price Source Disruption Event shall have occurred or be continuing on the day following such period on which the Reference Rate otherwise would be determined, then Valuation Postponement shall not apply and the Reference Rate shall be determined in accordance with the next applicable Price Source Disruption Fallback.

(b) "**Fallback Survey Valuation Postponement**" means that, if the Fallback Reference Price is not available on or before the third Fixing Business Day (or a day that would have been a Fixing Business Day but for an Unscheduled Holiday) succeeding the end of either (i) the Valuation Postponement in connection with a Price Source Disruption Event, (ii) the Deferral Period in connection with an Unscheduled Holiday or (iii) any Cumulative Events, as applicable, then the Reference Rate will be determined in accordance with the next applicable Price Source Disruption Fallback on such day (which will be deemed to be the applicable Rate Fixing Date). For the avoidance of doubt, Cumulative Events, if applicable, do not preclude postponement of valuation in accordance with this provision.

(c) "**Fixing Business Day**" means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Mumbai and the city in which the specified office of the Calculation Agent is located, if applicable.

(d) "**Independent Financial Institution**" means a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent to act as such in its place.

(e) "**Maximum Days of Postponement**" means 14 calendar days.

(f) "**Payment Business Day**" means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York, Mumbai and the city in which the specified office of the Fiscal Agent is located.

(g) A "**Price Source Disruption Event**" shall occur if, in the opinion of the Calculation Agent, it becomes impossible to obtain the Reference Rate on a Rate Fixing Date.

(h) "**Rate Fixing Date**" means the Scheduled Rate Fixing Date, subject to Valuation Postponement. If the Scheduled Rate Fixing Date is an Unscheduled Holiday, the "Rate Fixing Date" shall be the next following Fixing Business Day, subject to the provisions relating to the Deferral Period for Unscheduled Holiday set out herein.

(i) "**Reference Rate**" means the rate, determined by the Calculation Agent, used on each Rate Fixing Date which will be the USD/INR spot rate, expressed as the amount of Indian Rupees per one United States Dollar, for settlement in two Fixing Business Days, reported by Financial Benchmarks India Pvt. Ltd. ("**FBIL**"), which is displayed on Reuters page "INRREF=FBIL" (or any successor page or such other successor provider and/or rate as shall be announced by the RBI or other regulatory body in India as the official USD/INR spot rate) at approximately 1:30 pm, Mumbai time, on each Rate Fixing Date. If a Price Source Disruption Event occurs on the Rate Fixing Date, then the Reference Rate for such Rate Fixing Date shall be determined by the Calculation Agent in accordance with the fallback provisions set out in Condition 7(i)(iii).

(j) "**Scheduled Rate Fixing Date**" means the date which is two Fixing Business Days prior to the relevant Interest Payment Date, the Maturity Date or such other date on which an amount in respect of the Notes is due and payable.

(k) "**SFEMC INR Indicative Survey Rate (INR02)**" means that the Reference Rate for a given Rate Fixing Date will be the Indian Rupee/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Indian Rupees per one U.S. Dollar, for settlement in two Fixing Business Days, as displayed on Reuters page "SFEMCNDFCF1" (or any successor page or such other successor provider) at approximately 3:30 p.m. (Singapore time), or as soon thereafter as practicable, on such date. The Reference Rate shall be calculated by the Singapore Foreign Exchange Market Committee ("**SFEMC**") (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC INR Indicative Survey (as defined below) for the purpose of determining the SFEMC INR Indicative Survey Rate.

(l) "**SFEMC INR Indicative Survey**" means a methodology, dated as of 1 December 2004 as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Indian Rupee/U.S. Dollar markets for the purpose of determining the SFEMC INR Indicative Survey Rate (INR02).

(m) "**Unscheduled Holiday**" means a day that is not a Fixing Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m. local time in Mumbai, two Fixing Business Days prior to the relevant Rate Fixing Date.

(n) "**Valuation Postponement**" means that the Reference Rate will be determined on the Fixing Business Day first succeeding the day on which the Price Source Disruption Event ceases to exist, unless the Price Source Disruption Event continues to exist (measured from the date that, but for the occurrence of the Price Source Disruption Event, would have been the Rate Fixing Date) for a consecutive number of calendar days equal to the Maximum Days of Postponement. In such event, the Reference Rate will be determined on the next Fixing Business Day after the Maximum Days of Postponement (which will, subject to the provisions relating to Fallback Survey Valuation Postponement, be deemed to be the applicable Rate Fixing Date) in accordance with the next applicable Price Source Disruption Fallback.

8 Taxation

All payments of principal and /or interest by or on behalf of the Issuer in respect of the Notes, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by India or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes (a "**Relevant Jurisdiction**"), unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) **Other connection**: to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with India other than the mere holding of the Note, Receipt or Coupon; or

(b) **Presentation more than 30 days after the Relevant Date**: presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day.

Notwithstanding any other provision of the Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer, will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition.

Any payments made by the Issuer in respect of tax are subject to compliance with the ECB Guidelines failing which a specific approval is required from the RBI or AD Bank, as the case may be, pursuant to the ECB Guidelines or any other laws or regulations.

9 Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Events of Default

If any of the following events ("**Events of Default**") occurs and is continuing, the holder of any Note may give written notice to the Fiscal Agent at its specified office that such Note is immediately repayable, whereupon the Early Redemption

Amount of such Note together (if applicable) with accrued interest to the date of payment shall become immediately due and payable:

(a) **Non-Payment**: default is made in the payment on the due date of interest or principal in respect of any of the Notes; or

(b) **Breach of Other Obligations**: the Issuer does not perform or comply with any one or more of its other obligations in the Notes, which default is incapable of remedy or is not remedied within 14 days after notice of such default shall have been given to the Fiscal Agent at its specified office, effective upon the date of receipt by the Fiscal Agent, by any Noteholder; or

(c) **Cross-Default**: (i) any other present or future Indebtedness for Borrowed Money (as defined below) of the Issuer or any of its Material Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such Indebtedness for Borrowed Money of the Issuer or any of its Material Subsidiaries is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any Indebtedness for Borrowed Money provided that the aggregate amount of the relevant Indebtedness for Borrowed Money, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds U.S.$10,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates) in any other currency; or

(d) **Enforcement Proceedings**: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any of its Material Subsidiaries and is not discharged or stayed within 14 days or

(e) **Security Enforced**: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Material Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person); or

(f) **Insolvency**: the Issuer or any of its Material Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any of its Material Subsidiaries; or

(g) **Winding-up**: an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or any of its Material Subsidiaries, or the Issuer or any of its Material Subsidiaries shall apply or petition for a winding-up or administration order in respect of itself; or

(h) **Government Undertaking**: the unconditional undertaking given to the Issuer by the Ministry of Railways in the annual standard lease agreement executed from time to time in relation to the Issuer's debt obligations under the Notes ceases to be or is claimed by the Ministry of Railways not to be in full force and effect or the Ministry of Railways fails to perform or comply with such undertaking or such undertaking is amended or modified or the Issuer waives compliance with any provision of such undertaking; or

(i) **Expropriation**: any governmental authority or agency condemns, seizes, compulsorily purchases or expropriates all or any material part of the assets or shares of the Issuer or any Material Subsidiary without fair compensation; or

(j) **Cessation of Business**: the Issuer or any Material Subsidiary ceases or threatens to cease to carry on all or a material part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms previously approved by an Extraordinary Resolution of the Noteholders;

(k) **Authorisation and Consents**: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes admissible in evidence in the courts of England is not taken, fulfilled or done; or

(l) **Illegality**: it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes; or

(m) **Analogous Events**: any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

For the purposes of this Condition 10, "**Indebtedness for Borrowed Money**" means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money or any liability under or in respect of any acceptance or acceptance credit.

11 Meeting of Noteholders and Modifications

(a) **Meetings of Noteholders**: The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding or at any adjourned meeting not less than one-third in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

For the avoidance of doubt, these Conditions may be amended, modified or varied in relation to any Series of Notes in accordance with Condition 5(l)(iv) to give effect to any required Benchmark Amendments without any requirement for the consent or approval of Noteholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

(b) **Modification of Agency Agreement**: The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

12 Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Fiscal Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in these Conditions to

"Issue Date" shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to "Notes" shall be construed accordingly.

14 Notices

Notices required to be given to the holders of Registered Notes pursuant to these Conditions shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices required to be given to the holders of Bearer Notes pursuant to these Conditions shall be valid if published in a daily newspaper of general circulation in Singapore (which is expected to be the Wall Street Journal Asia). If any such publication is not practicable, notice required to be given pursuant to these Conditions shall be validly given if published in another leading daily English language newspaper with general circulation in Asia. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

15 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Notes expressly provide for such Act to apply to any of their terms

16 Governing Law and Jurisdiction

(a) **Governing Law**: The Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) **Jurisdiction**: Save as set out below in this Condition 16(b), the courts of England are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons (including any non-contractual obligations) and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) **Service of Process**: The Issuer irrevocably appoints Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not, it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 14. Nothing shall affect the right to serve process in any manner permitted by law.

(d) **Sovereign Immunity**: The Issuer hereby irrevocably and unconditionally waives and agrees not to raise with respect to the Notes any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, and irrevocably and unconditionally consents to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Notes).

USE OF PROCEEDS

The proceeds from each issue of Notes will be used for (i) funding the acquisition, development and procurement of rolling stock assets and project assets to be leased to the Ministry of Railways by the Issuer; (ii) meeting of the debt financing requirements of entities operating in the railway sector in India; and (iii) any other end use as permissible under the applicable law including External Commercial Borrowings (ECB) guidelines of India.

SELECTED FINANCIAL INFORMATION

The following tables set out a summary of the Reviewed Restated Historical Financial Statements of the Issuer as of and for the six months ended 30 September 2019 and 2020 and as of and for the years ended 31 March 2018, 2019 and 2020. This information should be read in conjunction with, and is qualified in its entirety by reference to, the Issuer's Reviewed Restated Historical Financial Statements and corresponding reports included elsewhere in this Offering Circular. The Issuer's Reviewed Restated Historical Financial Statements were prepared under Ind AS and were reviewed by KBDS & Company Chartered Accountants, respectively.

Balance Sheet as of 31 March 2018, 2019 and 2020

	As of 31 March			As of 30 September	
	2018	2019	2020	2020	2020
		(Rs. millions)		*(Rs. millions)*	*(U.S.$ millions)*
ASSETS					
Financial assets					
Cash and cash equivalents	11.28	37.07	13.8	16.61	0.22
Bank balance other than above	986.92	773.59	993.83	942.18	12.77
Derivative financial instruments	968.47	466.90	0	0	0
Receivables					
- Lease receivables	1,094,716.56	1,250,265.12	1,485,798.00	1,538,468.10	20,846.73
Loans	52,379.55	58,954.87	64,233.71	62,430.44	845.95
Investments	139.78	131.45	115.12	114.05	1.54
Other financial assets	450,773.10	738,239.44	1,182,742.54	1,293,364.17	17,525.50
Total financial assets	1,599,975.66	2,048,868.44	2,733,897.00	2,895,335.55	39,232.72
Non-financial assets					
Current tax assets (net)	388.49	414.67	6,308.41	8,630.52	116.95
Deferred tax assets (net)	0	0	0	0	0
Property, plant and equipment	112.69	112.25	110.04	109.27	1.48
Other Intangible assets	0.27	0.50	0.43	0.41	0
Other non-financial assets	1,4033.30	14,987.09	14,725.41	15,790.06	213.96
Total non-financial assets	14,534.75	15,514.51	21,144.29	24,530.26	332.39
Total Assets	1,614,510.41	2,064,382.95	2,755,041.29	2,919,865.81	39,565.11
LIABILITIES AND EQUITY					
Liabilities					
Financial liabilities					
Derivative financial instruments	7,495.79	3,105.95	4,065.15	3,883.47	52.62
Payables:					
- Trade Payables					
	0	0	0	0	0
	0	0	0	0	0
- Other Payables					
	2.4	0.01	0.5	1.52	0.02
	84.69	121.653	377.02	439.9	5.96
Debt securities	1,108,442.46	1,235,978.99	1,552,904.56	1,612,586.66	21,851.06
Borrowings (other than debt securities)	231,612.82	503,347.76	790,862.65	840,906.52	11,394.55
Other financial liabilities	56,928.32	72,999.42	103,373.67	145,029.44	1965.19
Total financial liabilities	1,404,566.48	1,815,553.85	2,451,583.55	2,602,847.51	3,5269.41
Non-financial liabilities					
Current tax liabilities (net)	0	0	0	0	0
Provisions	108.37	117.96	138.03	92.97	1.26
Deferred tax liabilities (net)	0	0	0	0	0
Other non-financial liabilities	6,592.73	48.15	322.19	55.66	0.75
Total non-financial liabilities	6,701.1	166.11	460.22	148.63	2.01
Total liabilities	1,411,267.58	1,815,719.96	2,452,043.77	2,602,996.14	35,271.43
Equity					

	As of 31 March			As of 30 September	
	2018	2019	2020	2020	2020
		(Rs. millions)		*(Rs. millions)*	*(U.S.$ millions)*
Equity share capital	65,264.6	93,804.60	118,804.6	118,804.6	1,609.84
Other equity	137,978.23	154,858.39	184,192.92	198,065.07	2,683.85
Total equity	203,242.83	248,662.99	302,997.52	316,869.67	4,293.69
Total Liabilities and Equity	1,614,510.41	2,064,382.95	2,755,041.29	2,919,865.81	39,565.11

Statement of Profit and Loss for Fiscal Year 2018, 2019 and 2020

	Year ended of 31 March			
	2018	2019	2020	2020
		(Rs. millions)		*(U.S.$ millions)*
Particulars				
Revenue from operations				
Interest income	9,885.72	17,230.71	27,479.98	372.36
Net gain on fair value changes	0	0	0	0
Net gain on derecognition of financial instruments under amortised cost category	0	0	0	0
Dividend income	4.87	5.14	5.92	0.08
Lease income	82,179.06	92,637.69	106,724.27	1,446.15
Total Revenue from operations	92,069.65	109,873.54	134,210.17	1,818.59
Other income	8.74	0.01	0.73	0.01
Total income	**92,078.39**	**109,873.55**	**134,210.9**	**1,818.60**
Expenses				
Finance Costs	66,375.85	81,830.62	101,626.62	1,377.07
Net loss on fair value changes	0	0	0	0
Net loss on derecognition of financial instruments under amortised cost category	0	0	0	0
Impairment on financial instruments	0	275.44	21.41	0.29
Employee benefit expense	55.2	62.51	62.65	0.85
Depreciation, amortisation and impairment	3.54	4.18	4.58	0.06
Other expenses	324.37	147.372	574.68	7.79
Total Expenses	**66,758.96**	**82,320.122**	**102,289.94**	**1,386.06**
Profit before exceptional items and tax	25,319.43	27,553.428	31,920.96	432.54
Exceptional items	0	0	0	0
Profit before tax	25,319.43	27,553.428	31,920.96	432.54
Tax Expenses				
(1) Current tax	5,304.83	6,154.1	0	0
(2) Deferred tax	0	0	0	0
(3) Adjustment for earlier years	0	0		0
Total Tax Expense	5,304.83	6,154.1	0	0
Profit for the period from continuing operations	**20,014.6**	**21,399.33**	**31,920.96**	**432.54**
Profit from discontinued operations	0	0		
Tax expense of discontinued operations	0	0		
Profit from discontinued operations (after tax)	0	0	0	0
Profit for the period	**20,014.60**	**21,399.33**	**31,920.96**	**432.54**
Other comprehensive income				
(A) (i) Items that will not be reclassified to profit or loss				
- Remeasurement of defined benefit plans	0.87	-2.71	-0.35	0
- Remeasurement of Equity Instrument	7.34	3.79	-5.17	(0.07)

	Year ended of 31 March			
	2018	2019	2020	2020
	(Rs. millions)			*(U.S.$ millions)*
(ii) Income tax relating to items that will not be reclassified to profit or loss				
(iii) Items that will be reclassified to profit or loss	0	0	0	0
(iv) Income tax relating to items that will be reclassified to profit or loss	0	0	0	0
- Remeasurement of defined benefit plans	(0.18)	0.58	0	0
- Remeasurement of Equity Instrument	0	0	0	0
Subtotal (A)	**8.03**	**1.66**	**(5.52)**	**(0.07)**
(B) (i) Items that will be reclassified to profit or loss	0	0		0
(ii) Income tax relating to items that will be reclassified to profit or loss	0	0		0
Subtotal (B)	**0**	**0**	**0**	
Other comprehensive income (A + B)	**8.03**	**1.66**	**(5.52)**	**(0.07)**
Total comprehensive income for the period (comprising profit (loss) and other comprehensive income for the period)	**20,022.63**	**21,400.988**	**31,915.44**	**432.46**
Earnings per equity share (for continuing operations)				
Basic (Rs.)	3.07	3.26	3.40	0.05
Diluted (Rs.)	3.07	3.26	3.40	0.05
Earnings per equity share (for discontinued operations)				
Basic (Rs.)	0	0	0	0
Diluted (Rs.)	0	0	0	0
Earnings per equity share (for continuing and discontinued operations)				
Basic (Rs.)	3.07	3.26	3.40	0.05
Diluted (Rs.)	3.07	3.26	3.40	0.05

Statement of Profit and Loss for the six months ended 30 September 2019 and 2020

	Six months ended 30 September		
	2019	2020	2020
	(Rs. millions)		*(U.S.$ millions)*
Particulars			
Revenue from operations			
Interest income	14,034.9	17,167.76	232.63
Net gain on fair value changes			
Net gain on derecognition of financial instruments under amortised cost category			
Dividend income	0	2.32	0.03
Lease income	51,712.78	56,661.12	767.78
Total Revenue from operations	**65,747.68**	**73,831.2**	**1,000.44**
Other income	21.23	17.09	0.23
Total income	**65,768.91**	**73,848.29**	**1,000.67**
Expenses			
Finance Costs	49,373.24	54,409.8	737.27
Net loss on fair value changes	0	0	
Net loss on derecognition of financial instruments under amortised cost category	0	0	

	Six months ended 30 September		
	2019	2020	2020
	(Rs. millions)		*(U.S.$ millions)*
Impairment on financial instruments	0	0	
Employee benefit expense	22.52	26.54	0.36
Depreciation, amortisation and impairment	2.16	2.34	0.03
Other expenses	67.06	541.2	7.33
Total Expenses	**49,464.98**	**54,979.88**	**744.99**
Profit before exceptional items and tax	16,303.93	18,868.41	255.67
Exceptional items			
Profit before tax	**16,303.93**	**18,868.41**	**255.67**
Tax Expenses			
(1) Current tax	0	0	0
(2) Deferred tax	0	0	0
(3) Adjustment for earlier years	0	0	0
Total Tax Expense	0	0	0
Profit for the period from continuing operations	16,303.93	18,868.41	255.67
Profit from discontinued operations			
Tax expense of discontinued operations			
Profit from discontinued operations (after tax)	0	0	0
Profit for the period	**16,303.93**	**18,868.41**	**255.67**
Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans	(0.58)	0.17	0
- Remeasurement of Equity Instrument	(6.55)	4.07	0.05
(ii) Income tax relating to items that will not be reclassified to profit or loss			
(iii) Items that will be reclassified to profit or loss			
(iv) Income tax relating to items that will be reclassified to profit or loss			
- Remeasurement of defined benefit plans	0	0	0
- Remeasurement of Equity Instrument	0	0	0
Subtotal (A)	**(7.13)**	**4.24**	**0.06**
(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)	**0**	**0**	0
Other comprehensive income (A + B)	**(7.13)**	**4.24**	**0.06**
Total comprehensive income for the period (comprising profit (loss) and other comprehensive income for the period)	**16,296.8**	**18,872.65**	**255.73**
Earnings per equity share (for continuing operations)			
Basic (Rs.)	1.74	1.59	0.02
Diluted (Rs.)	1.74	1.59	0.02
Earnings per equity share (for discontinued operations)			
Basic (Rs.)	0	0	0
Diluted (Rs.)	0	0	0

	Six months ended 30 September		
	2019	**2020**	**2020**
	(Rs. millions)		*(U.S.$ millions)*
Earnings per equity share (for continuing and discontinued operations)			
Basic (Rs.)	1.74	1.59	0.02
Diluted (Rs.)	1.74	1.59	0.02

CAPITALISATION AND INDEBTEDNESS

Set out below is the Issuer's total short-term debt, total long-term debt and equity as of 30 September 2020, as derived from its Reviewed Restated Historical Financial Statements as of 30 September 2020 prepared in accordance with Ind AS. For additional information, see the Issuer's financial statements and the notes thereto included elsewhere in this Offering Circular.

	As of 30 September 2020		**As of 30 September 2020**	
	(Actual)		*(As adjusted for the IPO)*	
	(Rs. millions)	*(U.S.$ millions)*	*(Rs. millions)*	*(U.S.$ millions)*
Debt:				
Short Term(1)				
Secured	0	0	0	0
Unsecured	41,191.58	558.16	41,191.58	558.16
Total short term debt	41,191.58	558.16	41,191.58	558.16
Long term(2)				
Secured	1,963,538.58	26,606.57	1,963,538.58	26,606.57
Unsecured	454,735.56	6,161.81	454,735.56	6,161.81
Total long term debt	2,418,274.14	32,768.39	2,418,274.14	32,768.39
Total debt(3)	2,459,465.72	33,326.55	2459465.72	33,326.55
Equity:				
Authorised(4)	250,000	3,387.58	250,000	3,387.58
Issued, subscribed and fully paid up	118,804.60	1,609.84	149,693.796	2,028.40
Other Equity (excluding Revaluation Reserve) as per reviewed accounts for the six months ended 30 September 2019	198,065.07	2,683.85	198,065.07	2,683.85
Total Equity	316,869.67	4,293.69	347,758.866	4.712.24
Total capitalisation(5)	**2,776,335.390**	**37,620.23**	**2,807,224.586**	**38,038.79**

Notes:

(1)Short term debt is debt with original maturity of one year or less.

(2)Long term debt is debt with less than 12 months remaining to maturity.

(3)Represents the sum of total short term debt and total long term debt.

(4)As of 30 September 2020, the Issuer's authorised capital was Rs. 250,000 million comprising 25,000 million ordinary shares of Rs. 10 each, of which 11,880,460,000 shares were in issue.

(5)Represents the sum of total debt and total equity.

Other than as set out above with respect to the IPO (as defined below), there has been no material change in the Issuer's total short-term debt, total long-term debt and shareholders' funds since 30 September 2020.

RISK FACTORS

Investors should carefully consider, among other things, the risks described below, as well as the other information contained in this Offering Circular, before making an investment decision. Any of the following risks could materially adversely affect the business, financial condition or results of operations of the Issuer and, as a result, investors could lose all or part of their investment. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes issued under the Programme, but the Issuer's inability to pay any amounts on or in connection with any Note may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate, and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular (including any document incorporated by reference) and reach their own views prior to making any investment decision. In making an investment decision, each investor must rely on its own examination of the Issuer and the terms of the offering of the Notes.

Risks Relating to the Issuer

The Issuer derives a significant amount of its revenue from operations from the Indian Railways. A loss of or reduction in business from the Indian Railways, any direct borrowing by the Indian Railways or introduction of any new avenues of funding by the Ministry of Railways, Government of India (the "Ministry of Railways") could have an adverse effect on its business.

The Issuer is the dedicated market borrowing arm of the Indian Railways. The vast majority of the Issuer's revenue is generated from leasing rolling stock assets to the Indian Railways. Lease income, interest on loans and pre commencement lease interest income together represented 99.75% and 99.87% of its total revenue from operations in Fiscal Year 2020 and in the six months ended 30 September 2020, respectively. The Issuer's business and revenues are substantially dependent on the policies of the Ministry of Railways and operations of the Indian Railways. Any change that might affect the Ministry of Railways's ability and willingness to meet its contractual obligations under the Standard Lease Agreement entered into with the Issuer will have an adverse impact on the financial position of the Issuer. Further, any shift in the funding pattern of the Indian Railways, such as, reduced demand for rolling stock assets or reliance on internal accruals or preference to other funding arrangements, such as, public private partnerships, will have an adverse impact on the Issuer's results of operations. Any corporatization or privatization of the Indian Railways allowing the Ministry of Railways to raise funds directly from banks, NBFCs and other financial institutions will also have an adverse impact on the Issuer's business, results of operation and financial condition. Therefore, the overall prospects of the Issuer's business is closely tied to its relationship with the Ministry of Railways. The Issuer does not have any control over the Government and its related entities, including, the Ministry of Railways, or its policies and any adverse changes in the policies of the Government may have an adverse impact on the Issuer's business, results of operations and financial condition.

The Issuer's business is dependent on the continued growth of the Indian railway sector, which makes it susceptible to the Government's initiatives to modernise the railways and other policies and any decrease in investments in the Indian Railways will impact the Issuer's business, financial condition and results of operations

The Indian Railways face significant competition in the transport sector from other means of transportation such as transport by road, sea and air. While the Indian Railways continuously look to augment their infrastructure and undertake other necessary improvements to the railway network, competition in freight traffic from the road sector is likely to intensify further, as present projects for upgrading road networks are completed. The Indian Railways' vulnerability to competition from other means of transportation could increase if cross-subsidies between freight and passenger fares remain at the current high levels, particularly when the road network improves and oil pipelines are built. Therefore, any slowdown in the growth of the Indian railways sector and changes in the policies of, or in the level of direct or indirect support to the Issuer provided by the Government in these or other areas could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The Issuer's ability to operate efficiently is dependent on its ability to maintain diverse sources of funds and at a low cost. Any disruption in the Issuer's funding sources or any inability to raise funds at a low cost could have a material adverse effect on its business, financial condition and results of operations

The Issuer's liquidity largely depends on timely access to and costs associated with, raising capital. The Issuer's funding requirements historically have been met through various sources including from equity issuances, taxable and tax-free bonds in India, term loans from banks and other financial institutions, external commercial borrowings including bonds and syndicated loans, internal accruals, asset securitisation and lease financing. The Issuer's finance costs were Rs. 66,375.85 million, Rs. 81,830.62 million, Rs. 101,626.62 million and Rs. 54.409.80 million in Fiscal Year 2018, Fiscal Year 2019, Fiscal Year 2020 and in the six months ended 30 September 2020, respectively. The Issuer's incremental cost of borrowings for rolling stock in Fiscal Year 2018, 2019 and 2020 and was 7.75%, 8.09%, 7.37% respectively. As the Issuer is fundamentally dependent upon funding from the debt markets and commercial borrowings, its ability to continue to obtain funds from the debt markets and through commercial borrowings on acceptable terms and its ability to access new sources of funding, markets or investors, is dependent on various factors which include, but are not limited to, its ability to maintain its existing credit ratings, which are based on several factors, many of which are outside its control, including the economic conditions in the Indian economy and liquidity in the domestic and global financial markets. Further, since the Issuer is a non-deposit taking NBFC, it has restricted access to funds in comparison to banks and deposit taking NBFCs.

The Issuer's ability to operate efficiently is dependent on its ability to maintain a low effective cost of funds. Therefore, timely access to, and the costs associated with, raising capital and its ability to maintain a low effective cost of funds in the future is critical. The Issuer's business depends and will continue to depend on its ability to access diversified low cost funding sources.

In addition, the RBI introduced the 'Liquidity Management Framework' which, *inter-alia*, mandates all the deposit accepting NBFCs and non-deposit accepting NBFCs with asset size of Rs. 100 billion and above, to maintain a liquidity buffer in the form of LCR representing high liquid assets from 1 December 2020. In terms of these requirements, such NBFCs are initially required to maintain a minimum LCR at 50% of the net cash flows over the next 30 calendar days which will then progressively touch 100% by 1 December 2024. As of the date of this Offering Circular, the Issuer is not in compliance with the required LCR. On January 7, 2021 the Government of India has sent a letter to RBI requesting an exemption from the aforementioned requirements. In the event the Issuer continues to not comply with the aforementioned requirements or fails to obtain an exemption it may be subject to penalties at the discretion of the RBI that may adversely impact its business, financial condition and results of operations.

Separately, several lenders to the Issuer are governed by exposure norms which from time to time may limit Issuer's ability to raise funding from them. As a consequence the Issuer may have to meet any funding shortfalls from other sources, thus exposing the Issuer to potential asset-liability mismatch.

In light of the foregoing, if the Issuer is unable to obtain adequate financing or financing on terms satisfactory to it and in a timely manner or is unable to access new sources of funding or markets and investors, the Issuer's ability to grow or support its business and to respond to business challenges could be limited and the Issuer's business, prospects, financial condition and results of operations would be materially and adversely affected.

In the event the interest margin on the rolling stock assets funded by the Issuer is not favourable, it may have an adverse impact on the Issuer's business, financial condition and results of operations

The Issuer operates on a cost-plus based model and under the terms of the lease agreements it enters with the Ministry of Railways for funding of rolling stock assets, the Issuer is entitled to an assured interest margin on the project assets leased in that particular Fiscal Year.

In Fiscal Year 2020, pursuant to the Issuer's arrangements with the Ministry of Railways, the Issuer is entitled to a margin of 0.40% over the Issuer's average cost of borrowing for funding of the rolling stocks. In Fiscal Year 2018, the margin for financing rolling stock assets decreased to 30 bps from 50 bps in Fiscal Year 2017. There can be no assurance that the margin determined will be favourable for the Issuer. Any adverse determination of the margin will also impact the Issuer's profitability and results of operation including leverage capacity. In the event the margin determined is not favourable, it may also adversely affect the Issuer's financial condition and results of operations.

Mismatch in the tenor of the Issuer's leases and borrowings may lead to reinvestment and liquidity risk, which may adversely impact the Issuer's business, financial condition and results of operations

A significant majority of the Issuer's revenues is derived from the lease agreements with the Ministry of Railways. These agreements with respect to rolling stock assets acquisition currently provide for a primary lease period of 15 years, followed by a secondary lease period of another 15 years, unless otherwise revised by mutual consent. The Issuer recovers the full amount of principal borrowed and related interest (cost of funds) within the primary lease period. Repayments occur half yearly by instalments during the primary lease period. While a majority of the Issuer's borrowings requires the Issuer to make bullet repayments, the Issuer also has certain borrowings where it is required to make one-time repayments. One-time repayment of such borrowings in certain years may give rise to a temporary mismatch. This may potentially give rise to a liquidity risk and interest rate risk when the Issuer is required to refinance the Issuer's loans and other borrowings. If the Issuer is unable to refinance its borrowings on favourable terms or reinvest lease rentals on favourable terms, it could adversely affect the Issuer's business, financial condition and results of operations.

Any change in the terms of the Standard Lease Agreement entered into by the Issuer with the Ministry of Railways may have an adverse effect on the Issuer's business, financial position and results of operations

The Issuer enters into the Standard Lease Agreement with the Ministry of Railways on an annual basis, subsequent to the end of the relevant fiscal year, in respect of rolling stock assets leased by the Issuer to the Ministry of Railways during the relevant Fiscal Year. Under the terms of the Standard Lease Agreement, the Ministry of Railways covenants that in the event the Issuer is unable to redeem its bonds on maturity and/ or repay its loans resulting from inadequate cash flows, the Ministry of Railways is required to make good such shortfall through bullet payments in advance before the maturity dates of such bonds or term loans. Such payments are required to be adjusted in the subsequent lease rentals payable under the respective Standard Lease Agreement. If such assurance or undertakings cease to be valid or the Ministry of Railways fails to comply with the performance of such undertakings or such undertakings are amended or modified or altered or if the Issuer waives compliance with any provision of such undertakings, it may result in an event of default thereby accelerating repayment under the various bonds issued by the Issuer and it will not have any direct right of action or right of subrogation against the Ministry of Railways. In addition, the Ministry of Railways may not provide such assurances/ undertakings in subsequent standard lease agreements.

Further, expenses incurred by the Issuer with respect to any foreign currency hedging costs and/ or losses (and gains, if any) as well as any hedging costs for interest rate fluctuations are typically included in the weighted average cost of incremental borrowing, which is determined by the Ministry of Railways in consultation with the Issuer at the end of each Fiscal Year. However, there can be no assurance that the Ministry of Railways will allow the Issuer to continue to include such hedging costs pertaining to foreign currency and interest rates in the weighted average cost of incremental borrowing under subsequent Standard Lease Agreements and should the Ministry of Railways decline to include such costs in the weighted average cost of incremental borrowing, it may adversely affect the Issuer's financial conditions and results of operations.

The Standard Lease Agreement is executed after the end of the Fiscal Year to which it relates and there can be no assurance that the agreement will be executed each year, on as favourable terms or at all.

The Standard Lease Agreement governs the lease rentals for rolling stock assets payable by the Ministry of Railways to the Issuer and specifies details of the rolling stock assets leased to the Ministry of Railways by the Issuer. The lease rentals include the value of the rolling stock assets leased by the Issuer to the Ministry of Railways in the relevant Fiscal Year, the weighted average cost of incremental borrowing as well as a margin, all in accordance with the terms of the Standard Lease Agreement and determined at the end of the relevant Fiscal Year. The weighted average cost of incremental borrowing and margin are determined by the Ministry of Railways in consultation with the Issuer. The lease rentals are calculated as equal to half yearly payments to be made by the Ministry of Railways, so as to ensure that the Issuer's obligation to repay and settle its debts are fully met during primary lease period of 15 years.

The Standard Lease Agreement is executed at the end of the Fiscal Year but comes into effect from the date of commencement of that Fiscal Year. Lease rentals during any particular year are calculated using the weighted average cost of incremental borrowing and margin relevant to that Fiscal Year. There can be no assurance that such arrangements will be honoured with respect to the Issuer's ownership of the rolling stock assets or in relation to the lease rentals in a timely manner or at all. Any failure to execute the Standard Lease Agreement may adversely affect the Issuer's business, results of operations, prospects and financial condition.

In addition, in relation to funding of railway project assets under Extra Budgetary Resources (Institutional Financing) ("**EBR-IF**"), the Ministry of Railways entered into a MoU dated 11 March 2015 with LIC to avail Rs. 1,500,000 million over a period of five years, commencing from Fiscal Year 2016. Based on this MoU, the Issuer has entered into a MoU dated 23 May 2017 with the Ministry of Railways to be the intermediary for the funding from LIC. The MoU between Ministry of Railways and LIC expired in Fiscal Year 2020. Funds raised are being utilized for implementing identified railway projects. However, the Issuer is yet to execute the project agreements with the Ministry of Railways in relation to the railway projects including the development agency agreement and lease agreement. There can be no assurance that the Ministry of Railways will enter into such agreements in a timely manner or at all. Any failure to execute project agreements may impact the Issuer's title to project assets being funded by it under such arrangements and could have an adverse impact on the Issuer's business, financial condition and results of operation.

Any downgrade in the Issuer's credit ratings or India's debt rating could increase the Issuer's finance costs and adversely affect its ability to borrow funds and its business, results of operations, financial condition and cash flows

The cost and availability of capital depends in part on the Issuer's domestic and international credit ratings. Credit ratings reflect the opinions of rating agencies on the Issuer's financial strength, operating performance, strategic position and ability to meet the Issuer's obligations. Any downgrade in the Issuer's credit ratings could cause the Issuer's lenders to impose additional terms and conditions to any financing or refinancing arrangements that the Issuer enters into in the future.

The Issuer has been accorded ratings of 'AAA' by CRISIL, 'ICRA (AAA)' by ICRA and 'CARE AAA' by CARE each with respect to the Issuer's debt programme. International credit rating agencies such as Moody's have rated the Issuer Baa3 (Negative) while Fitch, Standard & Poor's and Japan Credit Rating Agency have rated the Issuer BBB- (Negative), BBB- (Stable) and BBB+ (Stable). These ratings continue to remain valid until such time these are modified by the respective rating agency. Any downgrade in the Issuer's credit ratings could increase borrowing costs and adversely affect the Issuer's business, results of operations, financial condition and cash flows.

The Issuer's borrowing costs and access to the debt capital markets depends significantly on the credit ratings of India. India's sovereign rating is Baa3 with a "Negative" outlook (Moody's), BBB- with a "stable" outlook (S&P), BBB+ with a "stable" outlook (Japan Credit Rating Agency) and BBB- with a "Negative" outlook (Fitch). Moody's had downgraded India's foreign currency and local currency long term issuer ratings on 1 June 2020, to "Baa3" from "Baa2" while maintaining the "negative outlook" due to relatively weak implementation of reforms since 2017, sustained period of relatively low growth, significant deterioration in the fiscal position of the government and the rising stress in the financial sector. On the same date, Moody's announced the downgrade of our rating from Baa2 to Baa3 (Negative). Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact the Issuer's ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside the Issuer's control. This could have an adverse effect on the Issuer's ability to fund its growth on favourable terms or at all, and consequently adversely affect its business and financial performance.

On 12 January 2021, the Issuer launched an initial public offering. Once the Issuer becomes a public company, the Issuer will be subject to additional regulations and scrutiny, which may have an adverse impact on the business of the Issuer

The Issuer has been directed by the Government to offer its equity shares through an offer for sale by way of initial public offering. On 12 January 2021, the Issuer launched an initial public offering and subsequently filed a prospectus dated 22 January 2021 with the Registrar of Companies. The listing of the Issuer's equity shares on BSE Limited and the National Stock Exchange of India Limited is expected to take place on 29 January 2021. Upon the completion of its initial public offer, the Issuer will be subject to various rules and regulations laid down by the Securities and Exchange Board of India and will be required to make additional disclosures and stringent compliances, therefore making it subject to additional scrutiny. Once the equity shares of the Issuer are listed on the respective stock exchange(s) in India, the price of such equity shares of the Issuer will be susceptible to market sentiment and the trading prices of its shares may increase or decrease depending upon the market forces of demand and supply. Additionally, this may also have a resultant impact on the trading of the Notes and other securities issued by the Issuer. This has the potential to impact the overall business of the Issuer. Further, there will also be a change in shareholding pattern of the Issuer. The decisions of the Issuer will consequently be influenced by the opinions of shareholders at that time. There can be no assurance that the initial public offering and as a consequence the listing of its equity shares may not have an adverse impact on the business of the Issuer.

Non-availability of funding from the Life Insurance Corporation of India ("LIC") matching the requirement of funds by Indian Railways for railway projects under EBR-IF may affect the Issuer's asset-liability position.

The Issuer has in the past raised funds from the LIC. The Ministry of Railways had entered into a MoU dated 11 March 2015 with LIC to avail Rs. 1,500,000 million over a period of five years, commencing from Fiscal Year 2016. Based on this MoU, the Issuer entered into a MoU with the Ministry of Railways dated 23 May 2017 to be the intermediary for the funding from LIC. The MoU provides for a tenor of 30 years for each installment, with capitalization of interest accruing in the first five years and repayment of principal in equal semi-annual installments in 20 years commencing after a moratorium of 10 years. In terms of the MoU executed between the Issuer and the Ministry of Railways, the repayment terms by the Ministry of Railways are to be kept similar to the structure of funding from LIC. The MoU between Ministry of Railways and LIC expired in Fiscal Year 2020 and this arrangement with the LIC has ended in Fiscal Year 2020.

Going forward the Issuer may not be able to avail funding from the LIC matching the requirements of the Indian Railways and accordingly, the Issuer will be required to arrange funds from other sources to bridge the shortfall which has shorter tenor as compared to the tenor of funding that the Issuer has availed from the LIC in the past. Accordingly, unavailability of funding from the LIC matching the requirement of funds by Indian Railways for railway projects under EBR-IF may affect the Issuer's asset-liability position. Further, the Issuer has requested the Ministry of Railways to maintain the tenor of lease between it and the Ministry of Railways corresponding to the tenor of borrowing for railway projects. In the event of a mismatch between the tenor of the loans to the Ministry of Railways and that of the bonds issued/ loans raised by the Issuer for financing railway projects, the Issuer's results of operations and financial condition may be adversely affected.

The Issuer is currently exempt from provisioning requirements in respect of deferred tax asset or deferred tax liability, however, there can be no assurance that the Ministry of Corporate Affairs will not withdraw the exemption in the future.

Pursuant to circular S.O. 529 (E) dated 5 February 2018 and subsequent amendment through circular dated 2 April 2018 (collectively, the "**DTL Circulars**") issued by the Ministry of Corporate Affairs, a government company which is engaged in the business of infrastructure finance leasing with not less than 75% of its total revenue being generated from business with government companies or other entities owned or controlled by the Government are exempt from the requirements of provisioning in respect of deferred tax asset or deferred tax liability under accounting standard 22 or Ind AS 12, as the case may be, with effect from 1 April 2017. Subsequently, the Ministry of Corporate Affairs advised the Issuer 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 Issuer has in Fiscal Year 2020 reversed the deferred tax liability of Rs. 64,431.40 million by crediting the retained earnings as of 1 April 2017, being the date of transition to Ind AS. The Issuer's profitability may be adversely affected if any of the DTL Circulars are withdrawn. Further, there can be no assurance that the Ministry of Corporate Affairs will not withdraw the existing exemptions, which may adversely affect the Issuer's business, net worth, financial condition and results of operations.

The Issuer is involved in certain legal proceedings, any adverse developments related to which could materially and adversely affect the Issuer's business, reputation and cash flows. In addition, any finding by any regulatory or investigative agency could have a negative impact on the Issuer.

There are outstanding legal proceedings involving the Issuer which are incidental to the Issuer's business and operations. These proceedings are pending at different levels of adjudication before various courts, tribunals and appellate tribunals. The Issuer cannot assure investors that these proceedings will be decided in its favour or that no further liability will arise out of these proceedings.

If any new developments arise, such as a change in Indian law or rulings against the Issuer by appellate courts or tribunals, it may need to make provisions in its financial statements. Further, such legal proceedings could divert management time and attention and consume financial resources. The Issuer, its directors or its employees may be subject to legal proceedings and to reputational damage which could have a material adverse effect on the Issuer's business. For instance, a former senior management personnel of the Issuer was investigated by the Central Vigilance Commission of India and was suspended pursuant to the orders of the competent authorities. Instances such as this could have an adverse reputational impact on the Issuer and consequently an adverse impact on the Issuer's business.

The Issuer's risk management measures may not be fully effective in mitigating the Issuer's risks in all market environments or against all types of risks, which may adversely affect the Issuer's business and financial performance

The Issuer is exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of the Issuer's risk management is limited by the quality and timeliness of available data. The Issuer's hedging strategies and other risk management techniques may not be fully effective in mitigating its risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets or other matters. This information may not in all cases be accurate, complete, current or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a number of transactions and events.

Although the Issuer has established policies and procedures, these may not be fully effective to accomplish the Issuer's objectives. As the Issuer seeks to expand the scope of its operations, it also faces the risk of failing to develop risk management policies and procedures that are designed for such operations in a timely manner or at all. The Issuer's future success will also depend, in part, on its ability to respond to evolving NBFC sector standards and practices on a cost-effective and timely basis. The development and implementation of standards and practices entails significant technical and business risks. There can be no assurance that the Issuer will successfully adapt to evolving market standards and practices. For further information, see "*Business - Risk Management*". Any inability to develop and implement effective risk management policies may adversely affect the Issuer's business, prospects, financial condition and results of operations.

The Issuer's ability to raise borrowings overseas may be constrained by Indian law

One of the sources of the Issuer's funds is ECBs. As of 30 September 2020, the Issuer had Rs. 250,069.69 million in ECBs denominated in U.S. dollars and Japanese Yen. Further, the Issuer's ability to raise foreign currency borrowings is limited to U.S.$750 million or equivalent per Fiscal Year under the automatic route without the prior approval of the Reserve Bank of India, subject to compliance with parameters and other terms and conditions set out in the external commercial borrowings policy/ framework issued by the Reserve Bank of India. As an Indian company, the Issuer is subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit the Issuer's financing sources and could constrain the Issuer's ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, the Issuer cannot assure investors that the required regulatory approvals for borrowings in foreign currencies will be granted to the Issuer without onerous conditions, if at all. Limitations on raising foreign debt may have an adverse effect on the Issuer's business, financial condition and results of operations.

The Issuer is subject to the ECB Guidelines, including applicable regulations, guidelines and circulars issued by the RBI, which governs all forms of borrowing from non-resident entities other than by the issue of non-convertible debentures in domestic market, affecting the Issuer's ability to freely raise foreign currency borrowings. For instance, under the ECB Guidelines, the Issuer is restricted to borrowing from certain 'recognised lenders' that are defined therein. The borrowings that the Issuer avails are subject to restrictions such as prescriptions on permissible end uses, minimum maturity period specifications and hedging and security requirements. The Issuer is also subject to caps on the maximum amount the Issuer may raise, beyond which the Issuer shall be required to obtain the approval of the RBI for any additional borrowings. Such provisions may affect the Issuer's ability to borrow effectively and on favourable terms. For details, see *"Regulations and Supervision – Regulation of Foreign Investment and External Commercial Borrowings"*.

If the Issuer is unable to manage its growth effectively, the Issuer's business and financial results could be adversely affected

The Issuer's business has grown since the Issuer began operations in 1986. The Issuer's total assets were Rs. 1,614,510.41 million as of 31 March 2018, Rs. 2,064,382.95 million as of 31 March 2019, Rs. 2,755,041.29 million as of 31 March 2020 and Rs. 2,919,865.81 million as of 30 September 2020. The Issuer intends to continue to grow its business, which could place significant demands on the Issuer's financial and other internal risk controls. It may also exert pressure on the adequacy of the Issuer's capitalisation, making management of asset quality increasingly important.

The Issuer's ability to sustain and manage growth depends primarily upon its ability to manage key operational issues, such as its ability to raise funds on acceptable terms and at competitive rates which in turn depends on various factors, including the regulatory environment and policy initiatives in India, lack of liquidity in the market, developments in the international markets affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and the Issuer's current and future results of operations and financial condition. If the Issuer is unable to maintain the quality of its assets, obtain adequate financing or financing on terms satisfactory to it and in a timely manner, the Issuer's ability to grow or support its business and to respond to business challenges could be limited and the Issuer's business prospects, financial condition and results of operations would be materially and adversely affected.

The Issuer's ability to sustain and manage growth is also affected by factors outside of its control, such as GDP growth, changes in regulatory policies, changes in demand for rolling stock by Ministry of Railways and changes in interest rates. The Issuer may not be able to successfully maintain growth rates due to unfavourable changes in any one or more of the aforementioned factors. The Issuer's inability to effectively manage any of these operational issues or react to external factors may materially and adversely affect its business, prospects, financial condition, and results of operations.

The Issuer's cost of borrowings may increase as a result of the Issuer's initial public offering.

The Issuer was wholly owned by the Government prior to its initial public offering, which historically made it eligible for certain benefits, such as, inclusion of offshore issuance of bonds/ notes of USD 500 million and above in the Morgan Stanley Capital International Emerging Markets Bond Index. Rating agencies factor the Issuer's strategic importance to the Ministry of Railways due the ownership by the Government and business with only the Ministry of Railways and other entities owned by the Ministry of Railways which help it obtain credit rating at par with sovereign ratings from domestic and international credit rating agencies. The Issuer believes that these factors enabled it to borrow at competitive rates and terms. The Issuer is required to attain a minimum public shareholding of 25% within three years of listing of its equity shares, in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("**SEBI ICDR Regulations**"). The Issuer's cost of borrowings of may be affected by its initial public offering due to change in risk perception of the investors and rating agencies which may affect the Issuer's results of operations and financial position.

The Issuer is subject to supervision and regulation by the RBI, as a NBFC-ND-SI and Infrastructure Finance Company, and other regulatory authorities and changes in the RBI's regulations and other regulations, and the regulations governing the Issuer or the industry in which it operates could adversely affect the Issuer's business

The Issuer is registered with the Reserve Bank of India as a systemically important non-banking financial company ("**NBFC-ND-SI**") and is classified under the category of an "Infrastructure Finance Company" under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the Issuer is regulated principally by the RBI and is subject to the RBI's guidelines on the regulation of the NBFC-ND-SIs, which includes, among other things, matters related to capital adequacy, exposure and other prudential norms. The RBI also regulates the credit flow by banks to NBFCND-SIs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to the NBFC-ND-SIs.

Earlier, NBFCs which were government companies in terms of the Companies Act, 2013, were exempt from the prudential norms as prescribed by the RBI for NBFCs. This exemption has since been withdrawn with effect from 31 May 2018. However, the RBI has granted exemption to the Issuer from asset classification, provisioning and exposure norms to the extent of its exposure to the Ministry of Railways. Further, the Issuer has been granted exemption by the RBI from credit concentration norms to the extent of 100% of its owned funds for its exposure to railway entities in which the ownership of the state/central government is at least 51%. Accordingly, the Issuer adheres to the prudential norms prescribed by the RBI for NBFC-ND-SI except its exposure to the Ministry of Railways. The Issuer has decided to follow the asset classification and provisioning norms as provided by the RBI for loans/ leases/ advances to entities other than Indian Railways. The Issuer is also subject to reporting obligations to the RBI. Further, the Issuer is not in compliance with RBI guideline DNBR (PD) CC No.099 dated May 16, 2019 on account of non-appointment of a chief risk officer. Any adverse regulatory views and consequential actions that the Issuer may be required to undertake, may be time consuming and may adversely impact the Issuer's profitability, results of operations and future prospects

The RBI's regulation of NBFC-ND-SIs may change in the future which may require the Issuer to restructure its activities, incur additional costs or could otherwise adversely affect the Issuer's business and financial performance. For instance, the RBI has introduced the NBFC-ND-SI Directions, which are applicable to any NBFC-ND-SI. In order to provide enhanced control, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented.

There can be no assurance that the RBI and/ or the Government will not implement further regulations or policies, including legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, or otherwise take action, that may have an adverse impact on NBFC-ND-SIs. The Issuer cannot assure investors that it will continue to remain exempt from capital adequacy and other prudential norms. Any change in the rules applicable to the Issuer as a NBFC-ND-SI may adversely affect its business, financial condition and results of operations.

The Statutory Auditors have made certain emphasis of matters in the audit reports and observations in the report on 'Other Legal and Regulatory Requirements' relating to the Issuer's historical audited financial statements which may affect its future financial results.

The Statutory Auditors have made certain emphasis of matters in the audit reports for the six months ended 30 September 2019 and 2020. These are in relation to reconciliation and confirmation of the 'amounts payable to the Ministry of Railways – Leased Assets' and claim of GST input tax credit. The Statutory Auditors have also made certain observations in their report on 'Other Legal and Regulatory Requirements' as required by the Companies (Auditor's Report) Order, 2016, to the Issuer's audited financial statements for Fiscal Years 2018, 2019 and 2020 and for the six months ended 30 September 2019 and 2020. These observations are in relation to, amongst others, the records of the fixed assets not including the particulars of the fixed assets leased to the Ministry of Railways, no physical verification being carried out for the leased fixed assets and the sale/ transfer deed of office building yet to be executed in favour of the Issuer.

There can be no assurance that the Statutory Auditors will not include such emphasis of matters in the audit reports or such observations in their report on 'Other Legal and Regulatory Requirements' relating to the Issuer's audited financial statements in the future, or that such emphasis of matters and observations will not affect the Issuer's financial results in future fiscal periods. Investors should consider these remarks in evaluating the Issuer's financial condition, results of operations and cash flows.

The success of the Issuer's business operations is dependent on its senior management team and key management personnel as well as the Issuer's ability to attract, train and retain employees

As of the date of 30 September 2020, the Issuer had 26 employees. The continued success of the Issuer's business operations is attributable to its senior management team and key management personnel. The Issuer believes that the experience of its senior management team has enabled it to experience consistent growth and profitability as well as maintain a robust liquidity and capital position. The Issuer's ability to sustain its growth depends upon its ability to attract and retain key personnel, developing managerial experience to address emerging business and operating challenges. Considering the small size of the Issuer's management team, its ability to identify, recruit and retain its employees is critical. As per the provisions of the Issuer's articles of association, the Ministry of Railways has the right to appoint directors and other Government representatives to its board of directors for such period as may be determined by the Government.

The Issuer may be unable to attract and retain appropriate managerial personnel of its choice. The Issuer may also face attrition of its existing workforce. If the Issuer cannot hire additional qualified personnel or retain them, its ability to expand its business will be impaired and its revenue could decline. Any inability to attract and retain talented employees, or the resignation or loss of key management personnel, or retain the Issuer's existing personnel, may have an adverse impact on its business and future financial performance.

The Issuer's business, financial condition and results of operations may be materially adversely affected by global health epidemics, including the recent COVID-19 outbreak, and the continuing effect of the same cannot be predicted.

An outbreak of a novel strain of coronavirus disease 19 ("**COVID-19**"), was recognised as a pandemic by the World Health Organization, on 11 March 2020. Governments and municipalities across the world instituted measures in an effort to control the spread of COVID-19, including lockdowns, quarantines, shelterin-place orders, school closings, travel restrictions, and closure of non-essential businesses. By the end of March, the macroeconomic impacts became significant, exhibited by, among other things, a rise in unemployment and market volatility.

In order to contain the spread of COVID-19 virus, the Government of India initially announced a 21-day lockdown on 24 March 2020, which, after being subject to successive extensions, is currently being relaxed. In compliance with the lockdown orders announced by the Government of India, the Issuer temporarily closed its office and substantially, all of its employees were compelled to work remotely. The rapid shift to a remote working environment creates inherent productivity, connectivity, and oversight challenges. Governmental restrictions have been inconsistent and it is not clear when a return to worksite locations or travel will be permitted or what restrictions will be in place in those environments. The extent and/ or duration of ongoing workforce restrictions and limitations could impact the Issuer's ability to comply with various reporting requirements to the regulators in a timely manner, among others. In addition, the changed environment under which the Issuer is operating could have an impact on its internal controls over financial reporting as well as its ability to meet a number of its compliance requirements in a timely or quality manner.

On account of COVID-19, the operations of Indian Railways were suspended. The operations were subsequently resumed in a limited manner. The lockdown imposed by the Government of India hampered the activities of the Indian Railways, the development of rolling stock assets and led to delays in development of Project Assets. If the COVID-19 outbreak progresses in ways that continue to disrupt the Issuer's operations or the operations of the Indian Railways including through lockdowns and limited operations and access to business resources, such disruption may impact the growth rate of the Indian Railways and its consequent demand for funding. Accordingly, this would also materially negatively affect the Issuer's operating results for Fiscal Year 2021 and subsequent periods.

With the outbreak of COVID-19, international stock markets began to reflect the uncertainty associated with the slow-down in the global economy. Reduced levels of international travel experienced since the beginning of January, large declines in oil prices and the significant decline in the Dow Jones Industrial Average at the end of February and beginning of March 2020 were largely attributed to the effects of COVID-19. In addition, the 34 widespread lockdowns implemented by various countries since March 2020 had further slowed-down the global economy and disrupted daily operations of most companies. If the spread of COVID-19 continues to limit the level of economic activity globally, and in particular in India, this likely would negatively affect the Issuer's operating results, cash flow and business.

Further, the Issuer's ability to ensure the safety of its workforce and continuity of operations while confirming with measures implemented by the central and state governments in relation to the health and safety of its employees may result in increased costs. For instance, a number of the Issuer's employees contracted COVID-19. In the event other employees or members of the Issuer's management team contract(s) COVID-19, its operations may be adversely affected. Further, in the event any of the Issuer's employees contract COVID-19, the Issuer may be required to quarantine its employees and shut down its office, as necessary. Risks arising on account of COVID-19 can also threaten the safe operation of the Issuer's offices and impact the well-being of its employees. The ultimate impact of such a pandemic will depend on a number of factors, many of which are outside the Issuer's control. These factors include the duration, severity and scope of the pandemic, the impact of the pandemic on economic activity in India and globally, the eventual level of infections in India and the impact of any actions taken by governmental bodies or health organisations (whether mandatory or advisory) to combat the spread of the virus.

The Issuer's inability to maintain Liquidity Coverage Ratio ("LCR") as prescribed in the 'Liquidity Management Framework' issued by the RBI for NBFCs with effect from 1 December 2020 may subject the Issuer to penalties thereby adversely affecting the Issuer's financial performance and business operations.

The RBI has introduced the 'Liquidity Management Framework' which inter-alia mandates all the deposit accepting NBFCs irrespective of their asset size and non-deposit accepting systemically important NBFCs with asset size of Rs. 100 billion and above, to maintain a liquidity buffer in the form of LCR representing high liquid assets from 1 December 2020. In terms of RBI notification titled "Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies" dated 4 November 2019, such NBFCs are initially required to maintain a minimum LCR at 50% of the net cash flows over the next 30 calendar days which will then progressively increase to 100% by 1 December 2024. As of the date of this Offering Circular, the Issuer is not in compliance with the required LCR. On January 7, 2021 the Government of India has sent a letter to RBI requesting an exemption from the aforementioned requirements. In the event the Issuer continues to not comply with the aforementioned requirements or fails to obtain an exemption it may be subject to penalties at the discretion of the RBI that may adversely impact its business, financial condition and results of operations.

The Issuer may fail to obtain certain regulatory approvals in the ordinary course of its business in a timely manner or at all, or to comply with the terms and conditions of its existing regulatory approvals and licences which may have an adverse effect on the continuity of the business and may impede its effective operations in the future

NBFCs in India are subject to strict regulation and supervision by the RBI. The Issuer requires certain regulatory approvals, sanctions, licences, registrations and permissions for operating and expanding its business. In particular, the Issuer requires approval from the RBI for its funding activities and is also required to obtain a loan registration number from the RBI in relation to the Issuer's ECBs. The Issuer may not receive or be able to renew such approvals in the time frames anticipated by it, or at all, which could adversely affect the Issuer's business. If the Issuer does not receive, renew or maintain the regulatory approvals required to operate its business, this may have a material adverse effect on the continuity of the Issuer's business and may impede the Issuer's operations in the future. Further, the approvals that the Issuer has obtained stipulate certain conditions requiring its compliance. If the Issuer fails to obtain any of these approvals or licences, or renewals thereof, in a timely manner, or at all, or to comply with the conditions stipulated thereunder, the Issuer's business may be adversely affected.

In addition to the numerous conditions required for the registration as a NBFC with the RBI, the Issuer is required to maintain certain statutory and regulatory approvals for the Issuer's business. In the future, the Issuer will be required to obtain new approvals for any proposed operations. There can be no assurance that the relevant authorities will issue any of such approvals in the timeframe anticipated by the Issuer or at all. Failure by the Issuer to obtain the required approvals may result in the interruption of the Issuer's operations and may have a material adverse effect on the Issuer's business, financial condition and results of operations.

There may be future changes in the regulatory system or in the enforcement of the laws and regulations including policies or regulations or legal interpretations of existing regulations, relating to or affecting interest rates, taxation, or exchange controls, that could have an adverse effect on non-deposit taking NBFCs. In addition, the Issuer is required to make various filings with the RBI, the ROC and other relevant authorities pursuant to the provisions of RBI regulations, the Companies Act and other regulations. If the Issuer fails to comply with these requirements, or a regulator claims the Issuer has not complied with such requirements, it may be subject to penalties. Moreover, these laws and regulations can be amended, supplemented or changed at any time such that the Issuer may be required to restructure its activities and incur additional expenses in complying with such laws and regulations, which could materially and adversely affect the Issuer's business. In addition, any historical or future failure to comply with the terms and conditions of the Issuer's existing regulatory or statutory approvals may cause it to lose or become unable to renew such approvals. For further details, see "*Regulation and Supervision*".

The Issuer is controlled by the Government, which makes it susceptible to changes to its policies. Further, the Government could require the Issuer to take actions aimed at serving the public interest, which may not necessarily be profitable or financially feasible

The Issuer is controlled by the Government acting through the Ministry of Railways. The Government exercises significant influence over the Issuer's business policies and affairs and all matters requiring shareholder approval, including the composition of the Issuer's board of directors, the adoption of amendments to the Issuer's Articles of Association, the approval of mergers, strategic acquisitions and joint ventures and the sale of substantially all of the Issuer's assets, and the policies for dividends, lending, investments and capital expenditures. Further, the President of India may from time to time issue directions as may be considered necessary in regard to the exercise and performance of the functions of the Issuer in matters involving national security or substantial public interest.

The Government has control over the decisions requiring adoption by the Issuer's shareholders acting by a simple majority. This concentration of ownership may also delay, defer or even prevent a change in control and may make certain transactions more difficult or impossible without the support of the Government. The interests of the Government with respect to such matters and the factors that it will take into account when exercising its voting rights may not be consistent with and may conflict with the interests of the Issuer's other shareholders.

Pursuant to the Issuer's Articles of Association, the Government may, from time to time, issue such directives or instructions as may be considered necessary in regard to the conduct of the Issuer's business and affairs and may vary and annul any such directive or instruction. The Government will have the power to elect and remove the directors and therefore determine the outcome of most proposals for corporate action requiring approval of the Board or the shareholders, including with respect to the payment of dividends. Under the Issuer's Articles of Association, the Government may issue directives with respect to the conduct of the Issuer's business or its affairs or change in control or impose other restrictions.

In addition, the Government influences the Issuer's operations through various departments and policies. The Issuer's business is dependent, directly and indirectly, on the policies and support of the Government, in many significant ways, including with respect to the cost of the Issuer's capital, the financial strength of the Ministry of Railways, the management and growth of the Issuer's business and overall profitability. Additionally, the Ministry of Railways is also significantly affected by the policies and support of the Government. In particular, given the importance of the Indian Railways to the Indian economy, the Government could require the Issuer to take actions aimed at serving the public interest, which may not necessarily be profitable or financially feasible. Any such actions or directives may adversely impact the Issuer's business, financial condition and results of operation.

The Issuer's indebtedness and the conditions and restrictions imposed by certain of its financing arrangements could restrict its ability to obtain additional financing, raise capital, conduct its business and operations in the manner it desires

Incurring indebtedness is a core requirement of the nature of the Issuer's business, and a large outstanding borrowings portfolio could have significant implications on the Issuer's business and results of operations. As of 30 September 2020, the Issuer's total borrowings and long-term borrowings, (consisting of debt securities and borrowings (other than debt securities)) were Rs. 2,453,493.18 million and Rs. 2,412,301.60 million, respectively. The Issuer will continue to incur additional indebtedness in the future. The Issuer's indebtedness could have several important consequences, including but not limited to the following:

- a portion of the Issuer's cash flow may be used towards servicing of the Issuer's existing debt, which will reduce the availability of the Issuer's cash flow to fund working capital and other general corporate requirements;
- the Issuer's ability to obtain additional financing in the future at reasonable terms may be restricted;
- fluctuations in market interest rates may affect the cost of the Issuer's borrowings, as a portion of the Issuer's indebtedness is at variable interest rates; and
- there could be a material adverse effect on the Issuer's business, prospects, results of operations and financial condition if the Issuer is unable to service its indebtedness or otherwise comply with financial and other covenants specified in the relevant financing agreements.

Some of the financing arrangements entered into by the Issuer include conditions and covenants that require the Issuer to provide notice to, and/or obtain consent from, lenders prior to carrying out certain activities and entering into certain transactions. For example, among others, the Issuer is required to obtain its lenders' consent in instances where (i) the equity shareholding of the Government falls below 51%; (ii) the Issuer changes its capital structure and (iii) the Issuer amends its charter documents. In the event that such consents or waivers are not granted to the Issuer in a timely manner or at all, and if the Issuer does not repay any such loans from lenders from which the Issuer has been unable to obtain required consents by such time, the Issuer would be in breach of the relevant financing covenants.

A failure to observe the covenants under the Issuer's financing arrangements or failure to obtain necessary consents or waives may lead to the termination of the Issuer's credit facilities, acceleration of amounts due under such facilities, trigger cross-default provisions and the enforcement of security provided. There can be no assurance that the Issuer will be able to persuade its lenders to grant extensions or refrain from exercising such rights which may adversely affect the Issuer's operations and cash flows. As a result, the Issuer may have to dedicate a substantial portion of its cash flow from its operations to make payments under such financing documents, thereby reducing the availability of cash for its working capital requirements and other general corporate purposes. Additionally, during any period in which the Issuer is in default, it may be unable to raise, or face difficulties raising, further financing or generate sufficient cash to fund its liquidity requirements. Further, as a result, the Ministry of Railways may have to infuse equity or additional capital.

In addition, the Issuer also have unsecured loans which may be recalled at any time at the option of such lenders. Certain of the Issuer's secured loans may also permit the lenders to recall the loan on demand. Such recalls on borrowed amounts may be contingent upon happening of an event beyond the Issuer's control and there can be no assurance that the Issuer will be able to persuade its lenders to give it extensions or to refrain from exercising such recalls which may adversely affect its operations and cash flows.

In addition, the Issuer may need to refinance all or a portion of the Issuer's debt on or before maturity. The Issuer cannot assure investors that the Issuer will be able to refinance any of its debt on commercially reasonable terms or at all. Occurrence of any of the above contingencies with respect to the Issuer's indebtedness could materially and adversely affect the Issuer's business prospects, financial condition and results of operations.

The Issuer will be required to comply with the provisions of the Ministry of Corporate Affairs to Companies (Share Capital and Debentures) Rules, 2014 that will require it to maintain a certain percentage of non-convertible debentures maturing during the year in specified investments or deposits and any non-compliance with such rules may expose the Issuer to the levy of penalties.

The Ministry of Corporate Affairs has amended the Companies (Share Capital and Debentures) Rules, 2014 by its notifications dated 16 August 2019 and 5 June 2020. In terms of the notification dated 16 August 2019, listed NBFCs registered with the RBI under section 45-IA of the Reserve Bank of India Act, 1934 are exempt from creation of debenture redemption reserve for the non-convertible debentures issued by it , and pursuant to the notification dated 5 June 2020, in the event this type of NBFC has issued non-convertible debentures through an onshore Indian public issue, it is required to maintain a certain percentage of non-convertible debentures maturing during the year in specified investments or deposits. Until 31 March 2019, the Issuer was required to create debenture redemption reserve to the extent of 25% (50% until 31 March 2012) of the value of the bonds raised through public issue by the redemption dates of such bonds. Accordingly, the balance outstanding against bond redemption reserve as of 31 March 2019 amounting to Rs. 57,145.59 million have been transferred to retained earnings. In the event the Issuer does not have adequate funds to maintain investments or deposits to comply with the rules, it may lead to imposition of penalties by the Ministry of Corporate Affairs and impede the Issuer's ability to raise further funds through issuance of NCDs in the domestic capital market. As NCDs have remained an important source of fund raising in the past, it may have adverse impact on the Issuer's business and results of operations. Further, typically the yield on specified investments/ deposits as prescribed by Ministry of Corporate Affairs is lower than the Issuer's weighted average cost of incremental borrowing and margin included as part of lease rentals, in accordance with the Standard Lease Agreement, payable to the Issuer by the Ministry of Railways, which may, therefore, entail built-in losses leading to adverse impact on the Issuer's results of operations and financial performance if it is unable to build in such costs as part of the weighted average cost of incremental borrowing which are included in the lease rentals payable by the Ministry of Railways.

The Issuer's loan agreements in respect of certain offshore borrowings contain 'change of control' provisions that trigger mandatory prepayment in the event the shareholding of the Government in the Issuer falls below 51%.

The Issuer meets a portion of its annual borrowing target mandated by the Ministry of Railways through mobilisation of funds from offshore markets. The senior unsecured debt facility agreements, Euro Medium Term Note programme documents and the Programme documents entered into by the Issuer contain 'change of control' clauses. The clause states that in the event the holding of the Government in the Issuer falls below 51%, the Issuer may be required to redeem the debt prematurely as a result of such change in control.

In the event such clauses are triggered, the Issuer may be exposed to refinancing and liquidity risks. Besides, the Issuer has entered into derivative transactions to hedge foreign currency exchange risk and interest rate risk associated with such borrowings and may be required to be wound-up subjecting the Issuer to incur additional cost towards unwinding charges that may affect its results of operations and financial position if it is unable to recover such costs from the Ministry of Railways.

Fluctuations in the value of the Indian Rupee against other foreign currencies may have a material adverse effect on the Issuer's cost of borrowings.

Changes in currency exchange rates influence the Issuer's results of operations. As of 30 September 2020, ECB constituted 9.90% of the Issuer's borrowings denominated in currencies other than Indian Rupees, most significantly the U.S. Dollar and Japanese Yen. Significant fluctuations in currency exchange rates between the Indian Rupee and these currencies and inter-se such currencies may increase the Issuer's cost of borrowings. Although the Issuer selectively enters into hedging transactions to minimize its currency exchange risks and build in such costs in the weighted average cost of incremental borrowing which are included in the lease rentals payable by the Ministry of Railways, there can be no assurance that such measures will enable the Issuer to avoid the effect of any adverse fluctuations in the value of the Indian rupee against the U.S. dollar, Japanese Yen or other relevant foreign currencies. In the Issuer is unable to build such costs in the weighted average cost of incremental borrowing to the Ministry of Railways, its financial condition and results of operations may be adversely affected.

As a NBFC, the Issuer may be subject to periodic inspections by the RBI. Non-compliance with observations made by RBI during these inspections could expose the Issuer to penalties and restrictions.

The Issuer may be subject to periodic inspections by the RBI to verify correctness or completeness of any statement, information or particulars furnished to the RBI for the purpose of obtaining any information or particulars which the Issuer has failed to furnish on being called upon to do so. In past inspection reports, RBI has, among other things, identified deficiencies in the Issuer's systems and operations such as non-appointment of chief risk officer, negative cumulative mismatch beyond the tolerance limits specified in the Issuer's asset liability management policy, liquidity ratio being less than the comfortable level of one, delay in filing of returns in RBI Portal (COSMOS), the information technology systems and its management being less than adequate for the operations of the Issuer. If the Issuer is unable to resolve such deficiencies to the satisfaction of the RBI, the Issuer's ability to conduct its business may be adversely affected. While, as on the date of this Offering Circular, the RBI has not made any major observations against the Issuer; there can be no assurance that the RBI will not make observations in the future. Imposition of any penalty or adverse findings by the RBI during the ongoing or any future inspections may have an adverse impact on the Issuer's business prospects, financial condition and results of operations.

The Issue has experienced negative cash flows in relation to its operating activities and investment activities in recent years/ periods. If the Issuer does not generate sufficient cash flows from its operations or experience negative cash flows in the future, its results of operations, liquidity and ability to service its indebtedness and fund its operations would be adversely affected

The Issuer has experienced negative cash flows in relation to its operating activities and investment activities in previous years. The net cash generated from operations was Rs. (411,289.35) million, Rs. (621,282.11) million and Rs (106,673.58) million in Fiscal Year 2019, Fiscal Year 2020 and the six months ended 30 September 2020, respectively. The Issuer may, in the future, experience negative cash flows. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially affect the Issuer's ability to operate its business and implement its growth plans.

Further, the Issuer has substantial debt service obligations and contractual commitments and its lease income, available cash and borrowings may not be adequate to meet the Issuer's future liquidity needs. The Issuer cannot assure investors that its businesses will generate sufficient cash flow from operations such that its anticipated revenue growth will be realized or that future borrowings will be available to it under credit facilities in amounts sufficient to enable it to repay its existing indebtedness or fund its other liquidity needs. If the Issuer is unable to service its existing debt, its ability to raise debt in the future will be adversely affected which will have a significant adverse effect on the Issuer's results of operations and financial condition.

The Issuer has exercised the option under section 115 BAA of the Income Tax Act, 1961 and have not made any provision for tax for the current Fiscal Year while foregoing allowances such as unutilised and unexpired MAT credits of the earlier years exposing the Issuer to higher tax provisions if the provisions of section 115BAA of the Income Tax Act, 1961 are amended.

The Issuer has decided to exercise the option permitted under section 115 BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated 20 September 2019. In terms of the aforesaid notification, companies exercising the option under section 115 BAA will be subject to reduced corporate tax rate of 22% (effective tax rate 25.17% after surcharge and education cess). However, certain exemptions/ deductions will have to be foregone. Since the Issuer's taxable income under normal assessment is nil, it will not be required to pay any tax on exercising the option to adopt section 115BAA, the Issuer would also be outside the ambit of section 115JB of the Income Tax Act, 1961. Until now, the Issuer was paying Minimum Alternate

Tax under section 115 JB of the Income Tax Act, 1961. In the event the Issuer has taxable income under normal assessment in future, the Issuer will not be able to avail the foregone MAT credit, leading to higher incidence of tax which may adversely affect the financial performance, results of operations and financial position. Any subsequent change in the extant income tax provisions may enhance the Issuer's tax liability and adversely affect its financial performance and results of operations.

The Issuer faces competition from financial and other institutions in raising funds from the market and may not be able to raise funds on terms beneficial to it

The Issuer faces competition from financial and other institutions aiming to raise funds from the market. The market for raising funds is competitive and the Issuer's ability to obtain funds on acceptable terms, or at all, will depend on various factors including the Issuer's ability to maintain its credit ratings. In addition, since the Issuer is a non-deposit accepting NBFC, it may have restricted access to funds in comparison to banks and deposit taking NBFCs. The Issuer's primary competitors are public sector undertakings, public/private sector banks, financial institutions and other NBFCs. In the event that the terms and conditions of the debt instruments offered by such institutions are more attractive than those offered by the Issuer, the Issuer may not be able to raise debt from the market to the extent and on terms and conditions beneficial to it. If the Issuer is unable to raise such debt, it would lead to an increase in the Issuer's cost of borrowings and thus, potentially affect the Issuer's financial condition and results of operations.

The Issuer has certain contingent liabilities and commitments, and any realization thereof may adversely affect the Issuer's financial condition

The Issuer's financial statements disclosed the following contingent liabilities as per Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets:

As of 30 September 2020:

- Claims against the Issuer not acknowledged as debts (claims by bondholders in the consumer/ civil courts) amounted to Rs. 4.27 million.

- Claims against the Issuer not acknowledge as debt – relating to service matter pending in the Supreme Court - amount not ascertainable.

- The procurement/ acquisition of assets leased out by the Issuer to the Indian Railways is done by Ministry of Railways. As per the lease agreements entered into between the Issuer and the Ministry of Railways, the sales tax/ value added tax liability, if any, on procurement/ acquisition and leasing is recoverable from the Ministry of Railways.

- The Directorate General of GST Intelligence, Chennai, Zonal Unit has served a show cause notice dated 16 April 2019 on the Issuer alleging contravention of provisions of sections 67, 68 and 70 of the Finance Act, 1994 by the Issuer and why service tax of Rs. 26,537.65 million along with interest and penalty be not demanded from the Issuer. The Issuer has submitted reply against the said show cause notice stating that there is no contravention of provisions of any of the above stated sections of the Finance Act, 1994. On 21 October 2020, the Commissioner, CGST, Delhi East, requested comments from the DGGI, Chennai zonal unit and the Issuer is in the process of filing the counter comments to the department.

- The income tax assessments of the Issuer have been completed up to the Assessment Year 2016-17. The disputed demand of tax including interest thereon amounted to Rs. 9.48 million. The Issuer has already filed appeals against these tax demands and the same are pending at various appellate levels. Further, after adjusting the liability amount, refund order for Assessment Year 2016-17 was initiated.

In the event that any of these contingent liabilities materialize, the Issuer's business prospects, financial condition and results of operations may be adversely affected.

The Issuer may not be able to adequately protect its intellectual property rights

The Issuer's ability to compete effectively depends in part upon protection of its intellectual property rights. The Issuer has registered its logo “ ” and its slogans “Bhavishya Path Par” and “Future on track” under class 36 of the Trade Marks Act 1999. Even though the Issuer has obtained registration for these trademarks, it may not always be successful in safeguarding the same from infringement or passing off. Additionally, there can be no assurance that the Issuer will be able to effectively recover damages for any infringement of its trademarks through legal proceedings. Further, there can be no assurance that the Issuer will be able to renew its existing trademark registrations after expiry. To the extent the Issuer is unable to effectively protect its intellectual property, the Issuer's business and goodwill may be adversely affected.

The Issuer's financial performance may be affected in the event of any delay or default by the Ministry of Railways relating to the payment of lease rentals and / or other payments that are due to the Issuer under the terms of the Standard Lease Agreement.

Under the terms of the Standard Lease Agreement, the Issuer is entitled to receive lease rentals (including the value of the rolling stock assets leased by it to the Ministry of Railways in the relevant Fiscal Year) and/ or certain other payments due to the Issuer as specified under the Standard Lease Agreement. Under the current provisioning norms as specified by RBI, and pursuant to the exemption granted by RBI by way of its letter dated 21 December 2018, the Issuer is exempt from the provisioning norms to the extent of its direct exposure to the sovereign. Pursuant to the Standard Lease Agreement, the Ministry of Railways currently pays the semi-annual lease rents in advance. The Standard Lease Agreement does not include any provision where the Issuer can claim any additional amount from the Ministry of Railways in the event of a delay by the Ministry of Railways towards its payment obligations. The Issuer's business, financial performance and cash flows may be adversely affected in the event of any delay or default by the Ministry of Railways relating to the payment of lease rentals and/ or other payments under the terms of the Standard Lease Agreement.

Liabilities arising due to interpretational differences of provisions of GST law on implementation and execution of contracts for construction of railway projects directly between the Issuer and railway contractors would devolve on the Issuer. In case the Issuer is unable to recover such liabilities from the Ministry of Railways its business operations and financial condition may be adversely affected.

The Issuer has implemented various provisions of the Central Goods and Services Tax Act, 2017, State Goods and Services Tax Act, 2017and Integrated Goods and Services Tax Act, 2017. The Issuer's interpretation of applicable provisions may be different from the interpretation of Revenue Department / GST Department of the Government which may result in increase in tax liabilities and interest and penalties thereon. As per the terms of the Standard Lease Agreement, indirect taxes, duties and cess are recoverable from them. Furthermore, for construction of railway projects funded by the Issuer, until now, the Ministry of Railways was its agent for appointment of contractors, overseeing the construction and progress of projects, payment to contractors and other related activities till the completion and leasing of projects to the Ministry of Railways. The Issuer was the undisclosed principal. The construction contracts for projects funded by the Issuer were executed between the Ministry of Railways and the railway contractors. However, with effect from 1 May 2020, the Issuer is the disclosed principal and the Ministry of Railways will act as the agent for all construction contracts for railway projects funded by it. The new contracts would be executed between the Issuer and railway contractors. The contracts for the existing projects funded by the Issuer have been novated in its name. The Issuer has also obtained GST registration in certain states where it has funded such projects and are under implementation. On account of being the principal under such contracts, any civil and criminal liability arising out of disputes with contractors would devolve directly on the Issuer. The Issuer would also be liable for interest and penalties, if any, due to non-compliance of applicable GST and income tax laws on payment to railway contractors by the Ministry of Railways out of funds transferred by the Issuer to them. The Issuer expects that all liabilities will be indemnified by the Ministry of Railways to the Issuer. However, formal agreements in this regard between the Ministry of Railways and the Issuer are yet to be executed. In the event, the Issuer is unable to get the aforesaid agreements executed with the Ministry of Railways or is unable to recover damages, taxes, interest and penalties paid by it, it may adversely affect the Issuer's business, results of operations and financial condition.

The Issuer has entered into certain transactions with related parties in the past and any such transactions or any future related party transactions may potentially involve conflicts of interest, which may adversely affect its business, prospects, financial condition, and results of operation.

The Issuer has entered into certain transactions with related parties, including the Issuer's Promoter and Directors, and may continue to do so in future. In the Fiscal Year 2018, 2019 and 2020 and the six months ended 30 September 2020, the total amount of such related party transactions was Rs. 1,689,453.10 million, Rs. 2,157,343.92 million, Rs. 2,864,950.61 million and Rs. 2,921,538.71 million, respectively

While the Issuer believes that all such transactions are in compliance with applicable laws and are on arms-length basis, there can be no assurance that the Issuer could not have achieved more favourable terms had such transactions not been entered into with related parties, or that it will be able to maintain existing terms in cases where the terms are more favourable than if the transaction had been conducted on arm's length basis. It is likely that the Issuer will enter into other related party transactions in the future. Any future transactions with related parties could potentially involve conflicts of interest. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on the Issuer's business prospects, financial condition and results of operations, including because of potential conflicts of interest or otherwise.

The Issuer has not registered the title documents to its registered and corporate office premises and accordingly the title to the Issuer's office premises may be imperfect

The Issuer has entered into agreements of sale dated 11 April 2002 and 21 November 2002 in respect of the premises where the Issuer's registered and corporate office is located. Pursuant to the terms of the agreements of sale, the Issuer took possession of its registered and corporate office. However, the execution of the sale deed in respect of such premises is pending and is subject to the permission of the Government. Accordingly, the Issuer presently does not hold title to such premises.

In case the sale deed is not executed and the Issuer is required to vacate the premises, the Issuer cannot assure investors whether it will be able to purchase/lease alternative premises on terms favourable to it, which could disrupt the Issuer's business operations.

The Issuer has made certain delayed quarterly filings with the RBI in the recent past and accordingly, it may be subject to action for non-compliance by the RBI. The Issuer may be subject to regulatory actions and penalties for any such past or future non-compliance and the Issuer's business, financial condition and reputation may be adversely affected.

There was a delay in filing the Issuer's quarterly returns (NBFC-ND-SI and ALM returns) with the RBI for the Fiscal Year 2020, in furtherance to the requirements of the Non-Banking Financial Companies (Reserve Bank) Directions 2016 on the RBI Portal (COSMOS) on account of technical / validation problems on the RBI portal. While no action has currently been taken or initiated by RBI in this regard, the Issuer cannot assure investors that no future action will be taken by the RBI or any other regulatory authority for such non-compliance, or that the Issuer will be able to rectify or mitigate any such non-compliances, in a timely manner or at all. Any adverse regulatory views and consequential actions that the Issuer may be required to undertake, may be time consuming and may adversely impact the Issuer's profitability, results of operations and future prospects.

The Issuer has filed an application for adjudication of stamp duty on equity infusions made into the Issuer by the Government from time to time since inception which may expose the Issuer to penalties.

The Issuer has filed application on 24 December 2019, 21 December 2019, 20 December 2019 and 16 April 2019 with the Collectorate of Stamps for adjudication of stamp duty on equity infusions made in the Issuer by Government from time-to-time which is currently pending. The Collectorate of Stamp may invoke the provisions of the Indian Stamp Act and levy penalty for failure to deposit the stamp duty in time on the equity infusions made by the Government in the Issuer from time-to-time since inception which may adversely affect the results of operations and financial position of the Issuer.

Insurance obtained by the Issuer may not adequately protect the Issuer against all losses and could adversely affect the Issuer's business prospects, financial condition and results of operations

The Issuer's insurance policies may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. The Issuer maintains a standard insurance and fire insurance policy for its registered and corporate office which is renewed every year. For further information, see "*The Issuer's Business - Insurance*". There can, however, be no assurance that the terms of the Issuer's insurance policies will be adequate to cover any loss suffered by the Issuer or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. A successful assertion of one or more large claims against the Issuer that exceeds the Issuer's available insurance coverage or changes in the Issuer's insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business prospects, financial condition and results of operations.

The Issuer utilises the services of certain third parties for its operations. Any deficiency or interruption in their services could adversely affect the Issuer's business and reputation

The Issuer engages third party service providers from time to time for services including internal auditing, accounting functions, housekeeping, security and secretarial services. The Issuer's ability to control the manner in which services are provided by third party service providers is limited and it may be held liable on account of any deficiency of services on the part of such service providers. The Issuer cannot assure investors that the Issuer will be successful in continuing to receive uninterrupted and quality services from its third-party service providers. Any disruption or inefficiency in the services provided by the Issuer's third party service providers could affect the Issuer's business and reputation.

System failures or inadequacy and security breaches in computer systems may adversely affect the Issuer's business

In the course of the Issuer's business operations, it collects, processes, stores, uses and otherwise has access to a large volume of information. The Issuer's computer networks and IT infrastructure may be vulnerable to computer hackers, computer viruses, worms, malicious applications and other security problems resulting from unauthorised access to, or improper use of, such networks and IT infrastructure by the Issuer's employees, third-party service providers or even independent third parties. Although the Issuer's security systems have anti-virus software, such malicious attacks or malware related disruptions may jeopardise the security of information stored in and transmitted through the Issuer's IT infrastructure and computer systems. The Issuer may therefore be required to incur significant expenses to protect against the threat of such security breaches and/or to alleviate problems caused by such breaches. Unauthorised access and malware sabotage techniques and systems change frequently and generally are not recognised until launched against a target. The Issuer may be unable to anticipate these techniques or implement adequate preventative measures. Even if the Issuer anticipates these attacks, it may not be able to prevent or counteract such attacks or control the impact of such attacks in a timely manner or at all.

Any security breach, data theft, unauthorised access, unauthorised usage, virus or similar breach or disruption could result in loss or disclosure of confidential information, damage to the Issuer's reputation, litigation, regulatory investigation or other liabilities. Further, the Issuer could be adversely affected if additional legislation or amendments to existing regulations are introduced to require changes in its business practices or if such legislation or regulations are interpreted or implemented in ways that adversely affect its business, financial condition and results of operations.

The Issuer may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose the Issuer to additional liability and harm the Issuer's business or reputation

The Issuer is required to comply with applicable anti-money-laundering and anti-terrorism laws and other regulations in India. Although the Issuer believes that it has adequate internal policies, processes and controls in place to prevent and detect any anti-money laundering activity, there can be no assurance that the Issuer will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions including imposition of fines and other penalties.

The Issuer relies on borrowings from institutional investors and such borrowings are subject to exposure norms prescribed by regulatory authorities and the trading in its non-convertible debentures and bonds may be infrequent, limited or sporadic, which may affect its ability to raise debt financing in future.

The Issuer relies on borrowings from institutional investors through issuance of bonds on a private placement basis. The fact that such institutions are subject to single party, group and sectoral exposure limits imposed by the regulatory authorities, the Issuer's ability to raise funds from these institutions may be limited in future. In addition, the Issuer's bonds and non-convertible debentures are listed on the debt segment of the BSE and NSE. Trading in the Issuer's debt securities has been limited and the Issuer cannot assure you that the debt securities will be frequently traded on the BSE or NSE or that there would be any market for the Issuer's debt securities. Further, the Issuer cannot predict if and to what extent a secondary market may develop for the debt securities or at what price such debt securities will trade in the secondary market or whether such market will be liquid or illiquid.

The Issuer has referred certain accounting matters pertaining to the classification, presentation and disclosures and of certain items in its financial statements to the Expert Advisory Committee ("EAC") of the Institute of Chartered Accountants of India ("ICAI") and in the event of the opinion of EAC, ICAI differs from the classification, presentation and disclosure of these items followed by the Issuer, its financial position may materially differ from its current form.

The Issuer has classified the advance for funding of railway projects pending commencement of the lease as 'Other Financial Assets' in the Issuer's audited financial statements for Fiscal Year 2020 instead of 'Non-Financial Assets' as there exists a contractual arrangement between the Issuer and the Ministry of Railways prior to the commencement of leases after a pre-decided period irrespective of the completion of construction/ development of such assets. These leases qualify as 'Financial Leases' in terms of IND AS-17/ IND AS116, and financial leases fall within the scope of 'Financial Assets', accordingly the Issuer has classified this item as 'other financial assets'. However, based on the advice of the Comptroller & Auditor General of India during the course of their supplementary review of accounts of the Issuer for Fiscal Year 2020, the matter with regard to classification of the aforesaid item has been referred to the EAC of the ICAI for their opinion. Subsequently, our Company has received an expert opinion from ICAI that the classification of the "advance given against railway infrastructure assets to be leased" made by our Company is correct. In the event the opinion of the EAC or a governmental authority disagrees with the classification, presentation and disclosure of the aforesaid item as 'Financial Assets' as is presently followed by the Issuer, the financial position of the Issuer may materially differ from its current form.

The Notes will be effectively subordinated to any of the Issuer's existing and future secured indebtedness to the extent of the value of the collateral securing that indebtedness

The Notes will not be secured by any of the Issuer's assets. As a result, the Notes will be effectively subordinated to the Issuer's existing and future secured indebtedness with respect to the collateral that secures such indebtedness. Approximately 88.85% of the Issuer's domestic borrowing is secured and domestic borrowing makes up approximately 90.01% of the Issuer's overall borrowings, as of 30 September 2020. The effect of this subordination is that upon a default in payment on, or the acceleration of, any of the Issuer's secured indebtedness, or in the event of the Issuer's bankruptcy, insolvency, liquidation, dissolution, reorganisation or other insolvency proceeding, the proceeds from the sale of collateral securing the Issuer's secured indebtedness will be available to pay obligations on the Notes only after all indebtedness secured by collateral has been paid in full. As a result, the holders of the Notes may receive less, rateably, than the creditors of the Issuer's secured indebtedness in the event of the Issuer's bankruptcy, insolvency, liquidation, dissolution, reorganisation or other insolvency proceeding.

The Insolvency and Bankruptcy Code in India may adversely affect the Issuer's ability to pay back creditors

The Insolvency and Bankruptcy Code, 2016 (the "**Bankruptcy Code**") provides for reorganisation and insolvency resolution of corporate persons. The Bankruptcy Code allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a time bound liquidation process. The Bankruptcy Code enables a creditor to file a corporate insolvency and resolution petition ("**CIRP**") against the debtor, including on default in payment of debt by the debtor. Further, in the event the CIRP is admitted by the National Company Law Tribunal against the debtor, the moratorium provisions under the Bankruptcy Code prohibits, among other things, the creation of encumbrances, disposing of assets of the debtor, any action to enforce the security interest of the debtor and the institution or continuation of legal proceedings against the debtor. Pursuant to the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 and Ministry of Corporate Affairs Notification S.O. 4139(E) dated 18 November 2019, only RBI can now commence CIRP against NBFCs with an asset size of at least INR 5 billion. Creditors, including the Noteholders cannot initiate CIRP against the Issuer. Furthermore, a NBFC may commence voluntary liquidation under the Bankruptcy Code with prior RBI permission. If the Bankruptcy Code provisions are invoked against the Issuer, it may adversely affect the Issuer's business, financial condition and results of operations and the Issuer's ability to pay back creditors and enforcement of creditor rights will be subject to the Bankruptcy Code.

Some of the Issuer's records relating to forms filed with the Registrar of Companies are not available. The Issuer cannot assure you that these form filings will be available in the future or that it will not be subject to any penalties imposed by the relevant regulatory authority in this respect.

The Issuer does not have access to certain filings pertaining to certain historical legal and secretarial information. These include, filings required to be made with the regulatory authorities for transactions relating to: (i) the issuance of 499,992 equity shares of the Issuer on 24 December 1986; (ii) the issuance of 300,000 equity shares of the Issuer on 4 August 1987; (iii) the issuance of 200,000 equity shares of the Issuer on 30 September 1987; (iv) the issuance of 600,000 equity shares of the Issuer on 23 March 1989; and (v) the issuance of 720,000 equity shares of the Issuer on 15 November 1989.

Accordingly, the Issuer has relied on other documents, including annual returns and share certificates issued for the above allotments. While the Issuer believes that the forms were duly filed on a timely basis, it has not been able to obtain copies of these documents from the Registrar of Companies, or otherwise. The Issuer cannot assure you that these form filings will be available in the future or that it will not be subject to any penalties imposed by the relevant regulatory authority in this respect.

The Issuer has in this Offering Circular included certain non-GAAP financial measures and certain other selected statistical information related to the Issuer's operations and financial performance. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies

Certain non-GAAP financial measures and certain other statistical information relating to the Issuer's operations and financial performance have been included in this section and elsewhere in this Offering Circular. The Issuer computes and discloses such non-GAAP financial measures and such other statistical information relating to the Issuer's operations and financial performance as the Issuer considers such information to be useful measures of its business and financial performance. These non-GAAP financial measures and other statistical and other information relating to the Issuer's 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 NBFCs and financial services companies.

Some of the information disclosed in this Offering Circular is based on information from industry sources and publications which have not been independently verified by the Issuer

Some of the information disclosed in the "*Risk Factors*", "*Summary*", "*Indian Railways*" and "*Business*" sections of this Offering Circular is based on information from the Indian Railways and certain other industry sources which have not been verified by the Issuer independently. Industry sources and publications generally state that the information contained therein has been obtained from sources considered to be reliable, but their accuracy, adequacy or completeness 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 should not place undue reliance on, or base their investment decision on this information.

The Issuer's statutory auditors have made certain remarks in the Companies (Auditor's) Report Order, 2003 ("CARO") report on 'Other Legal and Regulatory Requirements' relating to its historical audited financial statements which may affect its future financial results

The Issuer's statutory auditors have made certain remarks in their CARO report relating to the Issuer's historical financial statements. These remarks are in relation to the records of the fixed assets not including the particulars of the fixed assets leased to the Ministry of Railways and in relation to no physical verification being carried out for the leased fixed assets.

There can be no assurance that the Issuer's statutory auditors will not include such remarks or emphasis as previously stated in CARO relating to the Issuer's audited financial statements in the future, or that such remarks will not affect the Issuer's financial results in future fiscal periods. Investors should consider these remarks in evaluating the Issuer's financial condition, results of operations and cash flows.

The Government may sell all or part of its shareholding in the Issuer that may result in a change of control of the Issuer

As long as the Government's shareholding in the Issuer equals or exceeds 51.0%, the Issuer will continue to be classified as a government company and will be subject to various regulations, regulatory exemptions and benefits generally applicable to public sector companies in India. As of the date of this Offering Circular, there is no legislation that places a mandatory requirement on the Government to hold a minimum 51.0% shareholding in the Issuer. Therefore, the Government may sell all or part of its shares in the Issuer, which may result in a change in control of the Issuer and which may, in turn, disqualify the Issuer from benefiting from certain regulatory exemptions and other benefits that may be applicable to the Issuer due to the Issuer being a public-sector company. Following the IPO, the Government is expected to hold approximately 86% of the equity share capital of the Issuer.

Risks Relating to India

Public companies in India, including the Issuer, are required to compute Income Tax under the Income Computation and Disclosure Standards ("ICDS"). The transition to ICDS in India is very recent and the Issuer may be negatively affected by such transition

The Ministry of Finance ("**MoF**") has issued a notification dated 31 March 2015 notifying ICDS which creates a new framework for the computation of taxable income. Subsequently, the MoF, through a press release dated 6 July 2016, deferred the applicability of ICDS from 1 April 2015 to 1 April 2016 and these were subsequently applicable from Fiscal Year 2017 onwards and impacted on computation of taxable income from Fiscal Year 2017 onwards. ICDS deviate in several respects from concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. There can be no assurance that the adoption of ICDS will not adversely affect the Issuer's business, results of operations and financial condition.

Significant differences exist between Ind AS and other accounting principles, such as US GAAP, Indian GAAP and IFRS, which may be material to investors' assessments of the Issuer's financial condition

The Issuer has not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Offering Circular, nor does it provide a reconciliation of its financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements included in this Offering Circular will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Offering Circular should accordingly be limited.

Political, economic or other factors that are beyond the Issuer's control may have an adverse effect on the Issuer's business and results of operations

The Issuer's results of operations and financial condition depend significantly on worldwide economic conditions and the health of the Indian economy. Various factors may lead to a slowdown in the Indian or world economy which in turn may adversely impact the Issuer's business, prospects, financial performance and operations.

The Issuer derives revenue from the Issuer's operations in India and the performance and growth of the Issuer's business is significantly dependent on the performance of the Indian economy. There have been periods of slowdown in the economic growth of India. Demand for the Issuer's products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm the Issuer's business, results of operations, financial condition and cash flows. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, and emerging market conditions in Asia also have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit could negatively affect interest rates and liquidity, which could materially and adversely affect the Indian economy and the Issuer's business. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could adversely affect the Issuer's business and results of operations. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which the Issuer operates in general and the Issuer's business in particular and high rates of inflation in India could increase the Issuer's costs without proportionately increasing the Issuer's revenues.

Natural disasters, acts of war, political unrest, epidemics, terrorist attacks or other events which are beyond the Issuer's control, may cause damage, loss or disruption to the Issuer's business and have an adverse impact on the Issuer's business, financial condition, results of operations and growth prospects

The Issuer may face the risk of loss or damage to its properties due to natural disasters, such as snow storms, typhoons and flooding. Acts of war, armed aggression, political unrest, epidemics and terrorist attacks may also cause damage or disruption to the Issuer, the Issuer's employees and/or the Issuer's facilities, any of which could adversely affect the Issuer's sales, costs, overall operating results and financial condition. The potential for war, armed aggression or terrorist attacks may also cause uncertainty and cause the Issuer's business to suffer in ways that the Issuer cannot predict. For instance, in the past, incident of military confrontation between the Indian and Pakistan air forces had escalated the growing crisis between India and Pakistan. In addition, a numbers of Asian countries, including India, as well as countries in other parts of the world are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. Past occurrences of epidemics have caused different degrees of damage to the national and local economies in India. A recurrence of an outbreak of SARS, avian influenza or any other similar epidemic or a worsening of the current outbreak of COVID-19 pandemic or future outbreaks of COVID-19 could cause a slowdown in the levels of economic activity generally, which may adversely affect the Issuer's business, financial condition and results of operations. In the event any loss exceeds the Issuer's insurance coverage or is not covered by the Issuer's insurance policies, the Issuer will bear the shortfall. In such an event, the Issuer's business, financial condition and results of operations could be adversely affected.

Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in global financial markets across the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and the Issuer. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. The occurrence of any financial disruptions may have an adverse effect on the Issuer's cost of funding, credit card receivables portfolio, business and future financial performance.

Developments in the Eurozone, recessionary economic conditions as well as concerns related to the impact of tightening monetary policy in the United States and a trade war between large economies may lead to increased risk aversion and volatility in global capital markets. For example, following a national referendum in which a narrow majority of voters in the United Kingdom elected to withdraw from the European Union, the government of the United Kingdom has now formally decided to withdraw from the European Union.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. However, the overall long-term effect of these and 46 other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on the Issuer's business, financial condition and results of operation.

These developments may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict the Issuer's access to capital. This could have a material adverse effect on the Issuer's business, financial condition and results of operations. Any significant financial disruption in the future could have an adverse effect on the Issuer's cost of funding, business and future financial performance. Adverse economic developments overseas in countries where the Issuer has operations could have a material adverse impact on it.

Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect the Issuer's business, prospects, results of operations and, financial condition

The regulatory and policy environment in which the Issuer operates is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect the Issuer's business, prospects, results of operations and financial condition, to the extent that the Issuer is unable to suitably respond to and comply with any such changes in applicable law and policy.

In addition, the Issuer is subject to tax related inquiries and claims. The Issuer may be particularly affected by claims from tax authorities on account of income tax assessment, service tax and GST that combines taxes and levies by the central and state governments into one unified rate of interest with effect from 1 July 2017.

The Finance Act, 2019 stipulates any sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act, 2019 has also clarified that the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a nondelivery basis is specified at 0.003% of the consideration amount. These amendments were notified on 10 December 2019 and have come into effect from 1 July 2020. As such, there is no certainty on the impact that the Finance Act, 2019 may have on the Issuer's business and operations.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing the Issuer's business, operations and group structure may result in it being deemed to be in contravention of such laws and/or may require the Issuer to apply for additional approvals. The Issuer may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect the Issuer's business, financial condition, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body of administrative or judicial precedent may be time consuming as well as costly for the Issuer to resolve and may impact the viability of the Issuer's current business or restrict its ability to grow its business in the future.

Further, the Issuer could be adversely affected if additional legislation or amendments to existing regulations are introduced to require changes in the Issuer's business practices or if such legislation or regulations are interpreted or implemented in ways that adversely affect the Issuer's business, financial condition and results of operations

Difficulties faced by other financial institutions or the Indian financial sector generally could cause the Issuer's business to suffer

The Issuer is exposed to the risks consequent to being part of the Indian financial sector. This sector in turn may be affected by financial difficulties and other problems faced by Indian financial institutions. Certain Indian financial institutions have experienced difficulties during recent years. Any major difficulty or instability experienced by the Indian financial sector could create adverse market perception, which, in turn, could adversely affect the Issuer's business and financial performance. For instance, towards the end of 2018, defaults in debt repayments by a large NBFC in India, Infrastructure Leasing & Financial Services Limited, which had a significant shareholding from government-owned institutions, led to heightened investor focus around the health of the broader NBFC sector as well as their sources of liquidity. This has led to some tightening in liquidity available to certain NBFCs and, as a result, it has become more difficult for certain NBFCs to renew loans and raise capital in recent times. If any event of similar nature or magnitude affecting the market sentiment surrounding the sector occurs again in the future, it may result in increased borrowing costs and difficulties in accessing cost-effective debt for the Issuer. The Issuer's cost of borrowings is sensitive to interest rate fluctuations which exposes the Issuer to the risk of reduction in spreads, on account of volatility in interest rates. In addition, the Issuer's transactions with these financial institutions exposes it to various risks in the event of default by a counterparty, which can impact it negatively during periods of market illiquidity.

Inflation in India could have an adverse effect on the Issuer's profitability and, if significant, on the Issuer's financial condition

The Indian economy has had sustained periods of high inflation in the recent past which has contributed to an increase in interest rates. High fluctuation in inflation rates may make it more difficult for the Issuer to accurately estimate or control its costs. Continued high rates of inflation may increase the Issuer's expenses related to salaries or wages payable to its employees or any other expenses. There can be no assurance that the Issuer will be able to pass on any additional expenses or that the Issuer's revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on the Issuer's profitability and, if significant, on the Issuer's financial condition.

The laws, regulations and regulatory framework of India are subject to change and may differ from other jurisdictions with which holders of the Notes are familiar and there may be less information available in the Indian markets

Indian laws and regulations may change from time to time and such changes could have an adverse effect on the Issuer's business, financial condition and results of operations. There may be differences between the level of statutes, laws and regulation and monitoring of the Indian markets and the activities of investors, brokers and other participants and that of other markets. As the

Issuer is incorporated under the laws of India, an insolvency proceeding relating to the Issuer, even if brought in another jurisdiction, would likely involve Indian insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of another jurisdiction. SEBI is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations and guidelines on disclosure requirements and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in more developed economies. As a result, investors may have access to less information about the business, results of operations and financial conditions of the Issuer, and those of the competitors that have their securities listed on stock exchanges in India on an on-going basis, than an investor may find in the case of companies subject to reporting requirements of other more developed countries.

Risks Relating to the Structure of a Particular Issue of Notes

A wide range of Notes may be issued under the Programme. Set out below is a description of certain features and risks associated therewith:

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes will generally not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor would generally not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Partly-Paid Notes

The Issuer may issue Notes for which the issue price is payable in more than one instalment. Failure to pay any subsequent instalment on a Partly-Paid Note may result in an investor's loss of its entire investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of such features or other similar related features, such Notes' market values may be even more volatile than the market value for securities that do not include such features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of such Inverse Floating Rate Notes are typically more volatile than the market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate at which the Issuer may elect to convert from a fixed rate to a floating rate, or vice versa. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate may, at any time, be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Index Linked Notes and Dual Currency Notes

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, changes in the prices of securities or commodities, movements in currency exchange rates or other factors (each a "**Relevant Factor**"). In addition, it may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(i) the market price of such Notes may be volatile;

(ii) such Notes may receive no interest;

(iii) the payment of principal or interest may occur at a different time or in a different currency than expected;

(iv) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero;

(v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable will likely be magnified; and

(vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk associated with an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

Risks Relating to the Notes Generally

Noteholders' rights to receive payments are junior to certain tax and other liabilities preferred by law

The Notes are unsecured obligations of the Issuer and will rank junior to certain liabilities preferred by law. In particular, in the event of insolvency, liquidation or winding-up, the Issuer's assets will be available to pay obligations on the Notes only after all of the above liabilities that rank senior to these Notes have been paid. In the event of insolvency, liquidation or winding-up, there may not be sufficient assets remaining, after paying amounts relating to these proceedings, to pay amounts due on the Notes.

There is no public market for the Notes and therefore the investors may not be able to sell their Notes easily

The Notes will be a new issue of securities with no existing trading market. Approval in-principle has been received from the SGX-ST in connection with the Programme and application will be made to the SGX-ST for the listing and quotation of any Notes that may be issued under the Programme and which are agreed, at or prior to the time of issue thereof, to be so listed on the SGX-ST. However, the Issuer cannot make any assurances that the Notes will qualify for listing on the exchanges or that a liquid trading market will develop for the Notes. Though the Notes may be listed on an exchange, the Issuer cannot make any assurances that an active market will develop for the Notes or as to the liquidity of, or the trading market for, the Notes. If an active market does develop, future trading prices of the Notes will depend on many factors, including, among others, prevailing interest rates, the Issuer's financial condition, performance and prospects, political and economic developments in India, and the market for securities similar to the Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

The price of the Notes following the offering may be volatile

The price and trading volume of the Notes may be highly volatile. Factors such as variations in the Issuer's revenues, earnings and cash flows and interest rates, could cause the price of the Notes to change. Any such developments may result in large and sudden changes in the volume and price at which the Notes will trade. There can be no assurance that these developments will not occur in the future.

Notes may not be a suitable investment for all investors

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Modification, waivers and substitution to the Conditions of the Notes may even bind Noteholders who did not vote for the modification, waivers and substitution to the Conditions or attend the Noteholders' meeting

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Bearer Notes with denominations involve integral multiples: definitive bearer Notes

In relation to any issue of Notes in bearer form with denominations consisting of a minimum Specified Denomination (as specified in the applicable Pricing Supplement) plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, holders who, as a result of trading such amounts, hold amounts which are less than the minimum Specified Denominations in their accounts with the relevant clearing systems at the relevant time may not receive definitive Notes in bearer form in respect of such holdings (should such Notes be printed) and would need to purchase a principal amounts of Notes such that their holdings amount to a Specified Denomination.

If definitive Notes in bearer form are issued, holders should be aware that definitive Notes with a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Performance of contractual obligations

The ability of the Issuer to make payments in respect of the Notes may depend upon the due performance by the other parties to the transaction documents of the obligations thereunder including the performance by the Fiscal Agent, Transfer Agent, Registrar, and/or the Calculation Agent of their respective obligations. While the non-performance of any relevant party will not relieve the Issuer of its obligations to make payments in respect of the Notes, the Issuer, in such circumstance, may not be able to fulfil its obligations to the Noteholders and the Couponholders.

Noteholders are exposed to financial risk

Interest payment, where applicable, and principal repayment are set to occur at specified periods regardless of the performance of the Issuer. The Issuer may be unable to make interest payments, where applicable, or principal repayments, under a series of Notes should it suffer serious decline in net operating cash flows.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Redemption of the Notes prior to maturity may be subject to compliance with applicable regulatory requirements, including the prior approval of the RBI

Although the Issuer has the option to redeem the Notes at any time following the occurrence of certain tax events described in the Terms and Conditions of the Notes, there are limitations on the ability of the Issuer to redeem the Notes prior to the date of their maturity including that the prior approval of an authorised dealer bank ("**AD Bank**") or the RBI has been obtained and that any conditions of the RBI, the AD Bank or other relevant Indian authorities may impose at the time of such approval having been satisfied. There can be no assurance that the RBI or the AD Bank will provide such approval in a timely manner or at all.

Change of law could adversely impact the value of any Notes

The Conditions of the Notes are based on English law in effect as of the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular and any such change could adversely impact the value of any Notes affected by it.

If the Global Notes or Global Certificates are held by or on behalf of Euroclear and Clearstream, investors must rely on Euroclear's and Clearstream's procedures for transfer, payment and communication with the Issuer

Notes issued under the Programme may be represented by one or more Global Notes or Global Certificates. Such Global Notes or Global Certificates will be deposited with a common depositary for Euroclear and Clearstream. Except in the circumstances described in the relevant Global Note or Global Certificate, investors will not be entitled to receive definitive Notes or Certificates. Euroclear and Clearstream will maintain records of the beneficial interests in the Global Notes or Global Certificates. While the Notes are represented by one or more Global Notes or Global Certificates, investors will be able to trade their beneficial interests only through Euroclear and Clearstream.

While the Notes are represented by one or more Global Notes or Global Certificates, the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common depositary for Euroclear and Clearstream for distribution to their account holders. A holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of Euroclear and Clearstream to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Certificates.

Holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream to appoint appropriate proxies.

Similarly, holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right under the respective Global Notes or Global Certificates to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon the Direct Rights (as defined and set forth in Annex A of the Global Note or Global Certificates).

Risks related to the Notes which are linked to "benchmarks"

The terms and conditions (described herein) allows for the issuance of Notes that reference certain interest rates or other types of rates or indices which are deemed to be "benchmarks", including LIBOR and the Euro Interbank Offered Rate ("**EURIBOR**"), in particular, with respect to certain floating rate Notes where the Reference Rate (as defined in the Terms and Conditions of the Notes) may be LIBOR, EURIBOR or another such benchmark. The relevant pricing supplement for Notes will specify whether LIBOR, EURIBOR or another such benchmark is applicable.

Benchmarks are the subject of ongoing national and international regulatory reform. Some of these reforms are already effective while others are still to be implemented. Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. For example, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Notes linked to such benchmark (including, but not limited to, floating rate Notes whose interest rates are linked to LIBOR). Any such consequence could have a material adverse effect on the value of and return on any such Notes.

Changes to the administration of an IBOR or the emergence of alternatives to an IBOR, may cause such IBOR to perform differently than in the past, or there could be other consequences which cannot be predicted. The discontinuation of an IBOR or changes to its administration could require changes to the way in which the Rate of Interest is calculated in respect of any Notes referencing or linked to such IBOR. The development of alternatives to an IBOR may result in Notes linked to or referencing such IBOR performing differently than would otherwise have been the case if the alternatives to such IBOR had not developed. Any such consequence could have a material adverse effect on the value of, and return on, any Notes linked to or referencing such IBOR.

Whilst alternatives to certain IBORs for use in the bond market are being developed, outstanding Notes linked to or referencing an IBOR may transition away from such IBOR in accordance with the particular fallback arrangements set out in their terms and conditions. The operation of these fallback arrangements could result in a different return for Noteholders, Receiptholders and Couponholders (which may include payment of a lower Rate of Interest) than they might receive under other similar securities which contain different or no fallback arrangements (including which they may otherwise receive in the event that legislative measures or other initiatives (if any) are introduced to transition from any given IBOR to an alternative rate).

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the following effects on certain "benchmarks" (including LIBOR): (i) discourage market participants from continuing to administer or contribute to the "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark" or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a "benchmark".

Benchmark Events include (amongst other events) permanent discontinuation of an Original Reference Rate. If such Benchmark Event occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser. The Independent Adviser shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate. Another Benchmark Event is one where is a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, the Original Reference Rate is or will be no longer representative of its relevant underlying market or the methodology to calculate the Original Reference Rate has materially changed.] In such a situation, the Independent Adviser appointed by the Issuer shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate, despite the continued availability of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest is likely to result in Notes initially linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form. In addition, the market (if any) for Notes linked to any such Successor Rate or Alternative Rate may be less liquid than the market for Notes linked to the Original Reference Rate.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Independent Adviser, the Conditions provide that the Issuer may vary the Conditions, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

If a Successor Rate or Alternative Rate is determined by the Independent Adviser, the Conditions also provide that an Adjustment Spread will be determined by the Independent Adviser and applied to such Successor Rate or Alternative Rate.

The Adjustment Spread is (i) the spread, formula or methodology which is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body (which may include a relevant central bank, supervisory authority or group of central banks/supervisory authorities), (ii) if no such recommendation has been made, or in the case of an Alternative Rate, the spread, formula or methodology which the Independent Adviser determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate, or (iii) if the Independent Adviser determines that no such spread is customarily applied, the spread, formula or methodology which the Independent Adviser determines and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate, as the case may be.

Accordingly, the application of an Adjustment Spread may result in the Notes performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a "benchmark".

The Issuer may be unable to appoint an Independent Adviser or the Independent Adviser may not be able to determine a Successor Rate or Alternative Rate in accordance with the Conditions.

Where the Issuer is unable to appoint an Independent Adviser in a timely manner or the Independent Adviser is unable to determine a Successor Rate or Alternative Rate before the next Interest Determination Date, the Rate of Interest for the next succeeding Interest Accrual Period will be the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, or, where the Benchmark Event occurs before the first Interest Determination Date, the Rate of Interest will be the initial Rate of Interest.

Applying the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event is likely to result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

Notes are subject to selling restrictions and may be transferred only to a limited pool of investors

Notes can only be issued to and held by investors resident in jurisdictions which are a member of the FATF or a member of a FATF-Style Regional Body and whose securities market regulator is a signatory to the IOSCO's multilateral MoU (Appendix A Signatories) or a signatory to a bilateral Memorandum of Understanding with the SEBI for information sharing arrangements. Additionally, investors should not be residents of a country identified in the public statement of the FATF as: (i) a jurisdiction having strategic Anti-Money Laundering or Combating the Financing of Terrorism deficiencies to which countermeasures apply; or (ii) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies.

Risks Relating to an Investment in INR denominated Notes

INR denominated Notes are subject to exchange rate risks and exchange controls

India maintains a managed floating exchange rate system under which market forces determine the exchange rate for the Rupee. The RBI may, however, intervene in the market to maintain orderly market conditions and limit sharp fluctuations in the exchange rate. Interventions by the RBI have taken the form of transparent measures and have included clearly delineated periods and amounts involved, as well as the explanations for these actions. The RBI's foreign exchange policy objectives include maintaining price stability, promoting and maintaining monetary stability and the convertibility of the Rupee, protecting its international reserves during times of impending or on-going exchange crises or national emergencies.

INR denominated Notes are denominated in Rupees and payable in foreign currency. This entails risks which are not associated with a similar investment in a foreign currency denominated security. Such risks include, without limitation, the possibility of significant changes in the exchange rate between INR and the relevant foreign currency if such currency risk is unhedged by an investor or the possibility of imposition or modification of exchange controls by the RBI. Such risks are usually dependent on various economic and political events over which the Issuer does not have any control. In the past, exchange rates have been volatile and the possibility of such volatility in the future may continue. The risk pertaining to exchange rate fluctuation therefore persists. However, the recent fluctuations in exchange rates are not indicative in nature. If INR depreciates against the relevant foreign currency the effective yield on the INR denominated Notes will decrease below the interest rate of other bonds, and the amount payable on maturity may be less than the investment made by the investors. This could result in a total or substantial loss of the investment made by the investor towards the INR denominated Notes. Rates of exchange between the foreign currency and INR may be significantly varied over time. However, historical trends do not necessarily indicate future fluctuations in rates and should not be relied upon as indicative of future trends. Political, economic or stock exchange developments in India or elsewhere could lead to significant and sudden changes in the exchange rate between INR and the relevant foreign currency.

Furthermore, overseas investors are eligible to hedge the above mentioned exchange rate risk only by way of permitted derivative products with: (i) an AD Bank; (ii) the offshore branches or subsidiaries of Indian Banks; or (iii) branches of foreign banks having a presence in India.

INR "Non-convertibility"

The convertibility of a currency is dependent, *inter alia*, on international and domestic political and economic factors, and on measures taken by governments and central banks. Such measures include, without limitation, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by revaluation or revaluation of a currency, or imposition of exchange controls with respect to the exchange or transfer of a specified currency that would affect exchange rates and the availability of a specified currency. The taking of any one or more of such measures could adversely affect the value of the Notes as well as any amount which may be payable upon redemption of the Notes.

Risks Relating to the Market Generally

The secondary market generally

There is no existing market for any Notes and there can be no assurances that a secondary market for the Notes will develop, or if a secondary market does develop, that it will provide the Noteholders with liquidity of investment or that it will continue for the life of the Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

The market value of any Notes may fluctuate. Consequently, any sale of Notes by Noteholders in any secondary market which may develop may be at prices that may be higher or lower than the initial offering price depending on many factors, including prevailing interest rates, the Issuer's performance and the market for similar securities. No assurance can be given as to the liquidity of, or trading market for, any Notes and an investor in such Notes must be prepared to hold such Notes for an indefinite period of time or until their maturity.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the currency specified in the applicable Pricing Supplement (the "**Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Currency. These include the risk that foreign exchange rates may significantly change (including changes due to devaluation of the Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Currency would decrease (i) the Investor's Currency-equivalent interest on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable foreign exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Further, the Notes may be denominated in Rupees and payable in U.S. dollars. This entails risks which include the possibility of significant changes in the exchange rate between the Rupee and the U.S. dollar if such currency risk is unhedged by an investor or the possibility of imposition or modification of exchange controls by the RBI. Such risks are usually dependent on various economic and political events over which the Issuer does not have any control. Recently, exchange rates have been volatile and such volatility may continue. However, the recent fluctuations in exchange rates are not indicative in nature. If the Rupee depreciates against the U.S. dollar, the effective yield on the Notes may decrease and the amount payable on maturity may be less than the investment made by the investors. This could result in a total or substantial loss of the investment made by the investor in the Notes. Rates of exchange between U.S. dollars and the Rupee may significantly vary over time. However, historical trends do not necessarily indicate future fluctuations in rates, and should not be relied upon as indicative of future trends. Political, economic or stock exchange developments in India or globally could lead to significant and sudden changes in the exchange rate between the Rupee and the U.S. dollar.

Interest rate risk

Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the price of the Notes, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Notes may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

Inflation risk

Noteholders may suffer diminished returns on their investments due to inflation. Noteholders anticipate a rate of return based on expected inflation rates at the time of purchase of the Notes. An unexpected increase in inflation may reduce the actual returns. Conversely, a decrease in inflation rates generally results in lower prices and lower prices may result in a lower credit demand which would have an adverse impact on the Issuer's business and results of operations.

The market value of the Notes may fluctuate

Trading prices of the Notes are influenced by numerous factors, including the operating results, business and/or financial condition of the Issuer, political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer generally. Adverse economic developments, acts of war and health hazards in countries in which the Issuer operates could have a material adverse effect on the Issuer's operations, operating results, business, financial position, and performance.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be suspended, reduced or withdrawn by the rating agency at any time.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Unless otherwise stated, financial information used in this section has been derived from, and should be read in conjunction with the Reviewed Restated Historical Financial Statements of the Issuer as of and for the six months ended 30 September 2019 and 2020 and as of and for the years ended 31 March 2018, 2019 and 2020, included elsewhere in this Offering Circular. The Issuer's Reviewed Restated Historical Financial Statements were prepared under Ind AS and were reviewed by KBDS & Company Chartered Accountants, respectively.

Prospective investors should also read this section in conjunction with the other sections of this Offering Circular, including "Business", "Risk Factors" and "Assets and Liabilities".

This section contains forward-looking statements that involve risks and uncertainties and reflects the Issuer's current views with respect to future events and financial performance. The Issuer's actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth in "Risk Factors". Prospective investors in the Notes are cautioned not to place undue reliance on such forward-looking statements.

Overview

The Issuer is the dedicated market borrowing arm of the Indian Railways. Its primary business is financing the acquisition of rolling stock assets and project assets of the Indian Railways and lending to other entities under the Ministry of Railways. The Ministry of Railways is responsible for the acquisition of rolling stock and for the improvement, expansion and maintenance of railways infrastructure. The Issuer is responsible for raising the finance necessary for such activity. Over the last three decades, the Issuer has played a significant role in supporting the capacity enhancement of the Indian Railways by financing a significant proportion of its annual plan outlay.

The Issuer is majority-owned by the Government acting through the Ministry of Railways. The Issuer is registered with the RBI as a NBFC and is classified under the category of an "Infrastructure Finance Company" under Section 45-IA of the Reserve Bank of India Act, 1934. The Issuer was notified as a "Public Financial Institution" under the Companies Act through a notification dated 8 October 1993 issued by the Ministry of Corporate Affairs.

The Issuer follows a financial leasing model for financing the rolling stock assets and project assets of the Indian Railways. The period of lease with respect to rolling stock assets is typically 30 years comprising a primary period of 15 years followed by a secondary period of 15 years. In terms of the leasing arrangements, the principal amount and interest (the cost of funds) pertaining to the leased assets is effectively payable during the primary 15-year lease period, along with a margin agreed each year between the Ministry of Railways and the Issuer. For the second 15-year period, the Issuer charges the Indian Railways a nominal rate which is subject to revision on mutually acceptable terms. At the end of the lease period of 30 years, the relevant leased assets may be transferred to the Indian Railways, if requested by the Indian Railways, also at a nominal price. The lease periods for funding project assets for the Indian Railways are also 30 years, and follow a similar model as for rolling stock.

In Fiscal Years 2017, 2018, 2019 and 2020 (revised estimate), the Issuer was responsible for financing 72%, 93%, 84% and 76%, respectively, of the rolling stock purchased by us and leased to the Ministry of Railways (*Source: Ministry of Railways*). The total value of rolling stock assets financed by the Issuer up to 31 March 2018, 2019, 2020 and 30 September 2020 since commencement was Rs. 1,699,890 million, Rs. 1,940,440 million, Rs. 2,238,107.84 million and Rs. 2,346,271.68 million, respectively, while the value of rolling stock assets financed in Fiscal Year 2018, Fiscal Year 2019, Fiscal Year 2020 and in the six months ended 30 September 2020 was Rs. 186,698.60 million, Rs. 240,550.85 million, Rs. 335,441.09 million and Rs. 108,163.84 million, respectively.

The following table sets forth certain information on the rolling stock assets financed by the Issuer since commencement of its business until 30 September 2020:

Rolling Stock Assets	Assets financed up to 31 March 2018 since commencement of business	Assets financed in Fiscal Year		Assets financed in six months ended 30 September 2020	Total assets financed up to 30 September 2020
		2019	2020		
Locomotives	9,643	707	982	338	11,670
Passenger coaches	51,772	5,598	7,278	1,955	66,603
Freight wagons	220,746	9,069	11,245	3,842	244,902

Cranes and track machines	85	Nil	Nil	Nil	85

In addition, the Issuer has also extended debt financing, in the past, to other entities under the administrative control of the Ministry of Railways, consistent with its objective of being the principal source of finance for the Indian Railways. The Issuer has in the past financed entities, including RVNL, Railtel Corporation of India Limited, Konkan Railway Corporation Limited and Rail Land Development Authority and Ircon. As of the date of this Offering Circular such loans have been repaid to the Issuer.

At the beginning of each Fiscal Year, the Ministry of Railways provides the Issuer with its target fund requirement based on its planned capital expenditure, which the Issuer meets by raising funds through various sources including the issue of taxable bonds in India, term loans from banks/financial institutions, 54EC capital gain bonds, external commercial borrowings including bonds and syndicated loans, internal accruals, asset securitisation and lease financing.

For all the rolling stock assets acquired during a financial year by the Indian Railways, the Issuer enters into a lease agreement with the Ministry of Railways following the close of each respective Fiscal Year. Lease rentals include the Issuer's capital recovery, the cost of borrowing and a certain margin agreed between the Issuer and the Ministry of Railways.

The Issuer's revenue from operations was Rs. 92,069.65 million in Fiscal Year 2018, Rs. 109,873.54 million in Fiscal Year 2019, Rs. 134,210.17 million in Fiscal Year 2020 and Rs. 73,831.20 million in the six months ended 30 September 2020. The Issuer's profit after tax was Rs. 20,014.6 million in Fiscal Year 2018, Rs. 21,399.33 million in Fiscal Year 2019, Rs. 31,920.96 million in Fiscal Year 2020 and Rs.18,868.41 million in the six months ended 30 September 2020. The Issuer's loan assets, which includes lease receivables, advances for funding of railway projects and loans to railway entities, were Rs. 1,545,346.66 million as of 31 March 2018, Rs. 2,009,373.33 million as of 31 March 2019, Rs. 2,661,369.90 million as of 31 March 2020 and Rs. 2,780,075.92 million as of 30 September 2020. Annual disbursements to the Ministry of Railways was Rs. 367,222.50 million in Fiscal Year 2018, Rs. 525,351.85 million in Fiscal Year 2019, Rs. 713,920.69 million in Fiscal Year 2020 and Rs. 190,163.84 million in the six months ended 30 September 2020. The Issuer's capital adequacy ratio was 320.58% as of 31 March 2018, 347.14% as of 31 March 2019, 395.39% as of 31 March 2020 and 433.92% as of 30 September 2020. As of 30 September 2020, the Issuer did not have any non-performing assets.

The Issuer has received the highest credit ratings from CRISIL – AAA, ICRA – ICRA (AAA) and CARE – CARE AAA. In June 2020, Moody's has downgraded the Issuer's rating from Baa2 (Stable) to Baa3 (Negative) citing its credit profile to be inseparable from India as sovereign. Other ratings remain at BBB- (Stable) by Standard and Poor's, BBB- (Negative) by Fitch and BBB+ (Stable) by Japanese Credit Rating Agency which are on par with India's sovereign ratings.

Recent Developments

The Issuer filed a prospectus dated 22 January 2021 with the Registrar of Companies for the purposes of conducting an initial public offering ("**IPO**"). Pursuant to the IPO, the Government of India's shareholding is expected to decrease from 100% to approximately 86%. Further, as per SEBI guidelines, the minimum public shareholding must be 25% within three years of listing. The IPO is expected to complete on 28 January 2021 and the listing of the Issuer's equity shares on BSE Limited and the National Stock Exchange of India Limited is expected to take place on 29 January 2021. For associated risks, see "*Risk Factors - On 12 January 2021, the Issuer launched an initial public offering. Once the Issuer becomes a public company, the Issuer will be subject to additional regulations and scrutiny, which may have an adverse impact on the business of the Issuer"* and *"Risk Factors— The Issuer's cost of borrowings may increase upon completion of the initial public offering."*

Basis of Presentation of Financial Information

Prior to 1 April 2018, the Issuer prepared its financial statements in accordance with the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013, as applicable ("**Indian GAAP**"). The Issuer transitioned to the Indian Accounting Standards as prescribed under Section 133 of Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "**IAS Rules**", and such accounting standards, "**Ind AS**") on 1 April 2018 (with an effective transition date of 1 April 2017 for the purposes of preparation of comparative financial information in respect of the previous year) pursuant to the IAS Rules and the Roadmap for Non-Banking Finance Companies dated 18 January 2016 issued by the Ministry of Corporate Affairs, Government of India. Ind AS is intended to align Indian GAAP further with the International Financial Reporting Standards as adopted by the International Accounting Standards Board ("**IFRS**").

Accordingly, the Issuer's financial statements included in this Offering Circular and reviewed by the Issuer's statutory auditors, were prepared in accordance with Ind AS (together, the "**Ind AS Financial Statements**").

The Ind AS Financial Statements differ in certain significant respects from financial statements prepared under Indian GAAP due to changes in financial reporting requirements arising from new standards and the use of one or more optional exemptions from full retrospective application of certain accounting principles permitted under Ind AS 101. For a summary of the significant qualitative differences between Indian GAAP, IFRS and Ind AS, as applicable to us, see the section *"Summary of Certain Differences among IFRS and Ind AS"*.

The financial information as at and for the six months ended 30 September 2020 and 30 September 2019 and the Fiscal Years ended 2020, 2019 and 2018 included in this Offering Memorandum has been derived from the Reviewed Restated Historical Financial Statements. The Reviewed Restated Historical Financial Statements have been prepared by the Issuer on the basis of previously audited financial statements as at and for the six months ended 30 September 2020 and 30 September 2019 and as at and for the Fiscal Years 2020, 2019, 2018, adjusted for (i) changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2020, 31 March 2019 and 31 March 2018 and the six month periods ended 30 September 2020 and 30 September 2019 following a detailed reconciliation of various Ministry of Railways ledgers in its books of accounts and (ii) Ind AS adjustments to the audited financial statements as at and for the year ended 31 March 2018 previously prepared under Indian GAAP. As a result of the detailed reconciliation mentioned under (i), the Issuer made prior period adjustments in the total amount of Rs. 7,071.18 million, out of which Rs. 844.02 million, Rs. 5,003 million, Rs. 1,462.42 million and Rs. 605.49 million pertain to the financial periods ending 30 September 2019, 31 March 2020, 31 March 2019 and 31 March 2018, respectively. These adjustments lead to a total reduction in retained earnings of Rs. 6,626.82 million and decreases in amount recoverable from Ministry of Railways on account of exchange rate variation of Rs. 6,242.29 million and other payables of Rs. 0.06 million as well as increases of tax refund receivable of Rs. 444.36 million and interest accrued but not due on borrowings of Rs. 828.95 million.

Please refer to "*—Results of Operations—Six months ended 30 September 2020 as compared to six months ended 30 September 2019*" and Annexure VII of the Reviewed Restated Historical Financial Statements for further information.

Factors Affecting Results of Operations and Financial Condition

Certain factors that have significantly affected, and which may continue to have a significant impact on, the Issuer's financial performance, financial condition and cash flows include the following:

Access to funds

The Issuer's results of operations significantly depend on its ability to obtain adequate funding and access to funds for the financing the acquisition of rolling stock assets and project assets of the Indian Railways and lending to other entities under the Ministry of Railways. As a systemically important non-deposit accepting NBFC, the Issuer does not have access to savings and current deposits, and the Issuer's liquidity and ongoing profitability are, in large part, dependent upon its timely access to, and the costs associated with, raising funds. The Issuer's funding requirements historically have been met from a combination of borrowings such as from issuances of non-convertible debentures in the domestic market, issuance of 54EC capital gain bonds, Rupee term loans from banks and national small savings funds administered by the Ministry of Finance, external commercial borrowings etc.

The global and Indian capital and lending markets are, by nature, highly volatile and access to liquidity can, at times, be significantly reduced. Moreover, towards the end of calendar year 2018, defaults in debt repayments by a large NBFC in India, Infrastructure Leasing & Financial Services Limited, which had a significant shareholding from government owned institutions, led to heightened investor focus around the health of the broader NBFC sector as well as their sources of liquidity. This has led to some tightening in liquidity available to certain NBFCs and, as a result, it has become generally more difficult for NBFCs to renew loans and raise capital in recent times. If any event of similar nature and magnitude occurs again in the future, it may result in increased borrowing costs and difficulty in accessing debt in a cost-effective manner.

Regulatory developments may likewise affect the Issuer's ability to access funds. The Issuer is subject to supervision and regulation by the RBI as a non-deposit taking systemically important NBFC. The Issuer largely depends on institutional funding such as issuance of bonds through private placement and Rupee term loans from banks to meet the Issuer's funding requirements. Since financial institutions such as banks, insurance companies are subject to single / group exposure limits fixed by the regulators for such institutions, the Issuer's ability to raise large funds from such institutions on a sustainable basis is constrained. Besides, the RBI India has fixed a limit of U.S.$750 million for ECBs through the automatic route. For ECBs exceeding U.S.$750 million, the Issuer is required to obtain prior RBI approval for such borrowing.

Furthermore, funding from LIC, which is the largest public sector life insurance company of Indian railway projects has been constrained due to exposure limit as per the Insurance Regulatory Development Authority of India guidelines. Even though the LIC had committed the entire budgeted amount for funding of the Issuer's railways projects through institutional finance ("**EBR-IF**") during the five-year period from Fiscal Year 2016 to Fiscal Year 2020, as of 30 September 2020, the Issuer managed to secure only 17.39% of the total funding made available under the EBR-IF route.

Volatility in interest rates

The Issuer's operations are susceptible to interest rate movements. Interest rates are sensitive to many factors which are beyond the Issuer's control, including the RBI's monetary policies fiscal deficit, borrowings from the Government base rates of the Issuer's lenders, India's GDP growth rate, domestic and international economic and political conditions, inflation and other factors. The Issuer is exposed to interest rate risks. In addition, global economic growth, monetary policies of international central banks and geo-political developments also affect interest rates. Interest rate volatility affects the Issuer's results of operations to the extent that the Issuer may be required to refinance the Issuer's borrowings. Any risk due to interest rate adjustment at the time of such refinancing is a cost to the Issuer. While under the terms of the Standard Lease Agreement, the Issuer is able to pass through any interest rate volatility to the Ministry of Railways which is either built into its average cost of incremental borrowings or is transferred to the Ministry of Railways, in order to minimise such risks, the Issuer also enters into hedging arrangements with respect to such interest rate risks.

Performance of the Indian Economy

The Indian economy is the third largest economy in the world in terms of gross domestic product ("**GDP**") at purchasing power parity ("**PPP**") exchange rates, with an estimated GDP, in PPP terms for 2019 of U.S.$9.61 trillion. *(Source: World Development Indicators database, World Bank).* As of 2019, India had the world's second largest population, estimated at 1.37 billion people *(Source: United Nations, Department of Economic and Social Affairs, Population Division (2019). World Population Prospects 2019: Highlights (ST/ESA/SER.A/423)).* India is developing into an open-market economy. Economic liberalisation measures including industrial deregulation, privatisation of state-owned enterprises and reduced controls on foreign trade and investment began in the 1990s and have accelerated India's growth which averaged nearly 7% per annum between 1997 to 2017 *(Source: CIA World Factbook, 2019)*. India's consumer price index inflation has fallen from 3.6% in Fiscal Year 2018, to 3.4% in Fiscal Year 2019 and risen to 4.8% in Fiscal Year 2020 *(Source: RBI Annual Report 2019-20).* The fiscal deficit as per cent of GDP in Fiscal Years 2018, 2019 and 2020 was 3.4%, 3.8% and 4.6%, respectively. The budget estimate for Fiscal Year 2021 stands at 3.5% *(Source: RBI Annual Report 2019-20).*

The Indian economy with a GDP at constant prices (2011-12) for Fiscal Year 2020 is now estimated to attain a level of Rs. 145,66 billion. 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 20192-2020 dated May 29,*
2020, National Statistics Office, Ministry of Statistics & Programme Implementation, Government of India).
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 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*)

The Government announced the Union Budget 2020 – 2021 on 1 February 2020 with a number of proposals in the railway sector. The Union Budget proposed a capital expenditure of Rs. 1,610 billion for the Railways Ministry for Fiscal Year 2021. This is the highest-ever allocation for the Indian Railways, surpassing Fiscal Year 2020's capital expenditure of Rs. 1,480.64 billion. The outlay for Fiscal Year 2021 comprises Rs. 702.50 billion from gross budgetary support, Rs. 75 billion from internal resources and Rs. 832.92 billion from extra budgetary resources. While Rs. 269.71 billion has been allocated for construction of new lines, gauge conversion received Rs. 28.43 billion, doubling Rs. 215.45 billion, rolling stock Rs. 388.98 billion and signalling and telecom received Rs. 16.50 billion. The allocation for passenger amenities has been increased by Rs. 10 billion to Rs. 59.23 billion. *(Source: Ministry of Railways)*

Quality of the Issuer's loan portfolio

As of 30 September 2020, the Issuer's loan assets, consisted of 55.34% of lease receivables primarily in relation to rolling stock assets, 2.25% of loans to RVNL and Ircon, and 42.41% of advances against leasing of project assets. As of 30 September 2020, the Issuer did not have any non-performing assets. Further, the Issuer's financing targets are determined annually by the Ministry of Railways based on the annual planned capital outlay contained in the Union Budget of India for Indian Railways. For Fiscal Year 2021, the Ministry of Railways has provided targets for market borrowings from Issuer for funding of rolling stock assets and project assets, which includes financing of Rs. 293,000 million for rolling stock assets and financing of Rs. 7,000 million for project assets being executed by RVNL and financing Rs. 280,000 million for project assets through institutional finance. In the event the Issuer does not have sufficient funds to redeem bonds or repay term loans owing to inadequate cash flows during the Fiscal Year, the Ministry of Railways is required, under the Standard Lease Agreement, to provide for such shortfall, through bullet payments in advance prior to maturity of the relevant bonds or term loans. Such payments are required to be adjusted in the subsequent lease rentals payable under the respective Standard Lease Agreement. However, since the Issuer's incorporation, the Issuer is yet to take any such support from the Ministry of Railways for mitigating the Issuer's liquidity risk. The Issuer believes that the Issuer is able to maintain the quality of the Issuer's assets as a result of the Issuer's arrangement with the Ministry of Railways.

Tax liability of the Issuer

Current tax

The Issuer has decided to exercise the option permitted under section 115 BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated 20 September 2019. In terms of the aforesaid notification, companies exercising the option under section 115 BAA of the Income Tax Act, 1961 will be subject to reduced corporate tax rate of 22% (effective tax rate 25.17% after surcharge and education cess). However, certain exemptions or deductions will have to be foregone. While previously, the Issuer was paying minimum alternate tax under section 115 JB of the Income Tax Act, 1961 however as the Issuer's taxable income under normal assessment is nil, the Issuer would not be required to pay any tax on exercising the option to adopt section 115BAA of the Income Tax Act, 1961. Furthermore, the Issuer would also be outside the scope of section 115JB of the Income Tax Act, 1961 and accordingly, the Issuer will not be required to pay minimum alternate tax with effect from Fiscal Year 2020. Therefore the Issuer has made no provisions for minimum alternate tax for the six months ended 30 September 2020.

Deferred tax

Deferred tax expense or benefit is recognised on timing differences, which is the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Pursuant to circular S.O. 529 (E) dated 5 February 2018 and subsequent amendment through circular dated 2 April 2018 (collectively, the "**DTL Circulars**") issued by the Ministry of Corporate Affairs, a government company which is engaged in the business of infrastructure finance leasing with not less than 75% of its total revenue being generated from business with government companies or other entities owned or controlled by the Government are exempt from the requirements of provisioning in respect of deferred tax asset or deferred tax liability under accounting standard 22 or Ind AS 12, as the case may be. Until the issuance of the DTL Circulars, the Issuer was making provision for deferred tax liability in terms of the relevant accounting standard. However, pursuant to the DTL Circulars, the Issuer is not required to make any provision for deferred tax from Fiscal Year 2018.

*Goods and Service Tax ("**GST**")*

Pursuant to the GST Council meeting dated 19 May 2017, the services of leasing of assets (rolling stock assets, including wagons, coaches and locos) by the Issuer to the Indian Railways has been exempted from the levy of GST through notification No. 12/2017 (Heading 9973), with effect from 1 July 2017.

Government Policy and Regulation

The Issuer's results of operations and continued growth depend on stable government policies and regulation. The Issuer is majority-owned by the Government of India acting through the Ministry of Railways. The Issuer is registered with the Reserve Bank of India ("**RBI**") as a NBFC and is classified under the category of an "Infrastructure Finance Company" under section 45-IA of the RBI Act, 1934. The Issuer was notified as a "Public Financial Institution" under the Companies Act, 1956 through a notification dated 8 October 1993 issued by the Ministry of Corporate Affairs.

The Issuer is regulated principally by the RBI and is subject to the RBI's guidelines on the regulation of the NBFC-ND-SIs, which includes, among other things, matters related to capital adequacy, exposure and other prudential norms. The RBI also regulates the credit flow by banks to NBFC-ND-SIs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to the NBFC-ND-SIs.

Earlier, NBFCs which were government companies in terms of the Companies Act, 2013, were exempt from the prudential norms as prescribed by the RBI for NBFCs. This exemption has since been withdrawn with effect from 31 May 2018. However, the RBI has granted exemption to the Issuer from asset classification, provisioning and exposure norms to the extent of its exposure to the Ministry of Railways. Furthermore, the Issuer has been granted exemption by the RBI from credit concentration norms to the extent of 100% of net owned funds for the Issuer's exposure to railway entities in which the ownership of the State or Central Government is at least 51%. Accordingly, the issuer has been complying with the prudential norms prescribed by the RBI for NBFC-ND-SI except its exposure to sovereign, being the Ministry of Railways. Furthermore, the Issuer has decided to follow the asset classification and provisioning norms as provided by the RBI for loans, leases or advances to entities other than the Indian Railways, except for the requirement of provisioning on standard assets.

Additionally, until 31 March 2019, the Issuer, being a government-NBFC, was exempted from the creation and maintenance of reserve fund as per section 45-IC of the RBI Act, 1934. However, the said exemption was withdrawn by the RBI through notification no. DNBR (PD) CC.NO.092/03101/2017-18 dated 31 May 2018. Accordingly, the Issuer's reserve fund complies with the requirements of section 45IC of RBI Act, 1934, wherein at least 20% of net profit every year is required to be transferred, before the declaration of dividend.

The Ministry of Corporate Affairs amended the Companies (Share Capital and Debentures) Rules, 2014 by its notifications dated 16 August 2019 and 5 June 2020. The notification dated 16 August 2019 exempts NBFCs registered with the RBI under section 45-IA of the RBI Act, 1934 from the creation of a debenture redemption reserve. Pursuant to the notification dated 5 June 2020, in the event this type of NBFC has issued non-convertible debentures through an onshore Indian public issue, it is required to maintain a certain percentage of non-convertible debentures maturing during the year in specified investments or deposits.

The RBI's regulation of NBFC-ND-SIs may change in the future which may require the Issuer to restructure the Issuer's activities, incur additional costs or otherwise affect the Issuer's business and financial performance. Any change in the regulatory framework affecting NBFCs and in particular those requiring to maintain certain financial ratios, placement restrictions on securitisation, accessing funds or lending to financial institutions among others, could affect the Issuer's results of operations and growth.

Standard Lease Agreement

After the end of every Fiscal Year, the Issuer enters into a Standard Lease Agreement with the Ministry of Railways based on the standard terms. The Standard Lease Agreement provides for the lease of rolling stock assets delivered into service during the financial year and the repayment, over a 15 year period, of the principal with an internal rate of return on the lease fixed at a margin determined between the Issuer and the Ministry of Railways over the average cost of incremental borrowings, which includes the Issuer's costs to hedge currency exchange and interest rate fluctuations. The Standard Lease Agreement is applicable with effect from the commencement of the financial year in which the relevant rolling stock assets was delivered into service. The lease rentals are payable on a half-yearly basis in advance. The Standard Lease Agreement includes detailed information of the rolling stock assets acquired as well as the lease rentals payable by the Ministry of Railways to the Issuer. Lease rentals include the Issuer's capital recovery, the average cost of incremental borrowings (which includes the Issuer's costs to hedge currency exchange and interest rate fluctuations) and a certain margin agreed between the Issuer and the Ministry of Railways. Furthermore, 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 Agreement with the Ministry of Railways from year to year. The Ministry of Railways charges interest on the value of the assets identified prior to the payments made by Issuer, 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 Ministry of Railways. However, no interest is charged from the Ministry of Railways on the amount paid by the Issuer prior to identification of rolling stock by them.

Under the provisions of the Standard Lease Agreement, financial risks including interest rate and exchange rate variation risk are either built into the average cost of incremental borrowings or are transferred to the Ministry of Railways allowing the Issuer to earn a fixed margin over the life of the lease. Risks arising from damage to rolling stock as a result of natural calamities and accidents is also passed on to the Ministry of Railways. Liquidity risk for the Issuer is also minimised as the Ministry of Railways is required to make good any shortfall in the funds required by the Issuer to redeem bonds issued on maturity or to repay the term loans. If the terms of the Standard Lease Agreement were to change in a manner where the Issuer is unable to pass on such risks to the Ministry of Railways or alternatively, if the Ministry of Railways does not enter into the Standard Lease Agreement with the Issuer in future, the Issuer's results of operation and financial condition may be adversely affected.

Competition

The Issuer faces increasing competition from public and private sector commercial banks and from other financial institutions that provide funding to other public sector entities under administrative control of the Indian Railways. The Issuer's competitors may have access to greater and cheaper sources of funding than the Issuer does. Competition in the Issuer's industry depends on, among other factors, the ongoing evolution of Government policies, the entry of new participants into the industry and the extent to which there is consolidation among banks, financial institutions and NBFCs in India. The Issuer's primary competitors are public sector infrastructure finance companies, public sector banks, private banks (including foreign banks), financial institutions and other NBFCs. In addition, since the Issuer is a non-deposit accepting NBFC, it may have restricted access to funds as compared to banks and deposit-taking NBFCs. Issuer's ability to compete effectively is dependent on its ability to maintain a low effective cost of funds. With the growth of the Issuer's business, the Issuer is dependent on funding from the equity and debt markets and commercial borrowings. The market for such funds is competitive and the Issuer's ability to obtain funds on acceptable terms, or at all, will depend on various factors including the Issuer's ability to maintain its credit ratings.

Certain Significant Accounting Policies under Ind AS

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

The 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.

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 17, and measurements that have some similarities to fair value but are not fair value.

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 and 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 Issuer 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.

d) Income taxes

Significant estimates are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

Revenue

Issuer's revenues arise from lease income, interest on lease advances, 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.

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Issuer 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 Issuer 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 Issuer, and the amount of the dividend can be measured reliably.

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.

Employee Benefits

Defined contribution plan

A defined contribution plan is a plan under which the Issuer pays fixed contributions into an independent fund administered by the government/Issuer administrated Trust. The Issuer 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 Issuer 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 is in 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.

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 Issuer'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.

The Issuer is exercising the irrecovable option as permitted by section 115BAA of the Income-Tax Act, 2961 wwhereby certain foregoing exemptions, deductions and allowances, the tax rate applicable to the Issuer is lower than the normal tax rate that would have been otherwise applicable to the Issuer. Henceforth, minimum alternate tax (MAT) provisions of section 115JB of the Income-Tax Act, 1961 are not applicable to the Issuer.

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 Issuer does not recognize deferred tax asset or deferred tax liability because as per 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, the provision of accounting standard 22 or Ind AS 12, as the case may be relating to Deferred Tax Assets (DTA) or Deferred Tax Liability (DTL) does not apply to the Issuer with effect from 1 April 2017.

Deferred tax liability of Rs. 64,431.40 million recognised until 31 March 2017 was not reversed and was presented under "Non-Financial Liabilities" in the balance sheet as advised by the Ministry of Corporate Affairs, Government of India. However, based on the Issuer's request the Ministry of Corporate Affairs again examined the matter in consultation with the Accounting Standards Board of the ICAI & National Financial Reporting Authority pursuant to which the Issuer was advised 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 Issuer has during the Fiscal Year 2020, reversed the deferred tax liability of Rs. 64,431.40 million by crediting the retained earnings as at 1 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.

This being retrospective application, therefore in accordance with paragraph 40A of Ind AS 1, Presentation of Financial Statements, the Issuer has presented a third balance sheet at the beginning of the preceding period.

Due to this retrospective application, in the balance sheet for Fiscal Year 2020, the line item 'Deferred Tax Liability' under 'Non-Financial Liabilities' is stated as nil against Rs. 64,431.40 million with a corresponding increase in 'Retained Earnings' under 'Other Equity' as at the end of the period, comparative period and beginning of the comparative period, this retrospectively applied since 1 April 2017. There is no impact on earnings per share either of the current period or the comparative period. The retrospective application has no impact on future periods

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 Issuer 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.

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 Issuer and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Issuer, 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.

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 Issuer borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Issuer 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 general 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.

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.

Provisions, contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Issuer 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 Issuer. 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 Issuer. 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.

Impairment of non-financial assets

The carrying amounts of the Issuer'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.

Leases

Until 31 March 2019, the Issuer had adopted IND AS 17, Leases. In March 2019, the Ministry of Corporate Affairs issued the Companies (Accounting Standards) Amendment Rules, 2019 notifying IND AS 116, Leases and withdrew Ind AS 17, Leases. Ind AS 116 is effective from the accounting periods beginning from 1 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 simiar to the erstwhile standard – i.e., lessors continue to classify leases as finance or operating leases. The Issuer has applied the transition provisions as mentioned in Appendix C to Ind AS 116. There is no financial impact on the Issuer on adoption of Ind AS 116.

At inception of a contract, the Issuer 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.

Issuer as a lessor

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

Leases in which the Issuer 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.

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 Issuer to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Issuer'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.

Issuer as a lessee

At the contract commencement date, the Issuer recognizes right-of-use assets 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 Issuer 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 decribed in paragraphs B3 – B9 of Ind AS 116.

A right of use asset is initially measured at cost and subsequently applies the cost mode i.e., less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of lease liability. Ind AS 116, 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 Issuer'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-substnaces fixed lease payments.

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 Issuer.

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 Issuer. Profit or loss resulting from such assignment is accounted for in the year of transaction.

Leasing of Railway Infrastructure Assets

In terms of Indian Accounting Standard-17, 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 from which the lessee is entitled to exercise its right to use the leased asset. It is the date of initial recognition of the lease.

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'.

Dividends

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

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.

Earnings per share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Issuer 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 Issuer 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.

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'.

Operating Segments

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

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

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.

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 Issuer 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 Issuer 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 Issuer decides to classify the same either as at FVTOCI or FVTPL. The Issuer makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. The Issuer has decided to classify its investments into equity shares of Ircon through FVTOCI.

If the Issuer 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 Issuer 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 Issuer's balance sheet) when:

(a) The rights to receive cash flows from the asset have expired, or

(b) The Issuer 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 Issuer has transferred substantially all the risks and rewards of the asset, or (b) the Issuer 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 Issuer 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 17.

(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 Issuer 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.

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 Issuer'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 Issuer 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 Issuer 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 Issuer 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 derecognition 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 Issuer 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.

Results of Operations

Six months ended 30 September 2020 as compared to six months ended 30 September 2019

Key Developments

- The Comptroller & Auditor General of India (**C&AG**) during the course of their supplementary review of accounts for Fiscal Year 2019 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 Issuer, the C&AG decided to drop the observation. However, as agreed, during the course of discussion with the C&AG, this matter was referred to the Expert Advisory Committee (**EAC**) of the Institute of Chartered Accountants of India (**ICAI**) for an expert opinion. The EAC has since furnished its opinion and upheld the accounting classification of 'advance against the railway infrastructure assets to be leased' as other financial assets currently shown by the Issuer in the financial statements.

- The Issuer in the six months ended 30 September 2020 initiated a detailed reconciliation of various ledgers of Ministry of Railways maintained in its books of accounts. The Issuer noted certain items that required adjustments in financial statements/ information of earlier years as per Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors as set out below.

(in Rs. Million)

Fiscal Year	Impact on profit before tax	Impact under 115JB of the Income Tax Act	Impact on Other Equity as on 31 March 2020
2017 - 2018	(605.49)	129.22	(476.27)
2018 - 2019	(1,462.42)	315.13	(1,147.29)
2019 – 2020 (for the six months ended 30 September 2019	(844.02)	Nil*	(844.02)
2019 – 2020 (from 30 September 2019 to 31 March 2020)	(4,159.25)	Nil*	(4,159.25)
Total 2019 – 2020	(5,003.27)	-	(5,003.27)
Grand Total	**(7,071.18)**	**444.35**	**(6,626.83)**

*The Issuer is opting for taxation under section 115BAA of the Income Tax Act for the Fiscal Year 2020 and onwards. Hence, the provisions of minimum alternate tax under section 115JB of the Income Tax Act are no longer applicable to the Issuer.

These adjustments lead to a total reduction in retained earnings of Rs. 6,626.82 million and decreases in amount recoverable from Ministry of Railways on account of exchange rate variation of Rs. 6,242.29 million and other payables of Rs. 0.06 million as well as increases of tax refund receivable of Rs. 444.36 million and interest accrued but not due on borrowings of Rs. 828.95 million. Please refer to Annexure VII of the Reviewed Restated Historical Financial Statements for further information.

Statement of Profit and Loss for the six months ended 30 September 2019 and 2020

	Six months ended 30 September		
	2019	**2020**	**2020**
	(Rs. millions)		*(U.S.$ millions)*
Particulars			
Revenue from operations			
Interest income	14,034.9	17,167.76	232.63
Net gain on fair value changes			
Net gain on derecognition of financial instruments under amortised cost category			
Dividend income	0	2.32	0.03
Lease income	51,712.78	56,661.12	767.78
Total Revenue from operations	**65,747.68**	**73,831.2**	**1,000.44**
Other income	21.23	17.09	0.23
Total income	**65,768.91**	**73,848.29**	**1,000.67**
Expenses			
Finance Costs	49,373.24	54,409.8	737.27
Net loss on fair value changes	0	0	

	Six months ended 30 September		
	2019	2020	2020
	(Rs. millions)		*(U.S.$ millions)*
Net loss on derecognition of financial instruments under amortised cost category	0	0	
Impairment on financial instruments	0	0	0.29
Employee benefit expense	22.52	26.54	0.36
Depreciation, amortisation and impairment	2.16	2.34	0.03
Other expenses	67.06	541.2	7.33
Total Expenses	**49,464.98**	**54,979.88**	**744.99**
Profit before exceptional items and tax	16,303.93	18,868.41	255.67
Exceptional items			
Profit before tax	**16,303.93**	**18,868.41**	**255.67**
Tax Expenses			
(1) Current tax	0	0	0
(2) Deferred tax	0	0	0
(3) Adjustment for earlier years	0	0	0
Total Tax Expense	0	0	0
Profit for the period from continuing operations	16,303.93	18,868.41	255.67
Profit from discontinued operations			
Tax expense of discontinued operations			
Profit from discontinued operations (after tax)	0	0	0
Profit for the period	**16,303.93**	**18,868.41**	**255.67**
Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans	(0.58)	0.17	0
- Remeasurement of Equity Instrument	(6.55)	4.07	0.05
(ii) Income tax relating to items that will not be reclassified to profit or loss			
(iii) Items that will be reclassified to profit or loss			
(iv) Income tax relating to items that will be reclassified to profit or loss			
- Remeasurement of defined benefit plans	0	0	0
- Remeasurement of Equity Instrument	0	0	0
Subtotal (A)	**(7.13)**	**4.24**	**0.06**
(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)	**0**	**0**	0
Other comprehensive income (A + B)	**(7.13)**	**4.24**	**0.06**
Total comprehensive income for the period (comprising profit (loss) and other comprehensive income for the period)	**16,296.8**	**18,872.65**	**255.73**
Earnings per equity share (for continuing operations)			
Basic (Rs.)	1.74	1.59	0
Diluted (Rs.)	1.74	1.59	0
Earnings per equity share (for discontinued operations)			
Basic (Rs.)	0	0	0

	Six months ended 30 September		
	2019	2020	2020
	(Rs. millions)		(U.S.$ millions)
Diluted (Rs.)	0	0	0
Earnings per equity share (for continuing and discontinued operations)			
Basic (Rs.)	1.74	1.59	0
Diluted (Rs.)	1.74	1.59	0

Six months ended 30 September 2020 compared to six months ended 30 September 2019

Revenue from Operations

Revenue from operations increased by Rs. 8,083.52 million, or 12.29%, to Rs. 73,831.2 million for the six months ended 30 September 2020 from Rs. 65,747.68 million for the six months ended 30 September 2019, driven primarily by an increase in lease income and interest income.

The interest income increased by Rs. 3,132.86 million or by 22.32% from Rs. 14,034.9 million for the six months ended 30 September 2019 to Rs. 17,167.76 million for the six months ended 30 September 2020. Pre-commencement lease – interest income significantly increased by 28.46% from Rs. 11,065.08 million in the six months ended 30 September 2019 to Rs. 14,213.82 million in the six months ended 30 September 2020 primarily on account of additional disbursement of Rs. 346,884 million. Further, the interest on loans increased by 5.68% from Rs. 2,709.92 million in the six months ended 30 September 2019 to Rs. 2,863.95 million in the six months ended 30 September 2020 primarily due to net additional disbursement of loan to RVNL (net of repayment of loans received from RVNL and IRCON) of Rs. 5,909.06 million. This increase was marginally offset by a significant decrease in interest income from deposits from Rs. 237.88 million in the six months ended 30 September 2019 to Rs. 71.03 million in the six months ended 30 September 2020 primarily due to decline in the surplus funds placed with the banks received on account of receipt of the half yearly lease rentals for Fiscal Year 2021 from the Ministry of Railways in October 2020 compared to receipt of the half yearly lease rentals for Fiscal Year 2020 from the Ministry of Railways in September 2019.

Similarly, the lease income increased by Rs. 4,948.34 million corresponding to a 9.57% increase from Rs. 51,712.78 million for the 6 months ended 30 September 2019 to Rs. 56,661.12 million for the six months ended on 30 September 2020, primarily on account of an increase in lease receivables of Rs. 189,242.75 million leased to the Ministry of Railways during these periods.

Other Income

Other income decreased by Rs. 4.14 million or 19.50% to Rs. 17.09 million for the six months ended 30 September 2020 from Rs. 21.23 million for the six months ended 30 September 2019, driven primarily by a reduction in impairment provisions written back against loan to rail entities.

Total Income

As a result of the foregoing, total revenue increased by Rs. 8,079.38 million, or 12.28%, to Rs. 73,848.29 million for the six months ended 30 September 2020 from Rs. 65,768.91 million for the six months ended 30 September 2019.

Finance Costs

Finance costs increased by Rs. 5,036.56 million, or 10.20%, to Rs. 54,409.80 million for the six months ended 30 September 2020 from Rs. 49,373.24 million for the six months ended 30 September 2019, driven primarily by an increase in borrowings to meet the fund-raising target assigned to the Issuer by Ministry of Railways during this period. The interest on debt securities increased by Rs. 10,346.79 million or by 20.98% from Rs. 49,322.11 million for the six months ended 30 September 2019 to Rs. 59,668.9 million for the six months ended 30 September 2020. Further, the interest on borrowings increased by Rs. 6,102.01 million or by 33.02% from Rs. 18,479.11 million for the six months ended 30 September 2019 to Rs. 24,581.12 million for the six months ended 30 September 2020.

Employee Benefits Expense

Employee benefits expense increased by Rs. 4.02 million, or 17.85%, to Rs. 26.54 million for the six months ended 30 September 2020 from Rs. 22.52 million for the six months ended 30 September 2019, driven primarily by an increase in salaries and wages by 34.11% from Rs. 16.74 million in the six months ended 30 September 2019 to Rs. 22.45 million in the six months ended 30 September 2020 primarily on account of increase in employees. This increase was marginally offset by a decrease in contribution to provident and other funds by 25.05% from Rs. 5.19 million in the six months ended 30 September 2019 to Rs. 3.89 million in the six months ended 30 September 2020.

Depreciation and Amortisation Expense

Depreciation and amortization expense increased to Rs. 2.34 million for the six months ended 30 September 2020 compared to Rs. 2.16 million for the six months ended 30 September 2019.

Other Expenses

Other expenses increased by Rs. 474.14 million, or 707.04%, to Rs. 541.20 million for the six months ended 30 September 2020 from Rs. 67.06 million for the six months ended 30 September 2019, driven primarily by an increase in corporate social responsibility expenses. The CSR expenses increased by Rs. 477.20 million or by 1,332.22% from Rs. 35.82 million for the six months ended 30 September 2019 to Rs. 513.02 million for the six months ended 30 September 2020 primarily on account of contribution of Rs. 300 million to the 'PM Cares Fund' and expenditure of Rs. 168.96 million for construction of toilets under the corporate social responsibility programme in the six months ended 30 September 2020.

Total expenses

As a result of the foregoing, total expenses increased/ by Rs. 5,514.9 million, or 11.15%, to Rs. 54,979.88 million for the six months ended 30 September 2020 from Rs. 49,464.98 million for the six months ended 30 September 2019.

Profit before Tax

As a result of the foregoing, profit before tax increased by Rs. 2,564.48 million, or 15.73%, to Rs. 18,868.41 million for the six months ended 30 September 2020 from Rs. 16,303.93 million for the six months ended 30 September 2019.

Tax Expense

The Issuer decided to exercise the option permitted to it under section 115 BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated 20 September 2019. Since the Issuer's taxable income under normal assessment is nil, the Issuer would not be required to pay any tax on exercising the option to adopt section 115BAA of the Income Tax Act, 1961. Furthermore, as the Issuer is outside the scope of section 115JB of the Income Tax Act, 1961. Therefore, no provision for tax has been made in the financial statements in the six months ended 30 September 2020 and 30 September 2019.

Profit for the Period

As a result of the foregoing, profit for the period increased by Rs. 2,564.48 million, or 15.73%, to Rs. 18,868.41 million for the six months ended 30 September 2020 from Rs. 16,303.93 million for the six months ended 30 September 2019.

Fiscal Year 2020 Compared to Fiscal Year 2019

Key Developments

- The Issuer decided to exercise the option permitted to it under section 115 BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated 20 September 2019. Since the Issuer's taxable income under normal assessment is nil, the Issuer would not be required to pay any tax on exercising the option to adopt section 115BAA of the Income Tax Act, 1961. Furthermore, as the Issuer is outside the scope of section 115JB of the Income Tax Act, 1961 the Issuer is not required to pay any minimum alternate tax with effect from Fiscal Year 2020. As a result, no provisions for minimum alternate tax has been made by the Issuer as of the March 31, 2020.

- The Ministry of Corporate Affairs amended the Companies (Share Capital and Debentures) Rules, 2014 by its notification dated 16 August 2019. The notification exempts NBFCs registered with the RBI under section 45-IA of the RBI Act, 1934 from the creation of a debenture redemption reserve.

Statement of Profit and Loss for Fiscal Year 2019 and 2020

	Year ended of 31 March		
	2019	**2020**	**2020**
	(Rs. millions)		*(U.S.$ millions)*
Particulars			
Revenue from operations			
Interest income	17,230.71	27,479.98	372.36
Net gain on fair value changes	0	0	
Net gain on derecognition of financial instruments under amortised cost category	0	0	
Dividend income	5.14	5.92	0.08
Lease income	92,634.69	106,724.27	1,446.15
Total Revenue from operations	109,873.54	134,210.17	1,818.59
Other income	0.01	0.73	0.01
Total income	**109,873.55**	**134,210.90**	**1,818.60**

	Year ended of 31 March		
	2019	2020	2020
	(Rs. millions)		(U.S.$ millions)
Expenses			
Finance Costs	81,830.62	101,626.62	1,377.07
Net loss on fair value changes	0	0	
Net loss on derecognition of financial instruments under amortised cost category	0	0	
Impairment on financial instruments	275.44	21.41	0.29
Employee benefit expense	62.51	62.65	0.85
Depreciation, amortisation and impairment	4.18	4.58	0.06
Other expenses	147.37	574.68	7.79
Total Expenses	**82,320.12**	**102,289.94**	**1,386.06**
Profit before exceptional items and tax	27,553.43	31,920.96	432.54
Exceptional items	0	0	
Profit before tax	27,553.43	31,920.96	432.54
Tax Expenses			
(1) Current tax	0	0	0
(2) Deferred tax	6,154.10	0	0
(3) Adjustment for earlier years	0	0	0
Total Tax Expense	**6,154.10**	**0**	**0**
Profit for the period from continuing operations	**21,399.33**	**31,920.96**	**432.54**
Profit from discontinued operations	0	0	0
Tax expense of discontinued operations	0	0	0
Profit from discontinued operations (after tax)	0	0	0
Profit for the period	**21,399.33**	**31,920.96**	**432.54**
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans	(2.71)	(0.35)	0
- Remeasurement of Equity Instrument	3.79	(5.17)	(0.07)
(ii) Income tax relating to items that will not be reclassified to profit or loss	0	0	0
(iii) Items that will be reclassified to profit or loss	0	0	0
(iv)Income tax relating to items that will be reclassified to profit or loss	0	0	0
- Remeasurement of defined benefit plans	0.58	0	0
- Remeasurement of Equity Instrument	0	0	0
Subtotal (A)	1.66	(5.52)	(0.07)
(B) (i) Items that will be reclassified to profit or loss	0	0	0
(ii) Income tax relating to items that will be reclassified to profit or loss	0	0	0
Subtotal (B)	0	0	0
Other comprehensive income	1.66	(5.52)	
Total comprehensive income for the period	**21,400.99**	**31,915.44**	**432.46**
Earning per equity share (Face value Rs. 10 per share)			
Basic and Diluted (Rs.)	3.26	3.40	0.05

Fiscal Year 2020 compared to Fiscal Year 2019

Revenue from Operations

Revenue from operations increased by Rs. 24,336.63 million, or 22.15%, to Rs. 1,34,210.17 million for Fiscal Year 2020 from Rs. 109,873.54 million for Fiscal Year 2019.The interest income increased by Rs. 10,249.27 million or 59.48% from Rs. 17,230.71 million for the Fiscal Year 2019 to Rs. 27,479.98 million for the Fiscal Year 2020. Further the lease income increased by Rs. 14,086.58 million or by 15.21% to Rs. 106,724.27 million for the Fiscal Year 2020 from Rs. 92,637.69 million for the Fiscal Year 2019.

Other Income

Other income increased by Rs. 0.72 million to Rs. 0.73 million Fiscal Year 2020 compared to Rs. 0.01 million for Fiscal Year 2019. This increase was primarily driven by an increase in miscellaneous income (such as provision for various expenses written back and receipts other than from operations, which are not material).

Total Income

As a result of the foregoing, total revenue increased by Rs. 24,337.35 million, or 22.15%, to Rs. 134,210.90 million for Fiscal Year 2020 from Rs. 109,873.55 million for Fiscal Year 2019.

Finance Costs

Finance costs increased by Rs. 19,796 million, or 24.19%, to Rs. 101,626.62 million for Fiscal Year 2020 from Rs. 81,830.62 million for Fiscal Year 2019. The primary reasons for the increase in finance cost was due to an increase in interest on debt securities and interest on borrowings. The interest on debt securities increased by Rs. 18,117.11 million or 21.19% to Rs. 103,631.72 million for the Fiscal Year 2020 from Rs. 85,514.61 million for the Fiscal Year 2019. Further the interest on borrowings increased by Rs. 19,031.10 million or 98.73% to Rs. 38,307.45 million from Rs. 19,276.35 million for the Fiscal Year 2019.

Impairment on financial instruments

Impairment on financial instruments decreased by Rs. 254.03 million or 92.23% to Rs. 21.41 million for Fiscal Year 2020 compared to Rs. 275.44 million for Fiscal Year 2019. The reason for the difference was that the provision for standard assets against the exposure to other railway entities namely Ircon and RVNL were made at the rate of 0.40% in Fiscal Year 2019, whereas no further impairment was required during Fiscal Year 2020 in line with the expected credit loss model prescribed in Ind AS 109 in accordance with RBI direction RBI/2019-20/170 DOR(NBFC).CC.PD.NO.109/22.10.106/2019-20 dated 13 March 2020.

Employee Benefits Expense

Employee benefits expense remained relatively stable at Rs. 62.65 million for Fiscal Year 2020 compared to Rs. 62.51 million in Fiscal Year 2019.

Depreciation and Amortisation Expense

Depreciation and amortization expense increased slightly to Rs. 4.58 million for Fiscal Year 2020 from Rs. 4.18 million for Fiscal Year 2019, driven primarily by the additional acquisition of fixed assets.

Other Expenses

Other expenses increased by Rs. 427.31 million, or 289.96%, to Rs. 574.68 million for Fiscal Year 2020 from Rs. 147.37 million for Fiscal Year 2019, driven primarily by an increase in corporate and social responsibility expenses by Rs. 409.71 million or 483.26% million to Rs. 494.49 million, including Rs. 389.51 million spent on sanitation and safe drinking water.

Total expenses

As a result of the foregoing, total expenses increased by Rs. 19,969.82million, or 24.26%, to Rs. 102,289.94 million for Fiscal Year 2020 from Rs. 82,320.12 million for Fiscal Year 2019.

Profit before Tax

As a result of the foregoing, profit before tax increased by Rs. 4,367.53 million, or 15.85%, to Rs. 31,920.96 million for Fiscal Year 2020 from Rs. 27,553.43 million for Fiscal Year 2019.

Tax Expense

Tax expense decreased by Rs. 6,154.10 million to nil for Fiscal Year 2020 from Rs. 6,154.10 million for Fiscal Year 2019, due to the Issuer exercising the option permitted to it under section 115 BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated 20 September 2019. Since the Issuer's taxable income under normal assessment is nil, the Issuer would not be required to pay any tax on exercising the option to adopt section 115BAA of the Income Tax Act, 1961.

Profit for the Period

As a result of the foregoing, profit for the period increased by Rs. 10,521.63 million, or 49.17%, to Rs. 31,920.96 million for Fiscal Year 2020 from Rs. 21,399.33 million for Fiscal Year 2019.

Fiscal Year 2019 Compared to Fiscal Year 2018

Key Developments

- The RBI withdrew the exemption for government companies (as defined under the Companies Act, 2013) from prudential norms as prescribed by the RBI for NBFCs with effect from 31 May 2018. However, the RBI has granted exemption to the Issuer from asset classification, provisioning and exposure norms to the extent of its exposure to the Ministry of Railways.

Furthermore, the Issuer has been granted exemption by the RBI from credit concentration norms to the extent of 100% of the Issuer's owned funds for the Issuer's exposure to railway entities in which the ownership of the State or Central Government is at least 51%. Accordingly, the Issuer has been complying with the provisions of the prudential norms prescribed by the RBI for NBFC-ND-SI except for the Issuer's exposure to sovereign, being the Ministry of Railways. Furthermore, the Issuer has decided to follow the asset classification and provisioning norms as provided by the RBI for loans, leases or advances to entities other than the Indian Railways. The Issuer has also made standard assets provisioning at the rate of 0.40% for loans by the Issuer to RVNL and Ircon as prescribed by RBI.

- The spread for rolling stock assets and project assets over the Issuer's average cost of incremental borrowing which includes the Issuer's costs to hedge currency exchange and interest rate fluctuations increased from 30 bps for rolling stock assets and a spread of 25 bps for project assets in Fiscal Year 2018 to 40 bps for rolling stock assets and a spread of 35 bps for project assets in Fiscal Year 2019.

- In Fiscal Year 2019, the Issuer received an equity issuance from the Ministry of Railways amounting to Rs. 28,540 million.

- The Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, through a notification dated 8 August 2017 notified the Issuer as an entity for issuance of low cost tax saving capital gain bonds as per Section on 54EC(ba) of the Income Tax Act, 1961.

Statement of Profit and Loss for Fiscal Year 2018 and 2019

	Year ended of 31 March		
	2018	**2019**	**2019**
	(Rs. millions)		*(U.S.$ millions)*
Particulars			
Revenue from operations			
Interest income	9,885.72	17,230.71	233.48
Net gain on fair value changes	0	0	
Net gain on derecognition of financial instruments under amortised cost category	0	0	
Dividend income	4.87	5.14	0.07
Lease income	82,179.06	92,634.69	1,255.23
Total Revenue from operations	92,069.65	109,873.54	1,488.82
Other income	8.74	0.01	0
Total income	**92,078.39**	**109,873.55**	**1,488.82**
Expenses			
Finance Costs	66,375.85	81,830.62	1,108.83
Net loss on fair value changes	0	0	0
Net loss on derecognition of financial instruments under amortised cost category	0	0	0
Impairment on financial instruments	0	275.44	3.73
Employee benefit expense	55.2	62.51	0.85
Depreciation, amortisation and impairment	3.54	4.18	0.06
Other expenses	324.37	147.37	1.99
Total Expenses	**66,758.96**	**82,320.12**	**1,115.46**
Profit before exceptional items and tax	25,319.43	27,553.43	373.36
Exceptional items	0	0	
Profit before tax	**25,319.43**	**27,553.43**	**373.36**
Tax Expenses			
(1) Current tax	5,304.83	6,154.10	83.39
(2) Deferred tax	0	0	0
(3) Adjustment for earlier years	0	0	0
Total Tax Expense	**5,304.83**	**6,154.10**	**0**
Profit for the period	**20,014.6**	**21,399.33**	**289.97**
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans	0.87	(2.71)	-0.04
- Remeasurement of Equity Instrument	7.34	3.79	0.05
(ii) Income tax relating to items that will not be reclassified to profit or loss		0	0
(iii) Items that will be reclassified to profit or loss		0	0

	Year ended of 31 March		
	2018	2019	2019
	(Rs. millions)		(U.S.$ millions)
(iv)Income tax relating to items that will be reclassified to profit or loss		0	0
- Remeasurement of defined benefit plans	(0.18)	0.58	0
- Remeasurement of Equity Instrument	0	0	0
Subtotal (A)	8.03	1.66	0.02
(B) (i) Items that will be reclassified to profit or loss	0	0	0
(ii) Income tax relating to items that will be reclassified to profit or loss	0	0	0
Subtotal (B)	0	0	0
Other comprehensive income	8.03	1.66	0.02
Total comprehensive income for the period	**20,022.63**	**21,400.99**	**289.99**
Earning per equity share (Face value Rs. 10 per share)			
Basic and Diluted (Rs.)	3.07	3.26	0.04
Debt Equity Ratio	6.59	6.99	0.09

Fiscal Year 2019 compared to Fiscal Year 2018

Revenue from Operations

Revenue from operations increased by Rs. 17,803.99 million, or 19.34%, to Rs. 109,873.54 million for Fiscal Year 2019 from Rs. 92,069.55 million for Fiscal Year 2018.The revenue from operations increased primarily due to increase in interest and lease income. The interest income increased by Rs. 7,344.99 million or 74.30% to Rs. 17,230.71 million in Fiscal Year 2019 from Rs. 9,885.72 million in Fiscal Year 2018. Further, the lease income increased by Rs. 10,458.63 million or 12.73% to Rs. 92,637.69 million for the Fiscal Year 2019 from Rs. 82,179.06 million for Fiscal Year 2018.

Other Income

Other income decreased by Rs. 8.73 million or 99.89% to Rs. 0.01 million in Fiscal Year 2019 from Rs. 8.74 million in Fiscal Year 2018 on account of a decrease in miscellaneous income.

Total Income

As a result of the foregoing, total revenue increased by Rs. 17,795.16 million, or 19.33%, to Rs. 109,873.55 million for Fiscal Year 2019 from Rs. 92,078.39 million for Fiscal Year 2018.

Finance Costs

Finance costs increased by Rs. 15,454.77 million, or 23.28%, to Rs. 81,830.62 million for Fiscal Year 2019 from Rs. 66,375.85 million for Fiscal Year 2018, driven primarily by an increase in interest on debt securities and interest on borrowings. Interest on debt securities increased by Rs. 9,357.49 million or 12.29% to Rs. 85,514.61 million for Fiscal year 2019 from Rs. 76,157.12 million for Fiscal Year 2018. Further, the interest on borrowings increased by Rs. 16,636.47 million or 630.20% to Rs. 19,276.35 million for the Fiscal Year 2019 from Rs. 2,639.88 million for the Fiscal Year 2018.

Impairment on financial instruments

Impairment on financial instruments increased to Rs. 275.44 million for Fiscal Year 2019 compared to nil for Fiscal Year 2018. The reason for the difference was that the provision for standard assets against the exposure to other railway entities namely Ircon and RVNL were made at the rate of 0.40% as against nil in the previous year pursuant to the withdrawal of an earlier exemption granted to Government owned NBFCs from prudential norms prescribed by the RBI.

Employee Benefits Expense

Employee benefits expense increased by Rs. 7.31 million, or 13.24%, to Rs. 62.51 million for Fiscal Year 2019 from Rs. 55.20 million for Fiscal Year 2018, driven primarily by increase in salaries and wages by Rs.10.60 million and staff welfare expenses by Rs.0.06 million offset by decrease in contribution to provident and other funds by Rs.3.35 million.

Depreciation and Amortisation Expense

Depreciation and amortization expense increased slightly to Rs. 4.18 million for Fiscal Year 2019 from Rs. 3.54 million for Fiscal Year 2018, driven primarily by additional acquisition of fixed assets.

Other Expenses

Other expenses decreased by Rs. 177.00 million, or 54.57%, to Rs. 147.37 million for Fiscal Year 2019 from Rs. 324.37 million for Fiscal Year 2018, driven primarily by decline in corporate and social responsibility expenses and legal and professional charges.

Total expenses

As a result of the foregoing, total expenses increased by Rs. 15,561.169 million, or 23.31%, to Rs. 82,320.12 million for Fiscal Year 2019 from Rs. 66,758.96 million for Fiscal Year 2018.

Profit before Tax

As a result of the foregoing, profit before tax increased by Rs. 2,234.00 million, or 8.82%, to Rs. 27,553.43 million for Fiscal Year 2019 from Rs. 25,319.43 million for Fiscal Year 2018.

Tax Expense

Tax expense increased by Rs. 849.27 million, or 16.01%, to Rs. 6,154.10 million for Fiscal Year 2019 from Rs. 5,304.83 million for Fiscal Year 2018, due to an increase in the tax liability on account of minimum alternate tax under section 115JB of the Income Tax Act as a result of increase in profit before tax and an increase in the effective minimum alternate tax rate from 21.34% in Fiscal Year 2018 to 21.55% in Fiscal Year 2019.

Profit for the Period

As a result of the foregoing, profit for the period increased by Rs. 1,384.73 million, or 6.92%, to Rs. 21,399.33 million for Fiscal Year 2019 from Rs. 20,014.6 million for Fiscal Year 2018.

Liquidity and Capital Resources

Summary of Cash Flow

Statement of Cash Flow for Fiscal Year 2018, 2019 and 2020 and for the six months ended 30 September 2020

	Year ended 31 March			Six months ended September 30
	2018	**2019**	**2020**	**2020**
	(Rs. millions)			
Cash Flow from (used in) Operating activities	(280,761.25)	(417,481.88)	(627,175.86)	(109,041.58|)
Cash Flow from (used in) Investment Activities	16.75	13.14	14.72	5.76
Cash flow from (used in) Financing activities	280,746.35	417,494.53	627,137.87	109,038.63
Net Cash Flow from (used in) the year	1.85	25.79	(23.27)	2.81

Net Cash from/(used in) Operating Activities

The Issuer had net cash used in operating activities of Rs. 109,041.58 million for the six months ended 30 September 2020. The reason for the outflow was primarily due to an increase in receivables and other financial assets by Rs. 52,670.10 million and Rs. 110,586.71 million respectively. The increase in lease receivables occurred primarily on account of an increase in lease receivables due to incremental rolling stock leased to the Ministry of Railways during the six months ended 30 September 2020. Further the increase in other financial assets occurred primarily on account of an increase in advance for funding of infrastructure assets to the Ministry of Railways during the six months ended 30 September 2020.

The Issuer had net cash used in operating activities of Rs. 627,175.86 million for Fiscal Year 2020. The reason for the outflow was primarily an increase in receivables as well as an increase in other financial assets by Rs. 235,532.88 million and Rs. 443,061.27 million respectively. The increase in lease receivables occurred primarily on account of an increase in lease receivables due to incremental rolling stock leased to the Ministry of Railways during the Fiscal Year 2020. Further the increase in other financial assets occurred primarily on account of an increase in advance for funding of infrastructure assets to the Ministry of Railways during the Fiscal Year 2020.

The Issuer had net cash used in operating activities of Rs. 417,481.88 million for Fiscal Year 2019. The reason for the outflow was primarily an increase in receivables as well as an increase in other financial assets by Rs. 155,548.56 million and Rs. 286,964.78 million. The increase in lease receivables occurred primarily on account of an increase in lease receivables due to incremental rolling stock leased to Ministry of Railways during Fiscal Year 2019. Further the increase in other financial assets occurred primarily on account of an increase in advance for funding of infrastructure assets to the Ministry of Railways during the Fiscal Year 2019.

The Issuer had net cash used in operating activities of Rs. 280,761.25 million for Fiscal Year 2018. The reason for the outflow was primarily due to increase in lease receivables and other financial assets by Rs. 112,654.67 million and Rs. 167,870.03 million respectively. The increase in lease receivables occurred primarily on account of an increase in lease receivables due to incremental rolling stock leased to Ministry of Railways during the Fiscal Year 2018. Further the increase in other financial assets occurred primarily on account of increase in advance for funding of infrastructure assets to the Ministry of Railways during the Fiscal Year 2018.

Net Cash from Investing Activities

The Issuer had net cash from investing activities of Rs. 5.76 million for the six months ended 30 September 2020. The reason for the inflow was primarily due to realization from pass through investments/sale of investments and dividend income amounting to Rs. 5.14 million and Rs. 2.32 million respectively. This was marginally offset by the purchase of property, plant and equipment and intangible assets of Rs. 1.98 million in the six months ended 30 September 2020

The Issuer had net cash from investing activities of Rs. 14.72 million for Fiscal Year 2020. The reason for the inflow was primarily due to proceeds from realisation of pass through certificates / sale of investments amounting to Rs. 11.16 million and dividend income amounting to Rs. 5.92 million. This was offset by the purchase of property, plant and equipment and intangible assets of Rs. 2.41 million in Fiscal Year 2020.

The Issuer had net cash from investing activities of Rs. 13.14 million for Fiscal Year 2019. The reason for the inflow was primarily due to proceeds from realisation of pass through certificates / sale of investments amounting to Rs. 12.12 million and dividend income of Rs. 5.14 million. This was partially offset by the purchase of property, plant and equipment amounting to Rs. 4.22 million in the Fiscal Year 2019.

The Issuer had net cash from investing activities of Rs. 16.75 million for Fiscal Year 2018. The reason for the inflow was primarily due to proceeds from pass through certificates amounting to Rs. 13.28 million and dividend income of Rs. 4.87 million. This was partially offset by the purchase of plant, property and equipment amounting to Rs. 1.48 million for the Fiscal Year 2018.

Net Cash from Financing Activities

The Issuer had net cash from financing activities of Rs. 109,038.63 million for the six months ended 30 September 2020. The reason for the inflow was primarily due to the issue of debt securities and raising of term loans /external commercial borrowings amounting to Rs. 72,773.14 million and Rs. 49,699.70 million, which was partially offset by the redemption of commercial papers aggregating to Rs. 13,434.21 million for the six months ended 30 September 2020.

The Issuer had net cash from financing activities of Rs. 627,137.87 million for Fiscal Year 2020. The reason for the inflow was primarily due to the issue of debt securities (net of redemptions), raising of Rupee term loans/ foreign currency borrowings (net of repayments), issue of commercial papers (net of repayments) and issue of equity to amounting to Rs. 308,125.43 million, Rs. 289,007.28 million, Rs. 7,416.27 million and Rs. 25,000 million respectively for the Fiscal Year 2020.

The Issuer had net cash from financing activities of Rs. 417,494.53 million for Fiscal Year 2019. The reason for the inflow was primarily due to the issue of debt securities (net of redemptions), raising of Rupee term loans/ foreign currency borrowings (net of repayments), issue of commercial papers (net of repayments) and issue of equity capital amounting to Rs. 104,655.95 million, Rs. 270,172.83 million, Rs. 18,646.63 million and Rs. 28,540 million respectively for the Fiscal Year 2019.

The Issuer had net cash from financing activities of Rs. 280,746.35 million for Fiscal Year 2018. The reason for the inflow was primarily due to the issuance of bonds net of redemption and term loans raised during the year (net of repayment)/ external commercial borrowings raised during the year amounting to Rs. 207,419.28 million and Rs. 125,853.88 million respectively which was partially offset by the net repayment of commercial papers of Rs. 49,716.17 million for Fiscal Year 2018.

Capital Adequacy

All systemically important NBFCs are required by the NBFC-ND-SI Directions to maintain a minimum capital ratio, consisting of Tier I and Tier II capital, which shall not be less than 15.00% of its aggregate risk-weighted assets on balance sheet and risk adjusted value of off-balance sheet items. As a major portion of the Issuer's assets constitute receivables from the sovereign, the Issuer ordinarily maintains capital adequacy much higher than the statutorily prescribed CRAR. As of 30 September 2020, the Issuer's capital adequacy ratio, computed as per Ind AS and on the basis of the NBFC-ND-SI Directions, was 433.92% as compared to the minimum capital adequacy requirement of 15.00% stipulated by the RBI. The total Tier I capital, as of that date, was 433.92% compared to the minimum Tier I capital requirement of 12.00% stipulated by the RBI for NBFCs such as the Issuer. In addition, the NBFC-ND-SI Directions require that the total of the Tier II capital of a non-deposit taking NBFC should not exceed 100% of its Tier I capital.

Liquidity

The purpose of the liquidity management function is to ensure that the Issuer has adequate liquidity to meet the funding requirements of the Indian Railways, to repay principal, interest on the Issuer's borrowings and to fund the Issuer's working capital requirements and other expenses and taxes. The Issuer endeavours to diversify its sources of capital and has funded the growth in its operations through, bond issuances in domestic and overseas capital markets, term loans and assignment or securitisation and issuance of commercial paper and sub-ordinated non-convertible debentures. Based upon its current level of expenditures, the Issuer believes its net cash flows from operating activities and contemplated borrowings will be adequate to meet its anticipated cash requirements for meeting the Indian Railway's funding requirement.

The Issuer actively manages its liquidity and capital position by raising funds on a continuous basis on terms that, it believes, are favourable to it. The Issuer maintains diverse sources of funding and liquid assets to facilitate flexibility in meeting its liquidity requirements. Liquidity is provided principally by short term and long term borrowings from banks and other financial institutions, debentures, retained earnings and proceeds from assignments and securitisations of loans. Certain loan agreements entered into and debentures issued by Issuers contain a number of covenants including financial covenants.

Asset Liability Management:

The following table sets forth the maturity pattern of items of assets and liabilities as of 30 September 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
					(in Rs. million)				
Liabilities									
Borrowings from banks	6,111.38	13,710	1,000	9,000	14,001.37	64,742.78	81,720.60	401,533.00	591,819.13
Borrowings from National Small Savings Fund	-	-	-	-	-	-	-	175,000	175,000
Syndicated Foreign Currency Loan from Offshore Market	-	-	-	-	-	-	-	78,960.56	78,960.56
Market borrowings	25,481.58	9.79	12,941.78	26,282.41	41,280	224,528.74	145,067.43	1,138,094.30	1,613,686.03
Capital and Reserves & Surplus	-	-	-	-	-	-	-	316,869.67	316,869.67
Other Outflows	48,924.45	92.97	535.41	1,379.04	35,273.47	-	-	57,325.08	143,530.42
Total Outflows (A)	80,517.41	13,812.76	14,477.19	36,661.45	90,554.84	289,271.52	226,788.03	2,167,782.61	2,919,865.81
Cumulative Total Outflows (B)	80,517.41	94,330.17	108,807.36	145,468.81	236,023.65	525,295.17	752,083.20	2,919,865.81	-
Assets									
Advances (net of provisions for non-performing assets))	592,64.21	-	-	-	66,617.41	269,791.90	267,849.07	2,153,448.40	2,816,970.99
Investments (net of provision for diminution for value of investments)	4.93	-	-	-	4.71	7.43	-	97.05	114.12
Cash, Cash Equivalents and other Bank Balances	958.79	-	-	-	-	-	-	-	958.79
Other Inflows	65.56	22.34	20.21	0.34	2,070.04	25,576.02	3067.15	71,000.25	101,821.91
Total Inflows (C)	60,293.49	22.34	20.21	0.34	68,692.16	295,375.35	270,916.22	2,224,545.70	2,919,865.81
Cumulative Total Inflows (D)	60,293.49	60,315.83	60,336.04	60,336.38	129,028.54	424,403.89	695,320.11	2,919,865.81	-
Mismatch [(E) = (C) – (A)]	(20,223.92)	(13,790.42)	(14,456.98)	(36,661.11)	(21,862.68)	6,103.83	44,128.19	56,763.09	0
Cumulative Mismatch [(F) = (B) – (D)]	20,223.92	34,014.34	48,471.32	85,132.43	106,995.11	100,891.28	56,763.09	0	-
Cumulative Mismatch as a % [(F) / (B)]	25.12%	36.06%	44.55%	58.52%	45.33%	19.21%	7.55%	0%	-

Quantitative and Qualitative Disclosures About Market Risk

The Issuer's activities exposes it to a variety of financial risks which include market risk (such as, currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Issuer's focus is to ensure liquidity that is sufficient to meet its operational requirements and the Issuer monitors and manages key financial risks so as to minimise potential adverse effects on its financial performance. Furthermore, the Issuer also has a risk management policy which covers the risks associated with the Issuer's financial assets and liabilities.

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 Issuer's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Under the terms of the Standard Lease Agreement, interest rate and exchange rate variation risks are either built into the Issuer's average cost of incremental borrowings or are transferred to the Ministry of Railways. However, the Issuer uses derivative instruments to manage market risk against the volatility in foreign exchange rates and interest rates in order to minimise their impact on its cost of borrowings and in turn, the cost to the Ministry of Railways. The Issuer's policy is not to utilise any derivative financial instruments for trading or speculative purposes.

Foreign Currency Risk

The fluctuation in foreign currency exchange rates may have a potential impact on the Issuer's statement of profit or loss, where any transaction references to more than one currency or where assets or liabilities are denominated in a currency other than the functional currency of the Issuer. The Issuer undertakes transactions denominated in foreign currencies and as a result, the Issuer is exposed to exchange rate fluctuations. However, under the terms of the Standard Lease Agreement, exchange rate variation risks are either built into its average cost of incremental borrowings or are transferred to the Ministry of Railways. The Issuer has a treasury team, which evaluates the impact of foreign currency risk on its cost of borrowings. In recent years the exchange rate between the Rupee and the U.S. dollar has changed substantially in recent years and may continue to fluctuate significantly in the future. Adverse movements in foreign exchange rates may adversely affect the Issuer's cost of borrowings.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Issuer is subject to interest rate risk, primarily since the Issuer for some of the Issuer's borrowings is borrowing at floating rate which is subject to change at the start of each interest period. While a majority of the Issuer's borrowings are at fixed rates, the Issuer's borrowings at variable rates may give rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. The Issuer's interest income is dependent on the movement of interest rates.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Issuer 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. Credit risk is also managed through approvals, establishing credit limits, continuous monitoring of creditworthiness of customers to which the Issuer grants credit terms in the normal course of business.

The Issuer considers 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, the Issuer 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; and (v) significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements.

The Issuer's major exposure is from lease receivables from the Ministry of Railways and loans to RVNL and Ircon which are under the control of the Ministry of Railways. There is no credit risk on lease receivables being due from sovereign. With respect to loan given to RVNL and Ircon, the Issuer complies with the RBI directions in terms of its circular no. RBI/2017-18/181_DNBR (PD) CC. No. 092/03.101/2017-18 dated 31 May 2018 read with letter no. DNRB (PD). CO.No.1271/03.101/2018-19 dated 21 December 2018, and regards such compliance to be adequate with the impairment norms as per Ind AS 109, Financial Instruments, as both Ircon and RVNL, are under the Ministry of Railways and the Issuer does not expect any concern in the repayment of aforesaid loans.

Liquidity Risk

Liquidity risk is the risk of being unable to raise necessary funds from the market at optimal costs to meet operational and debt servicing requirements. The purpose of liquidity management is to ensure sufficient cash flow to meet all financial commitments and to capitalise on opportunities for business expansion. The Issuer may face potential liquidity risks as a result of maturity and interest rate mismatches between its assets and liabilities.

The Issuer 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 whereby the Ministry of Railways undertakes to provide lease rentals in advance (to be adjusted from future payments) in case the Issuer does not have adequate liquidity to meet its debt service obligations. However, since the Issuer's incorporation, the Issuer is yet to take any such support from the Ministry of Railways for mitigating the Issuer's liquidity risk.

Inflation

In recent years, India has experienced relatively high rates of inflation. While the Issuer believes that inflation is yet to have any material impact on the Issuer's business and results of operations, inflation generally adversely impacts the overall economy and therefore could adversely affect the Issuer's business and results of operations.

Credit Ratings

Ratings assigned by the domestic credit rating agencies as of 30 September 2020:

Rating Agency	Long Term Rating	Short Term Rating
CRISIL	CRISIL AAA	CRISIL A1+
ICRA	ICRA AAA	ICRA A1+
CARE	CARE AAA	CARE A1+

Long term foreign currency issuer rating assigned to the Issuer as of 30 September 2020:

Rating Agency	Rating	Outlook
Fitch Ratings	BBB-	Negative
Standard & Poor (S&P)	BBB-	Stable
Moody's	Baa3	Negative
JCRA	BBB+	Stable

Financial Condition

Assets

The following table sets out the principal elements of the Issuer's assets as of 30 September 2019 and 30 September 2020.

	As of 30 September	
	2019	2020
	(Rs. millions)	
Particulars		
Financial assets		
Cash and cash equivalents	13.03	16.61
Bank balance other than above	96,175.05	942.18
Derivative financial instruments	—	—
Receivables		
- Lease receivables	1,349,225.35	1,538,468.1
Loans	56,495.22	62,430.44
Investments	119.23	114.05
Other financial assets	**859,693.33**	**1,293,364.17**
Total financial assets	**2,361,721.2**	**2,895,335.55**
Non-financial assets		
Current tax assets (net)	6,251.52	8,630.52
Property, plant and equipment	111.17	109.27
Other intangible assets	0.51	0.41
Other non-financial assets	14,695.39	15,790.06
Total non-financial assets	**21,058.59**	24,530.26
Total Assets	**2,382,779.79**	**2,919,865.81**

The following table sets out the principal elements of the Issuer's assets as of 31 March 2018, 2019 and 2020.

	As of 31 March		
	2018	2019	2020
		(Rs. millions)	
Particulars			
Financial assets			
Cash and cash equivalents	11.28	37.07	13.8
Bank balance other than above	986.92	773.59	993.83
Derivative financial instruments	968.47	466.90	0
Receivables			
- Lease receivables	1,094,716.56	1,250,265.12	1,485,798
Loans	52,379.55	58,954.87	64,233.71
Investments	139.78	131.45	115.12
Other financial assets	450,773.10	738,239.44	1,182,742.54
Total financial assets	**1,599,975.66**	**2,048,868.44**	**2,733,897.00**
Non-Financial assets			
Non-financial assets			
Current tax assets (net)	388.49	414.67	6,308.41
Property, plant and equipment	112.69	112.25	110.04
Other intangible assets	0.27	0.50	0.43
Other non-financial assets	14,033.30	14,987.09	14,725.41

Total non-financial assets	**14,534.75**	**155,14.51**	**21,144.29**
Total Assets	**1,614,510.41**	**2,064,382.95**	**2,755,041.29**

Liabilities

The following table sets out the principal elements of the Issuer's indebtedness as of 30 September 2019 and 30 September 2020.

	As of 30 September	
	2019	**2020**
	(*Rs. millions*)	
Particulars		
Financial Liabilities		
Derivative financial instruments	3,102.49	3,883.47
Payables		
- 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	4.58	1.52
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	148.02	439.9
Debt securities	1,351,895.53	1,612,586.66
Borrowings (other than debt securities)	494,421.01	840,906.52
Other financial liabilities	270,504.01	145,029.44
Total financial liabilities	**2,120,075.64**	**2,602,847.51**
Non-financial liabilities		
Current tax liabilities (net)	0	0
Provisions	140.89	92.97
Deferred tax liabilities (net)	0	0
Other non-financial liabilities	108.38	55.66
Total non-financial liabilities	**249.27**	**148.63**
Total liabilities	**2,120,324.91**	**2,602,996.14**
Equity		
Equity Share Capital	93,804.6	118,804.60
Other equity	168,650.28	198,065.07
Total Equity	262,454.88	316,869.67
Total Liabilities and Equity	**2,382,779.79**	**2,919,865.81**

The following table sets out the principal elements of the Issuer's indebtedness as of 31 March 2018, 2019 and 2020.

		As of 31 March	
	2018	**2019**	**2020**
		(*Rs. millions*)	
Particulars			
Financial Liabilities			
Derivative financial instruments	7,495.79	3,105.95	4,065.15
Payables			
- 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	2.40	0.08	0.50

(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	84.69	121.65	377.02
Debt securities	1,108,442.46	1,235,978.99	1,552,904.56
Borrowings (other than debt securities)	231,612.82	503,347.76	790,862.65
Other financial liabilities	56,928.32	72,999.42	103,373.67
Total financial liabilities	**1,404,566.48**	**1,815,553.85**	**2,451,583.55**
Non-financial liabilities			
Current tax liabilities (net)	—	—	—
Provisions	108.37	117.96	138.03
Deferred tax liabilities (net)	—	—	—
Other non-financial liabilities	6,592.73	48.15	322.19
Total non-financial liabilities	**6,701.10**	**166.11**	**460.22**
Total liabilities	**1,411,267.58**	**1,815,719.96**	**2,452,043.77**
Equity Share Capital	65,264.60	93,804.60	118,804.60
Other equity	137,978.23	154,858.39	184,192.92
Total Equity	**203,242.83**	**248,662.99**	**302,997.52**
Total Liabilities and Equity	**1,614,510.41**	**2,064,382.95**	**2,755,041.29**

Off-Balance Sheet Items

Contingent liabilities

The following table sets forth certain information relating to the Issuer's contingent liabilities and commitments not provided for:

	As of 31 March 2018	As of 31 March 2019	As of 31 March 2020	As of 30 September 2020	
		(*Rs. million*)			
Contingent Liabilities					
Claims not acknowledged as debts (Claims by bond holders in the consumer civil courts)	0.87	4.27	4.27	4.27	
Claims not acknowledged as debts (relating to service matters pending in Supreme court Court)	Not quantifiable	Not quantifiable	Not quantifiable	Not quantifiable	Not quantifiable
Demand raised by income tax authorities for which appeals pending at various appellate levels.	9.14	9.48	9.48	9.48	
Sales Tax/VAT Liability	Amount recoverable from Ministry of Railways if payable by the Issuer. No demand and the amount unascertainable	Amount recoverable from Ministry of Railways if payable by the Issuer. No demand and the amount unascertainable.	Amount recoverable from Ministry of Railways if payable by the Issuer. No demand and the amount unascertainable.	Amount recoverable from Ministry of Railways if payable by the Issuer. No demand and the amount unascertainable.	
Show cause notice issued by Director General of GST, Intelligence (DGGI), Chennai, Zonal Unit to the Issuer for the alleged contravention of provisions of Finance Act, 1994 entailing service tax, interest and penalty (amount payable, if any, to be recovered from the Ministry of Railways.)		26,537.65	26,537.65	26,537.65	
Commitments					
Stamp duty liability in relation to the registration of the registered office	9.15	9.15	9.15	9.15	

Securitisation and Assignment Arrangements

The Issuer has not entered into any securitisation transaction or assignment transaction during the six months ended 30 September 2020, Fiscal Year 2020, Fiscal Year 2019, Fiscal Year 2018 and Fiscal Year 2017. However, the Issuer entered into two securitisation transactions in respect of its lease receivables from the Ministry of Railways on 25 January 2010 and 24 March 2011.

Furthermore, in accordance with the draft April 2010 RBI guidelines on minimum retention requirement (**MRR**), the Issuer invested 5% of the total securitised amount towards MRR in respect of the Issuer's second securitisation transaction executed in 2011. As of 30 September 2020, the Issuer's exposure on account of securitisation transaction was Rs. 17.07 million, while as of 31 March 2020, 2019, and 2018, it was Rs. 22.23 million, Rs. 33.30 million and Rs. 45.42 million. The following table sets forth information on the Issuer's exposure on account of securitisation transactions for the below indicated periods.

Particulars	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Six months ended 30 September 2020
Number of SPVs sponsored for securitisation transactions	2	2	2	2
Total amount of securitised assets as per books of the SPV's sponsored (Rs. million)	2,078.89	1,511.663	991.25	747.41
Total amount of exposures retained to comply with MRR (Rs. million)	45.42	33.30	22.23	17.07
a) Off Balance Sheet Exposures	-	-	-	-
First Loss	-	-	-	-
Others (Rs. million)	45.42	33.30	22.23	17.07
b) On Balance Sheet Exposures	-	-	-	-
First Loss	-	-	-	-
Others	-	-	-	-
Amount of exposures to securitisation transactions other than MRR	-	-	-	-

Competitive Conditions

Refer to the sections titled "*Business*", *"The Indian Railways"* and *"Risk Factors"* in this Offering Circular regarding competition.

Unusual or Infrequent Events or Transactions

Except as described in this Offering Circular, there have been no other events or transactions to the best of the Issuer's knowledge which may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Except as described in the section titled *"Risk Factors"*, this section and elsewhere in this Offering Circular, to the best of the Issuer's knowledge there are no known trends or uncertainties that have or had or expected to have any material adverse impact on its revenues or income from continuing operations.

Future Relationship between Cost and Income

Except as described in the sections titled *"Risk Factors"*, *"Business"* and this section, to the best of the Issuer's knowledge there are no known factors that will have a material adverse impact on its operations and finances.

Significant Developments after 30 September 2020

In the opinion of the Issuer's Board of Directors, other than as disclosed above and elsewhere in this Offering Circular, there has not arisen, since 30 September 2020, any circumstances that materially and adversely affect the profitability or the value of the Issuer's assets or the Issuer's ability to pay its liabilities within the next 12 months.

Some of the information in the following discussion, including information with respect to the Issuer's plans and strategies, contains forward-looking statements that involve risks and uncertainties. Investors should read "Forward-Looking Statements" for a discussion of the risks and uncertainties related to those statements. The Issuer's actual results may differ materially from those expressed in or implied by these forward-looking statements. Please also read "Risk Factors" for a discussion of certain factors that may affect the Issuer's business, financial condition or results of operations.

The Issuer's fiscal year ends on 31 March of each year, and references to a particular fiscal year are to the twelve months ended 31 March of that year. Unless otherwise indicated, the financial information included herein is based on the Issuer's Reviewed Restated Historical Financial Statements, included elsewhere in this Offering Circular.

The Issuer has, in this Offering Circular, included various operational and financial performance indicators, some of which may not be derived from the Issuer's financial statements and have not been subjected to an audit or review by its statutory auditors. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and must evaluate such information in the context of the above-mentioned financial statements.

Overview

The Issuer is the sole financial institution to the Ministry of Railways and is the dedicated market borrowing arm of the Indian Railways. Its primary business is financing the acquisition of rolling stock assets and project assets of the Indian Railways and lending to other entities under the Ministry of Railways. The Ministry of Railways is responsible for the acquisition of rolling stock and for the improvement, expansion and maintenance of railways infrastructure. The Issuer is responsible for raising the finance necessary for such activity. Over the last three decades, the Issuer has played a significant role in supporting the capacity enhancement of the Indian Railways by financing a significant proportion of its annual plan outlay.

The Issuer is majority-owned by the Government acting through the Ministry of Railways. The Issuer is registered with the RBI as a NBFC and is classified under the category of an "Infrastructure Finance Company" under Section 45-IA of the Reserve Bank of India Act, 1934. The Issuer was notified as a "Public Financial Institution" under the Companies Act through a notification dated 8 October 1993 issued by the Ministry of Corporate Affairs.

The Issuer follows a financial leasing model for financing the rolling stock assets and project assets of the Indian Railways. The period of lease with respect to rolling stock assets is typically 30 years comprising a primary period of 15 years followed by a secondary period of 15 years. In terms of the leasing arrangements, the principal amount and interest (the cost of funds) pertaining to the leased assets is effectively payable during the primary 15-year lease period, along with a margin agreed each year between the Ministry of Railways and the Issuer. For the second 15-year period, the Issuer charges the Indian Railways a nominal rate which is subject to revision on mutually acceptable terms. At the end of the lease period of 30 years, the relevant leased assets may be transferred to the Indian Railways, if requested by the Indian Railways, also at a nominal price. The lease periods for funding project assets for the Indian Railways are also 30 years, and follow a similar model as for rolling stock.

In Fiscal Years 2017, 2018, 2019 and 2020 (revised estimate), we were responsible for financing 72%, 93%, 84% and 76%, respectively, of the rolling stock purchased by us and leased to the Ministry of Railways (*Source: Ministry of Railways*). The total value of rolling stock assets financed by the Issuer up to 31 March 2018, 2019, 2020 and 30 September 2020 since commencement was Rs. 1,699,890 million, Rs. 1,940,440 million, Rs. 2,238,107.84 million and Rs. 2,346,271.68 million, respectively, while the value of rolling stock assets financed in Fiscal Year 2018, Fiscal Year 2019, Fiscal Year 2020 and in the six months ended 30 September 2020 was Rs. 186,698.60 million, Rs. 240,550.85 million, Rs. 335,441.09 million and Rs 108,163.84 million, respectively.

The following table sets forth certain information on the rolling stock assets financed by the Issuer since commencement of its business until 30 September 2020:

Rolling Stock Assets	Cumulative assets financed up to 31 March 2017	Addition in Fiscal Year 2018	Cumulative assets financed up to 31 March 2018	Addition in Fiscal Year 2019	Cummulative assets financed up to 31 March 2019	Additions in Fiscal Year 2020	Cummulative assets financed up to 31 March 2020	Additions in the six months ended 30 September 2020	Cummulative assets financed up to 30 September 2020
					No. of Units				
Locomotives	8,998	645	9,643	707	10,350	982	11,332	338	11,670

Coaches	47,825	3,947	51,772	5,598	57,370	7,278	64,648	1,955	66,603
Wagons	214,456	6,290	2,20,746	9,069	229,815	11,245	241,060	3,842	244,902

In addition, the Issuer has also extended debt financing, in the past, to other entities under the administrative control of the Ministry of Railways, consistent with its objective of being the principal source of finance for the Indian Railways. The Issuer has in the past financed entities, including RVNL, Railtel Corporation of India Limited, Konkan Railway Corporation Limited and Rail Land Development Authority and Ircon. As of the date of this Offering Circular such loans have been repaid to the Issuer.

At the beginning of each Fiscal Year, the Ministry of Railways provides the Issuer with its target fund requirement based on its planned capital expenditure, which the Issuer meets by raising funds through various sources including the issue of taxable bonds in India, term loans from banks/financial institutions, 54EC capital gain bonds, external commercial borrowings including bonds and syndicated loans, internal accruals, asset securitisation and lease financing.

For all the rolling stock assets acquired during a financial year by the Indian Railways, the Issuer enters into a lease agreement with the Ministry of Railways following the close of each respective Fiscal Year. Lease rentals include the Issuer's capital recovery, the cost of borrowing and a certain margin agreed between the Issuer and the Ministry of Railways.

The Issuer's revenue from operations was Rs. 92,069.65 million in Fiscal Year 2018, Rs. 109,873.54 million in Fiscal Year 2019, Rs. 134,210.17 million in Fiscal Year 2020 and Rs. 73,831.20 million in the six months ended 30 September 2020. The Issuer's profit after tax was Rs. 20,014.6 million in Fiscal Year 2018, Rs. 21,399.33 million in Fiscal Year 2019, Rs. 31,920.96 million in Fiscal Year 2020 and Rs.18,868.41 million in the six months ended 30 September 2020. The Issuer's loan assets, which includes lease receivables, advances for funding of railway projects and loans to railway entities, were Rs. 1,545,346.66 million as of 31 March 2018, Rs. 2,009,373.33 million as of 31 March 2019, Rs. 2,661,369.90 million as of 31 March 2020 and Rs. 2,780,075.92 million as of 30 September 2020. Annual disbursements to the Ministry of Railways was Rs. 367,222.50 million in Fiscal Year 2018, Rs. 525,351.85 million in Fiscal Year 2019, Rs. 713,920.69 million in Fiscal Year 2020 and Rs. 190,163.84 million in the six months ended 30 September 2020. The Issuer's capital adequacy ratio was 320.58% as of 31 March 2018, 347.14% as of 31 March 2019, 395.39% as of 31 March 2020 and 433.92% as of 30 September 2020. As of 30 September 2020, the Issuer did not have any non-performing assets.

The Issuer has received the highest credit ratings of 'AAA' by CRISIL, 'ICRA (AAA)' by ICRA and 'CARE AAA' by CARE each with respect to the Issuer's Long Term debt programme. International credit rating agencies such as Moody's have rated the Issuer Baa3 (Negative) while Fitch, Standard & Poor and Japan Credit Rating Agency have rated the Issuer BBB- (Negative), BBB- (Stable) and BBB+ (Stable), respectively.

Strengths

The Issuer believes that the following are its competitive strengths:

Strategic role in financing growth of the Indian Railways

The Issuer was incorporated as the dedicated market borrowing arm for the Indian Railways and has played a strategic role in financing the operations of the Indian Railways. In Fiscal Years 2017, 2018, 2019 and 2020 (revised estimate), we were responsible for financing 72%, 93%, 84% and 76%, respectively, of the rolling stock purchased by us and leased to the Ministry of Railways (*Source: Ministry of Railways*). The Issuer also financed 32.75%, 38.68%, 44.76% and 36.02% of the planned capital outlay of the Indian Railways as of 31 March 2018, 2019, 2020 and 2021. For Fiscal Year 2021, the Issuer has been assigned the task to fund approximately 36.02% of the total capex of the Indian Railways. In Fiscal Year 2018, Fiscal Year 2019, Fiscal Year 2020 and the six months ended 30 September 2020 the Issuer financed assets worth Rs. 367,222.50 million, Rs. 525,351.85 million, Rs. 713,920.69 million and Rs. 190,163.84 million, respectively. Its financing targets are determined annually by the Ministry of Railways based on the difference between the annual planned capital expenditure and allocation as part of the Union Budget of India.

In addition to financing of rolling stock assets, the Issuer has also financed railway projects and other capacity enhancement works of the Indian Railways aggregating to Rs. 398,250.55 million as of 31 March 2018 , Rs. 699,916.57 million as of 31 March 2019, Rs. 1,111,080.22 million as of 31 March 2020 and Rs.1,178,926.66 million as of 30 September 2020.

The Issuer believes that the extensive expansion plans of the Indian Railways in the future will involve significant financing, and the Issuer believes that its operations, as a primary financing source for the Indian Railways, will increase significantly. The Government of India had highlighted that Rs. 100 trillion would be invested on infrastructure over the next five years. In view of the above, the Indian Railways aims to achieve electrification of 27,000 km of tracks. The finance minister of the Government in her union budget 2020 speech highlighted that within 100 days of the current government coming into power, it commissioned 550 wi-fi facilities in as many stations. The re-development project of four stations and the operation of 150 passenger trains will take place through private public partnership. The process of inviting private participation is underway. More Tejas semi-high speed trains will connect iconic tourist destinations within India. High speed trains between Mumbai to Ahmedabad will be actively pursued.

Further, the Government has increased investment in railways and introduced modern technology while focusing on safety, speed and service to passengers. Capex of Indian Railways for Fiscal Year 2021 has been pegged at an all time high of Rs. 1,610,420 million. Capex for the Fiscal Year 2020 is Rs. 1,563,520 million (revised estimate), which is 17.2% higher than the previous year. The target of new lines, gauge conversion and doubling/tripling etc. for Fiscal Year 2021 is 3,750 route kms against 3,150 route kms in Fiscal Year 2020. Electrification of the entire broad gauge network is to be completed by Fiscal Year 2024. In Fiscal Year 2021, electrification of 6,000 route kms has been targeted. In the Budget Estimate for Fiscal Year 2021, the freight loading of Indian Railways is kept at 1,265 MT which is an increase of 42 MT (i.e 3.4%) over the Revised Estimate for Fiscal Year 2020. The average freight lead has been kept at 553 km, and originating passengers kept at 8,792 million.

Railways now plan to induct the latest technology for signalling and telecommunication system. Under the modernization plan of the railway signaling system, it has been decided to implement the centralized traffic control ("**CTC**") system on the Indian Railways. This will increase operational efficiency. In the first phase CTC will be implemented on 1,830 kms over 8 zonal railways on sections provided with the automatic block signalling system. In the second phase, CTC will be implemented over the remaining 8 zonal railways along with the automatic block signalling system. The Government has initiated the upgrade of the old signalling system into an automatic train protection system, which will be a mix of proven international technology as well as indigenously developed systems with an impetus to the government program, 'Make in India'.

Facilitating private participation in railways to build a seamless national cold supply chain for perishables (including milk, meat and fish), the Indian Railways will set up a "Kisan Rail" – through PPP arrangements. There shall be refrigerated coaches in Express and Freight trains as well. (Source: *Press Information Bureau, India https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1601475,https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1601878*)

The Ministry of Railways has provided targets for market borrowings for funding of rolling stock assets and project assets for Fiscal Year 2021, which includes financing of Rs. 331,373.1 million for rolling stock assets and financing of Rs. 14,296.9 million for project assets being executed by RVNL from the Issuer and financing Rs. 280,000 million for project assets through institutional finance. The Ministry of Railways provides its target to the Issuer at the beginning of each Fiscal Year determining the Issuer's role in its financing requirements, which the Issuer undertakes to meet through various sources including taxable and tax-free bonds issuances, term loans from banks/financial institutions, external commercial borrowings, internal accruals, asset securitisation and lease financing. Some of these funds are also utilised for debt financing provided to other entities under the administrative control of the Ministry of Railways.

Competitive cost of borrowings based on strong credit ratings in India and diversified sources of funding

The Issuer meets its funding requirements through various sources. The Issuer funds acquisitions of rolling stock assets and project assets through market borrowings of various maturities and currencies. The Issuer's ability to source external commercial borrowings in the form of syndicated foreign currency loans and issuance of bonds and notes in the offshore markets at competitive rates supplement the funds available to it from domestic sources. In addition to equity infusion from time-to-time by the Government, the Issuer's long and medium term sources of funding include taxable and tax-free bond issuances, term loans from banks and other financial institutions, external commercial borrowings, internal accruals, asset securitisation and lease financing. Most recently the Government through the Ministry of Railways in Fiscal Year 2020 made an equity infusion amounting to Rs. 25,000 million. In Fiscal Year 2019 the Government made equity infusions amounting to Rs. 28,540 million. The Issuer also has a diverse base of investors from whom it raises funds through its issuance of bonds (taxable and tax-free). These include banks and other financial institutions, corporates, public (including high net worth individuals, retail investors and non-resident investors), trusts and mutual funds. The table below sets forth the Issuer's sources of funding as of 31 March 2020 and as of 30 September 2020 (net of unamortized transaction cost).

Particular	Total borrowings as of 31 March 2020		Total borrowings as of 30 September 2020	
	Amount *(Rs. million)*	Percentage	Amount *(Rs. million)*	Percentage
Bonds – Taxable	1,020,331.51	43.53%	1,093,137.79	44.55%
Bonds – Tax Free	330,552.37	14.10%	330,580.05	13.47%
Bond 54 EC	11,715.48	0.50%	15,017.39	0.61%
External Commercial Borrowings	248,664.76	10.61%	245,066.37	9.99%
Rupee Term Loan	-	-	-	-
Short Term Borrowing	22.619.00	0.97%	15,710	0.64%
Term Loan	671,250	28.64%	728,500	29.69%
Commercial Paper	38,634.09	1.65%	25,481.58	1.04%
Total	2,343,767.21	100	2,453,493.18	100

For details, see "– *Sources of Funding*".

The Issuer's weighted average cost of new borrowings for rolling stocks in Fiscal Year 2018, 2019 and 2020 were 7.75%, 8.09% and 7.37%, respectively. The Issuer has received the highest credit ratings of 'AAA' by CRISIL, 'ICRA (AAA)' by ICRA and 'CARE AAA' by CARE each with respect to the Issuer's long term debt programme. International credit rating agencies such as Moody's have rated the Issuer Baa3 (Negative) while Fitch, Standard & Poor and Japan Credit Rating Agency have rated the Issuer BBB- (Negative), BBB- (Stable) and BBB+ (Stable), respectively.

Consistent financial performance and cost-plus model

The Issuer has demonstrated consistent growth in terms of funding and profitability. The Issuer's revenue from operations was Rs. 92,069.65 million in Fiscal Year 2018, Rs. 109,873.54 million in Fiscal Year 2019, Rs. 134,210.17 million in Fiscal Year 2020 and Rs. 73,831.20 million in the six months ended 30 September 2020. The Issuer's profit after tax was Rs. 20,014.60 million in Fiscal Year 2018, Rs. 21,399.33 million in Fiscal Year 2019, Rs. 31,920.96 million in Fiscal Year 2020 and Rs. 18,868.41 million in the six months ended 30 September 2020. The Issuer's total outstanding borrowings were Rs. 1,340,055.28 million as of 31 March 2018, Rs. 1,739,326.75 million as of 31 March 2019, Rs. 2,343,767.21 million in Fiscal Year 2020 and Rs. 2,453,493.18 million as of 30 September 2020. The Issuer's long-term loans and advances were Rs. 1,545,346.66 million as of 31 March 2018, Rs. 2,009,373.33 million as of 31 March 2019, Rs. 2,661,369.90 million as of 31 March 2020 and Rs. 2,780,075.92 million as of 30 September 2020. The Issuer's net worth was Rs. 203,242.83 million as of 31 March 2018, and Rs. 248,662.99 million as of 31 March 2019, Rs. 302,997.52 million as of 31 March 2020 and Rs. 316,869.67 million as of 30 September 2020. The Issuer's general reserve was Rs. 17,397.90 million as of 31 March 2018, and Rs. 30,327.36 million as of 31 March 2019, Rs. 174,032.28 million as of 31 March 2020 and Rs. 174,032.28 million as of 30 September 2020. Since Fiscal Year 1991, the Issuer has consistently made dividend distributions. In Fiscal Year 2018, 2019 and 2020, the Issuer has paid dividend (including dividend tax) of Rs. 2,810.64 million, Rs. 4,520.88 million and Rs. 2,411.11 million, respectively.

Furthermore, annual disbursements to the Ministry of Railways was Rs. 367,222.5 million in Fiscal Year 2018, Rs. 525,351.85 million in Fiscal Year 2019, Rs. 713,920.69 million in Fiscal Year 2020 and Rs. 190,163.84 million in the six months ended 30 September 2020. The Issuer's capital adequacy ratio was 320.58 % as of 31 March 2018, 347.14% as of 31 March 2019, 395.39% as of 31 March 2020 and 433.92% as of 30 September 2020. As of 30 September 2020, the Issuer did not have any non-performing assets.

The Issuer's cost-plus based Standard Lease Agreement with the Ministry of Railways has historically provided it with an interest spread over its borrowing costs agreed annually with the Ministry of Railways. In Fiscal Year 2018, pursuant to the Issuer's arrangements with the Ministry of Railways, the Issuer was entitled to a spread of 0.30% over its average cost of borrowing, including its costs to hedge currency exchange and interest rate fluctuations for rolling stock. The above margin has been revised upward with effect from Fiscal Year 2019 to 40 bps for rolling stock and the same margin has continued for Fiscal Year 2020 as well. Similarly, the Issuer follows the cost-plus pricing model for its financing to other entities under the administrative control of the Ministry of Railways. Such financing activity has allowed the Issuer to maintain an average net interest margin of approximately in 1.83% in Fiscal Year 2018, 1.57% in Fiscal Year 2019, 1.38% in Fiscal Year 2020 and 0.71% for the six months ended 30 September 2020.

In addition, the Issuer believes its low overhead and administrative costs and high operational efficiency has resulted in increased profitability. Its employee benefit and other expenses were Rs. 55.20 million in Fiscal Year 2018, Rs. 62.51 million in Fiscal Year 2019, Rs. 62.65 million in Fiscal Year 2020 and Rs. 26.54 million for the six months ended 30 September 2020, and accounted for 0.06%, 0.06%, 0.05% and 0.04% of total revenue from operations, respectively, in such periods and under such accounting standards.

Low risk business model

The Issuer believes that its relationship with the Ministry of Railways enables it to maintain a low risk profile. Under the terms of the Standard Lease Agreement, liquidity risks and financial risks including interest rate and exchange rate variation risks are transferred to the Ministry of Railways, enabling the Issuer to earn a fixed spread over the life of the lease. Risks relating to damage to rolling stock assets as a result of natural calamities and accidents are also passed on to the Ministry of Railways.

As of 30 September 2020, lease receivable and advance for funding of railway project constituted 97.75% of the Issuer's total loan assets including lease receivables, funding for railway projects and loans disbursed to RVNL and Ircon. In addition, as of 30 September 2020, loans to RVNL and Ircon represented 2.25% of its total loan assets including lease receivables, funding for railway projects and loans disbursed to RVNL and Ircon. As of 30 September 2020, the Issuer did not have any non-performing assets. Although historically the Issuer has not been required to resort to such funding from the Ministry of Railways, its liquidity risk is also minimised as the Ministry of Railways is required to cover any funding shortfall required by the Issuer for the redemption of bonds issued by the Issuer on maturity or repay term loan facilities availed by the Issuer. The Ministry of Railways has historically never defaulted in its payment obligations under the terms of the Issuer's Standard Lease Agreement with the Ministry of Railways.

In order to minimise interest rate and foreign currency exchange risks, the Issuer enters into hedging arrangements with respect to a portion of its interest rate risk and foreign currency exposure arising from its external commercial borrowings. If entered into at the time of new financing, the costs of such hedging arrangements are passed to the Ministry of Railways as borrowing costs. As 30 September 2020, the Issuer had hedged its interest rate risk to the extent of 5.46%, of its total exposure. Considering, the longer residual maturity the Issuer has not hedged any currency exposure with regard to the Issuer's ECBs.

Strong asset-liability management

In addition to traditional cash flow management techniques, the Issuer manages its cash flows through an active asset and liability management strategy. The Issuer's asset-liability management model is structured in a manner which ensures that it has minimum asset-liability mismatches. The Issuer borrows on a long-term basis to align with the long-term tenure of the assets funded by it. For instance, the Issuer's advances that have a term of over five years constituted 76.45% of its total advances as of 30 September 2020, while its borrowings that have a repayment term exceeding five years accounted for 72.93% of its total borrowings as of 30 September 2020. The Issuer believes that such an approach of matching the tenure of its advances with its borrowings allows the issuer to better manage its liquidity and meet the growing demands of the Indian Railways. To ensure that the Issuer always has sufficient funds to meet its commitments, it maintains satisfactory levels of liquidity to ensure availability of funds at any time to meet operational and statutory requirements.

Furthermore, in the event the Issuer does not have sufficient funds to redeem bonds or repay term loans owing to inadequate cash flows during a Fiscal Year, the Ministry of Railways is required under the Standard Lease Agreement to provide for such shortfall through bullet payments in advance prior to maturity of the relevant bonds or term loans. Such payments are required to be adjusted in the subsequent lease rentals payable under the respective Standard Lease Agreement.

Experienced senior management and committed team

The Issuer believes that the industry knowledge and experience of its senior management has enabled it to develop and implement a consistent business plan and streamlined operational procedures, and allowed it to maintain consistent business growth over the years. Members of the Issuer's senior management team have extensive experience in the finance industry.

The Issuer also has an experienced and committed team. As of the date of this Offering Circular, the Issuer has 26 employees. In addition to the Chairman and Managing Director and the Director – Finance, the executive officers include three general managers, two additional general manager and two joint general managers. The Issuer's senior management team and executive team have a range of professional qualifications and experience in corporate lending, structured finance and law, working at government agencies as well as leading commercial banks and financial institutions.

Business Strategies

The Issuer's principal business strategies include the following:

Diversification of borrowing portfolio

The Issuer has historically issued, through public issues of tax-free bonds and private placements of tax-free and taxable bonds with innovative structures, securitised receivables from the Ministry of Railways and availed external commercial borrowings including syndicated loans, bonds and notes. The Issuer continues to diversify its borrowing portfolio through a range of financing instruments including through issuance of 'green bonds', 'medium term notes'. For example, the Issuer had issued 'Reg-S Bonds Green Bond 1st Series' of U.S.$500 million in December 2017 and in March 2019, the Issuer set up its first U.S.$2 billion Euro Medium Term Note ("**EMTN**") Programme and issued U.S.$500 million Notes due in March 2024 under this EMTN Programme. In January 2020, the EMTN Programme was converted by way of an update to a U.S.$2 billion Global Medium Term Note ("**GMTN**") Programme and USD 1 billion bonds were issued in two tranches under the GMTN Programme with tenor of 10 years and 30 years respectively. Furthermore, the Issuer has issued bonds aggregating to Rs. 15.80 billion having a 'green shoe option' of Rs. 7.90 billion that was exclusively reserved for the Bharat Bonds Exchange Traded Fund set up by the Cabinet Committee on Economic Affairs and the Department of Investment and Public Asset Management.

As part of the Issuer's diversification strategy, it continues to explore additional fund-raising options at cost effective rates, including issuing Indian Rupee denominated bonds in international markets. The Issuer may explore funding from sovereign wealth funds and pension funds, as well as multilateral agencies such as the World Bank and the Asian Development Bank where the Issuer's funding requirements are aligned with their infrastructure and development funding targets. For example, in May 2019, the Issuer entered into a facility agreement with Asian Development Bank and the Ministry of Railways for an amount of U.S.$750 million. The Issuer believes that a diversification of its borrowing portfolio will enable it to raise more funds at a lower cost.

In addition, the Government has allowed the Issuer to raise tax saving bonds under section 54EC(ba) of Income Tax Act, 1961 pursuant to the notification dated 8 August 2017 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance Government of India. This has enabled the Issuer to raise funds at a relatively lower cost than funds raised through taxable bonds of similar tenor.

Broaden the Issuer's financing portfolio

While the Issuer acts as the principal source of finance for the Ministry of Railways, it continues to focus on funding the rolling stock assets requirements of the Indian Railways. The Issuer plans to diversify its financing portfolio and broaden its lending activities by funding financially viable railways and related infrastructure projects. The Issuer plans to fund various railways projects including those relating to the decongestion of the railways network and the expansion of the existing network of the Indian Railways. The Issuer also intends to fund projects undertaken by other Ministry of Railways entities to improve railways infrastructure in India. The Issuer further intends to meet the financing requirements of public private partnership projects, including funding of redevelopment of stations as well as manufacturing of rolling stock assets.

The Issuer intends to leverage its role as a primary financing partner of the Ministry of Railways to provide financing for various joint venture entities established by the Ministry of Railways with various state governments and other public sector undertakings for the development of railways infrastructure across India. The Issuer also intends to further diversify its lending portfolio by addressing the various financing requirements of the entities under the Ministry of Railways, including by extending guarantees to entities under the Ministry of Railways and providing short term borrowings. The Issuer believes that this will enable it to more effectively address the funding requirements of the Indian railways sector and ensure financing for focused implementation and monitoring of railways projects.

In addition to providing financing support for the Ministry of Railways and other entities administered by the Ministry of Railways, the Issuer also plans to diversify its financing portfolio to include forward and backward linkages for railways sector. The Issuer believes that such core infrastructure focused businesses will benefit from the significant investment proposed by the Government and various state governments as well as by the private sector.

Continued focus on asset-liability management

In order to manage its liquidity risk and interest rate risk, the Issuer intends to continue to undertake periodic analysis of profiles of its assets, liabilities, receipts and debt service obligations. As part of the Issuer's measures to improve its asset-liability management, it takes into account interest rate forecasts and spreads, internal cost of funds, operating results, projected funding needs of the Ministry of Railways, projected loan disbursements, its current liquidity position and funding strategies. Going forward, the Issuer intends to have a strong in-house team comprised of consultants to provide guidance and inputs on improving its asset-liability framework and strategies. The Issuer will continue to target funding sources with long-term repayment schedules that match with the lease term of the rolling stock assets and project assets that it funds.

Provide advisory and consultancy services and venture into syndication activities

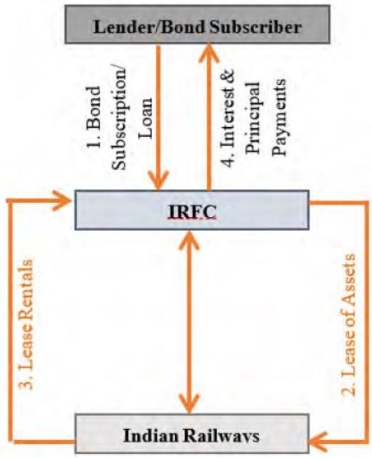
The Issuer intends to leverage its significant and diversified experience in fundraising and financing activities for the Indian Railways to provide financial structuring advisory and consultancy services. The Issuer intends to assist other Indian Railways entities with their funding requirements, providing strategic advice on long-term access to capital, acquisition finance and equity capital. The Issuer further intends to leverage its significant industry experience as a NBFC and an infrastructure finance company to provide customised financing solutions for other railway entities.

The Issuer also proposes to leverage its role as the principal source of finance for the Ministry of Railways to venture into syndication activities. It intends to engage in loan syndication and equity syndication. Railways is a capital- intensive industry and a syndicate of lenders is often required to meet the large scale financing requirements of railways projects. The Issuer believes its extensive industry knowledge and financing experience will enable it to act as a syndicate arranger for the Indian Railways and other related entities, and ensure financial closure for railways and related projects.

Leasing Operations

Under the terms of the Standard Lease Agreement, the Issuer as a lessor of the rolling stock assets retains legal title to such leased assets. The lease period with respect to rolling stock assets is typically 30 years, comprising an initial primary period of 15 years and a secondary period of 15 years. At the end of 30 years, the assets may be sold to the Ministry of Railways, if requested, for a nominal price. For instance, the leases executed for rolling stock assets in Fiscal 1988, Fiscal 1989 and Fiscal 1990 for ₹ 7,703.27 million, ₹ 8,607.27 million and ₹ 10,725.60 million, respectively, expired on March 31, 2018, March 31, 2019 and March 31, 2020, respectively, respectively. During the primary and secondary lease periods for such leases, the full value of assets, including interest, has been recovered from the Ministry of Railways. These assets have outlived their useful economic life and the Issuer, as of the date of this Offering Circular is in the process of transferring these assets to the Ministry of Railways.

The Ministry of Railways determines the Issuer's annual financing objectives to meet its funding requirements for rolling stock assets acquisition and railways infrastructure projects. The Issuer enters into a Standard Lease Agreement with the Ministry of Railways after the end of the financial year, based on standard terms. The Standard Lease Agreement provides for the lease of rolling stock assets delivered into service during the financial year with an internal rate of return on the lease fixed at a mark-up over the average borrowing cost for the Fiscal Year to which it pertains and the repayment, over a 15 year period, of principal and interest under the relevant borrowings. The Standard Lease Agreement is applicable with effect from the commencement of the financial year in which the relevant rolling stock assets were delivered into service. The lease rentals are payable on a half-yearly basis in advance. The Standard Lease Agreement includes detailed information of the acquired rolling stock assets as well as the lease rentals payable by the Ministry of Railways to the Issuer. For details, see "– *Terms of the Standard Lease Agreement*".



The Issuer's cost-plus based lease agreement with the Ministry of Railways has historically provided the Issuer with a fixed agreed spread on the finance costs for incremental assets leased. The following table sets forth certain information with respect to the spread on incremental assets leased to the Ministry of Railways in the periods indicated:

Period	**Cost to Ministry of Railways**	**Average Cost of Funds to the Issuer for financing Rolling Stock Assets**	**Spread on Incremental Assets leased**
		(%)	
Fiscal Year 2018	8.05%	7.75%	0.30%
Fiscal Year 2019	8.49%	8.09%	0.40%
Fiscal Year 2020	7.77%	7.37%	0.40%

The Issuer has no direct contact with the manufacturers of rolling stock assets and requisite orders and specifications are provided by the Ministry of Railways directly to the manufacturers. Any subsequent improvement to the rolling stock assets are undertaken at the cost of the Ministry of Railways.

The following table sets forth certain information with respect to the value of assets leased during the periods indicated:

Period	**Value of Assets Leased**
	(Rs. million)
Fiscal Year 2018	186,698.60
Fiscal Year 2019	240,550.85
Fiscal Year 2020	335,441.09
Six months ended 30 September 2020	108,163.84

Historically, the Issuer has not experienced any delay in payments due to the Issuer from the Ministry of Railways.

The following table sets forth the details of the rolling stock assets financed by the Issuer and the total rolling stock assets held by the Indian Railways during the periods indicated:

Particulars	**Rolling stock assets held by the Indian Railways**	**Rolling stock assets financed by the Issuer**	**Percentage of rolling stock assets financed by the Issuer**
	No. of units		*(%)*
As of 31 March 2019			
Locomotives(Diesel and electric)	12,108	10,350	85.48%
Passenger coaches	67,573	57,370	84.90%
Freight wagons	289,185	229,815	79.47%
In Fiscal Year 2019			
Locomotives	779	707	90.76%
Passenger coaches	6,583	5,598	85.04%
Freight wagons	9,535	9,069	95.11%
As of 31 March 2018			
Locomotives	11,725	9,643	82.24%
Passenger coaches	65,305	51,772	79.27%

Particulars	Rolling stock assets held by the Indian Railways	Rolling stock assets financed by the Issuer	Percentage of rolling stock assets financed by the Issuer
	No. of units		*(%)*
Freight wagons..	279,308	220,746	79.03%

Terms of Standard Lease Agreement

Under the terms of the Standard Lease Agreement, the Issuer is deemed to have acquired ownership of the rolling stock assets leased to the Ministry of Railways from the first day of the month in which the item of rolling stock assets are placed on line and/or released to traffic. The payments for the rolling stock assets, which the Issuer acquires, are made by the transfer of the specified purchase amount to the Ministry of Railways. Payment for the asset is required to be made in the month in which the relevant asset is deemed to have been acquired by the Issuer. In the event of any delay or non-payment by the Issuer in the relevant month, the Issuer is required to pay interest to the Ministry of Railways for any such delay at rates specified in the Standard Lease Agreement.

Under the terms of the Standard Lease Agreement, during the continuance of the lease:

- The Ministry of Railways is required to ensure that the rolling stock assets are in its possession and under its control;
- The Ministry of Railways is required to ensure that the Issuer's logo and other marks indicating its sole ownership of the relevant asset remains affixed on such asset;
- The Ministry of Railways is not entitled to claim right, title or interest in the rolling stock assets other than as lessee and is not entitled to deny the Issuer's ownership of the relevant assets;
- The Ministry of Railways is required to use and operate the rolling stock assets in the normal manner and is required to maintain such assets in good working condition, and repair such assets at its own expense, all in accordance with relevant operational manuals and standard maintenance practices of the Indian Railways. The Ministry of Railways is also required to comply with all statutory and other requirements relating to the storage, installation, use and operation of the rolling stock assets;
- The Ministry of Railways is required to ensure that the rolling stock assets are used and operated by qualified personnel for the purpose for which it is designed and may not, by act or omission, cause any warranty or the performance guarantee extended by the manufacturer to be invalidated or become unenforceable in whole or in part;
- The Ministry of Railways is required to arrange, at its own risk and expense, the transportation of the rolling stock assets from the place of manufacture to the place of installation and/or use;
- The Issuer is entitled, with prior notice in writing, to inspect, view and examine the rolling stock assets;
- The Ministry of Railways is not entitled to transfer, assign or otherwise dispose of or deal with the Issuer's rights, obligations or interests under the lease agreement by way of mortgage, charge, sub-lease, sale, assignment, hypothecation, pledge, encumbrance or lien or otherwise part with the possession of the rolling stock assets;
- The Ministry of Railways is required to indemnify the Issuer at all times from and against any loss or seizure of the rolling stock assets under distress, execution or other legal process;
- The Ministry of Railways is not entitled to make, except as expressly provided in the Standard Lease Agreement, any alterations, additions or improvement to the rolling stock assets or change the conditions thereof without the Issuer's prior written consent;
- The Ministry of Railways is required to bear any loss or damage caused to the rolling stock assets during the lease period as a result of accidents or natural calamities such as, amongst others, lightning, earthquake, flood, war, theft or civil commotion;
- The Ministry of Railways is required to reimburse all taxes, levies and charges on the rolling stock assets or part thereof or on any input or material or equipment used or supplied in or in connection with the rolling stock assets; and
- In the event of total loss and/or damage of rolling stock assets, the Ministry of Railways has the option to pay the Issuer the depreciated value of such rolling stock assets as mutually agreed between the Issuer and Ministry of Railways within three months from the date that such rolling stock assets are declared by the Issuer as a total loss. The Ministry of Railways is then entitled to discontinue payment of lease rentals in respect of such rolling stock assets.

The Ministry of Railways pays lease rentals to the Issuer in advance on a bi-annual basis in April and October of each fiscal year. Lease rentals are set to generate an internal rate of return over the first 15 year period of the lease equal to the cost to the Ministry of Railways. Lease payments are reconciled at the end of the fiscal year with actual amounts in relation to the rolling stock assets acquired with the financing raised. The following table sets forth certain information relating to the lease pricing, which comprises principal repayment and interest payment (calculated on the agreed cost-plus basis), in the periods indicated:

Period	**Lease Pricing(1)**	**Cost to the Ministry of Railways**
		(%)
Fiscal Year 2016	11.20% per annum, semi-annual in advance over a primary lease period of 15 years	8.12%
Fiscal Year 2017	10.90% per annum, semi-annual in advance over a primary lease period of 15 years	7.65%
Fiscal Year 2018	11.15% per annum, semi-annual in advance over a primary lease period of 15 years	8.05%
Fiscal Year 2019	11.43% per annum, semi-annual in advance over a primary lease period of 15 years	8.49%
Fiscal Year 2020	10.98% per annum, semi-annual in advance over a primary lease period of 15 years	7.77%

Note:

(1) Calculated on the basis of relevant rolling stock cost and simple (non-compounded) payment over the relevant period.

Any surplus funds with the Issuer are invested in short-term deposits to ensure availability of sufficient funds for redemption of bonds and repayment of loans. In the event the Issuer does not have sufficient funds to redeem bonds or repay term loans owing to inadequate cash flows during the fiscal year, the Ministry of Railways is required under the Standard Lease Agreement to provide for such shortfall, through bullet payments in advance prior to maturity of the relevant bonds or term loans. Such payments are required to be adjusted in the subsequent lease rentals payable under the respective Standard Lease Agreement. However, the Issuer has never availed such a facility from the Ministry of Railways to the date of this Offering Circular. Shortly before the commencement of each Fiscal Year the Issuer notifies the Ministry of Railways of the estimated lease rentals for all the assets acquired in the previous Fiscal Year and expected to be leased during the forthcoming Fiscal Year.

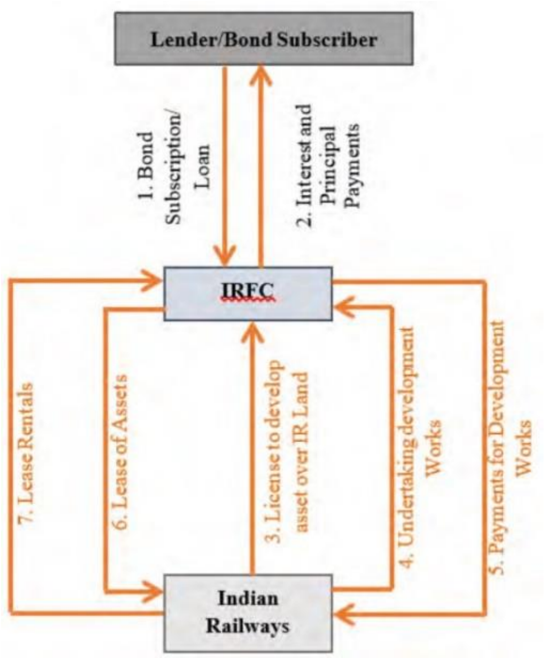
The Issuer received Rs 74,043.94 million, Rs. 85,002.29 million, Rs. 99,908.21million and Rs 55,493.73 million in Fiscal Year 2018, 2019, 2020 and the six months ended 30 September 2020, respectively, on account of capital recovery portion of lease rentals. Lease payments to the Issuer by the Ministry of Railways form part of the annual railway budget.

Loans

In addition to raising funds for the Indian Railways, the Issuer has also provided a loan of Rs. 7,000 million and Rs. 14,079.6 million to RVNL in the six months ended 30 September 2020 and in Fiscal Year 2020, respectively. In addition, the Issuer has dispersed a sum of Rs. 32,000 million to IRCON in Fiscal Year 2018. The total loan outstanding (RVNL and IRCON) constitutes 2.25% of the Issuer's total loan assets, which includes lease receivables, advances for funding of railway projects and loan to railway entities as of 30 September 2020.

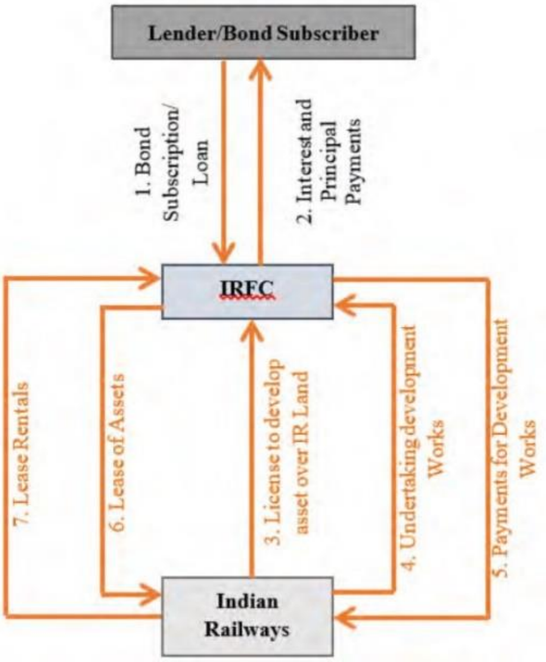
The Issuer entered into a loan agreement dated 10 July 2008 and a supplementary agreement dated 15 March 2013 with RVNL. The tenure for the loan is 15 years with an initial moratorium period of three years after which the loan shall be repaid in annual instalments with an interest rate determined by the Issuer on the basis of the annualised weighted average cost of borrowing for the period plus margin. The interest on funds provided to RVNL is charged on a yearly basis which is notified by the Issuer to the Ministry of Railways and RVNL within two months of the close of each Fiscal Year. The lending of funds by the Issuer to RVNL is in the form of a loan. Similarly, the term loan to Ircon dated 28 March 2018 has a tenure of five years and fifteen days with a moratorium of one year in which principal is not payable however interest is accrued. The loan is, repayable in five equal yearly instalments.

Financing of Project Assets



The Issuer also raises funds from the LIC. The Ministry of Railways entered into a MoU dated 11 March 2015 with LIC to avail Rs. 1,500,000 million over a period of five years, commencing from Fiscal Year 2016. Based on this MoU, the Issuer has entered into a MoU with the Ministry of Railways dated 23 May 2017 to be the conduit for the funding from LIC. The MoU provides for a tenor of 30 years for each instalment, with capitalisation of interest accruing in the first five years and repayment of principal in equal semi-annual instalments in 20 years commencing after a moratorium of 10 years. In Fiscal Year 2020, the Issuer was entitled to a spread of 35 bps in relation to the financing of project assets over its average cost of incremental borrowing which included the Issuer's costs to hedge currency exchange and interest rate fluctuations. As of 30 September 2020, outstanding borrowings from the LIC amounted to Rs. 205,000 million. The Issuer has raised funds by issuing bonds on a private placement basis to the LIC. Funds raised are being utilised for implementing identified railway projects. Similar to rolling stock leasing model, the Issuer acquires a leasehold interest in the project assets under a lease agreement and Ministry of Railways is required to pay lease rentals. The Issuer is, however, yet to execute the lease agreement, licence agreement and development agency agreement with the Ministry of Railways as the projects are still being developed and the costs to the Ministry of Railways have not been completely determined by the Ministry of Railways (in respect of the projects funding provided by the Issuer in Fiscal Years 2016, 2017, 2018, 2019 and 2020). Such lease agreement, licence agreement and development agency agreement will be executed on the completion of the development of the relevant project.

In addition, funding from the LIC matching requirements of the Indian Railways for projects has been constrained due to the exposure limit as per the extant guidelines prescribed by the Insurance Regulatory and Development Authority of India and accordingly, the Issuer has arranged funds from other sources to bridge the shortfall which has shorter tenor as compared to the tenor of funding from LIC The Issuer has requested the Ministry of Railways to maintain the tenor of lease between the Issuer and the Ministry of Railways corresponding to the tenor of borrowing for railway projects.



Other Agreements in relation to Project Assets

Lease agreement dated 26 August 2014 entered into by the Issuer and the President of India, through the Executive Director, Finance (Budget), Government in relation to project funding in Fiscal Year 2012

Pursuant to the memorandum of understanding dated 27 July 2012 entered into by the Issuer and the Government, the Issuer agreed to lease out infrastructure assets, such as doubling projects and electrification projects to the Government. Subsequently, the Issuer entered into a lease agreement dated 26 August 2014 with the President of India, through the Executive Director, Finance (Budget), Government of India in relation to the project funding in Fiscal Year 2012. The primary lease period is for 15 years from 1 April 2011 and the secondary lease period commences from the date next to the expiry of the primary lease for 15 years or unless otherwise revised by mutual consent. The lease rental is calculated on the value of the infrastructure assets of Rs. 20,784.94 million. Prior to the execution of the lease agreement, the Issuer made pre-lease disbursements of Rs. 20,784.94 million by raising the funds by issuing tax-free bonds. The lease rental shall be paid in annual installments on October 15 of every year. In case of any delay in payment of lease rentals, the Government shall pay an overdue rate until such delay subsists.

Licensing agreement dated 26 August 2014 between the Issuer and the President of India, through the Executive Director (Land and Amenities), Ministry of Railways (Railway Board), India

The Issuer also entered into a licensing agreement dated 26 August 2014 with the President of India, through the Executive Director (Land and Amenities), Ministry of Railways (Railway Board), Government of India. Pursuant to the terms of the licensing agreement, the Issuer has undertaken to lease the infrastructure assets and accordingly, are required to carry out development works. Thus, in order to carry out such development works and own the infrastructure assets, the Government has granted the Issuer a license. The Government has granted to the Issuer the right, amongst others, to carry out the development work on the land, to acquire, construct, erect, build, install, own, situate, keep, hold and beneficially enjoy the infrastructure asset on the land during the license period, to transfer, sell or otherwise dispose of or enjoy the infrastructure asset. The Issuer cannot use the land for any other purpose without the prior consent of the Government. In addition, the license period commenced from the date of the licensing agreement and shall terminate at the expiry on first anniversary of date of termination of the lease agreement. All costs in relation to the preparation and improvement of the land for carrying out the development work forms part of the project cost. This agreement for grant of lease of the infrastructure assets constitutes sufficient and full consideration for grant of the license rights under the licensing agreement. Further, the Issuer is not liable to pay any license fee.

Development Agency agreement dated 26 August 2014 between the Issuer and the President of India, through the Executive Director (Land and Amenities), Ministry of Railways (Railway Board), India

The Issuer has also entered into a development agency agreement dated 26 August 2014 with the President of India, through the Executive Director (Works), Ministry of Railways (Railway Board), Government of India. Pursuant to the terms of the development agency agreement, the Government has undertaken to carry out the development works and construction of infrastructure assets on behalf of the Issuer in order to bring the infrastructure assets into a commercial usable state for the purpose of leasing such infrastructure assets.

Sources of Funding

The Issuer's sources of funds include taxable and tax-free bonds issuances, term loans from banks and financial institutions, commercial paper, external commercial borrowings, asset securitisation, internal accruals and lease financing. After the Union Budget is passed by the Indian Parliament each year (which since 2017 also included the railway budget), the Ministry of Railways notifies borrowing targets, namely how much funding it expects to receive from the Issuer during such Fiscal Year. The Issuer has an overall borrowing limit set out by its Shareholder, the Government. As of the date of this Offering Circular, the Issuer's borrowings cannot exceed a maximum monetary limit of Rs. 4,000,000 million. The Issuer's total outstanding borrowing as of 30 September 2020 was Rs. 2,453,493.18 million. All the Issuer's borrowings are referenced to funding targets assigned to it by the Ministry of Railways.

As of the date of this Offering Circular, the Issuer has been assigned target of Rs 580,000 million by the Ministry of Railways including Rs. 293,000 million for rolling stock, Rs. 280,000 million for projects and Rs. 7,000 million for meeting the needs of RVNL.

The following table sets forth the maturity profile and average interest rate of the Issuer's outstanding debt as of 30 September 2020:

	Fiscal Year 2021		**Fiscal Year 2022 – Fiscal Year 2026**		**After Fiscal Year 2026**	
	Maturity Amount	**Interest Rate (per annum)(1)**	**Maturity Amount**	**Interest Rate (per annum)(1)**	**Maturity Amount**	**Interest Rate (per annum)(1)**
			(Rs. million, except percentages)			
Domestic................................	293,943.98	3.95% to 8.35%	721,268.51	5.75% to 10.70%	1,194,201.96	5.95% to 10.04%
Overseas (in other currencies)	334.13	1.70% to 1.70%	50,707.83	3.73% to 3.73%	199,027.73	3.25% to 3.95%

Note:

(1) The interest rate range indicates the present rate of interest per annum applicable to the existing facilities. For Fiscal Year 2021- Fiscal Year 2026 and after Fiscal Year 2026, for calculating the interest rate in case of LIBOR linked borrowings the interest rate is computed based on the probable/ projected LIBOR rate, which would prevail at the time of the maturity of the respective underlying borrowings

Domestic Borrowings

Bonds

Taxable Bonds: The Issuer issues unsecured, non-convertible, redeemable taxable bonds under various series typically with a maturity period of up to 30 years from the date of allotment. As of 30 September 2020, the Issuer's outstanding taxable bonds were Rs. 1,108,901.51 million bearing fixed interest rates. These bonds are issued on a private placement basis and majority of these bonds are listed on the "whole sale debt market segment" on the stock exchanges.

Tax-Free Bonds: The Issuer issues secured, non-convertible, redeemable tax-free bonds under various series typically with a maturity period ranging from 10 to 20 years from the date of allotment. As of 30 September 2020, its outstanding tax-free bonds were Rs. 330,802.94 million bearing fixed interest rates. These bonds are issued to retail, corporate and institutional investors through a public issue or on a private placement basis and are currently listed on the "whole sale debt market segment" on the Stock Exchanges (bonds raised through private placement) and the capital market segments of the NSE and the BSE (bonds raised through public issues). The Issuer is only able to issue tax-free bonds to the extent permitted by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, India.

54EC Capital Gain Bonds: The Issuer issues 54EC Capital Gain bonds for which approval was received from the Ministry of Finance in Fiscal Year 2018. As of 30 September 2020, the outstanding 54EC Capital Gain bonds (including unamortized transaction cost) were Rs.15,027.51 million. The tenure of these bonds is between three to five years with coupon rate of between 5.25% to 5.75%.

Term Loans

The Issuer avails secured as well as unsecured long-term and short-term loans from various scheduled commercial banks and financial institutions and National Small Savings Fund. As of 30 September 2020, the amount outstanding on account of term loans is Rs. 744,210 million.

Commercial Paper

The Issuer issues commercial paper from time to time. It uses commercial paper as a source of short-term funds for its working capital needs and for bridge financing until such time as longer-term securities are placed. In Fiscal Year 2018, 2019 and 2020 and the six months ended 30 September 2020, the Issuer raised Rs9,975.88 million, Rs. 29,859.77 million, Rs. 38,634.09 million and Rs. 25,481.58 million, respectively, through issuance of commercial paper (net of unexpired discount). The Issuer's commercial paper is rated "CARE A1+" by CARE, "ICRA A1+" by ICRA and "CRISIL A1+" by CRISIL, which is the highest possible rating in this category by these agencies.

International Borrowings

External Commercial Borrowings

The Issuer has raised funds through syndicated loans and term loans, and have issued foreign currency unsecured bonds (primarily in U.S. dollars and Japanese yen) which have been listed on international stock exchanges. As of 30 September 2020, the Issuer's outstanding foreign currency loans were USD 3,332 million or Rs. 250,069.69 million.

The following table sets out details of the Issuer's external commercial borrowings:

Particulars of borrowing	Sanctioned amount	Principal outstanding amount (Rs. million) (as of 30 September 2020)	Tenor	Rate of Interest* (per annum)	Redemption Date
External Commercial Borrowings					
Unsecured foreign currency bonds issued in offshore market					
Reg-S bonds under EMTN programme	U.S.$500 million	37,125 million	Five years from deemed date of allotment	3.73% payable semi annually	29 March 2024
Green Reg-S Unsecured fixed rate U.S.$500,000,000 Notes	U.S.$500 million	37,125 million	10 years from deemed date of allotment	3.835% payable semi annually	13 December 2027
144A USD Bonds					
	USD 700 million	51,975 million	10 years	3.249% pa	Bullet repayment on final maturity i.e. 13 February 2030
144A USD Bonds	USD 300 million	22,275 million	30 years	3.95% pa	Bullet repayment on final maturity 13 February 2050
Secured Foreign Currency Term Loan					
Bank of India	U.S.$60 million	334.13 million	24 years (including the four years moratorium)	Six-month LIBOR + 1.25%	Repayable in 40 equal half-yearly instalments starting April 2002, after a moratorium of four years from the date of availment. Last installment of principal repayment is due on 30 October 2021.
Rupee Denominated Loan Facility from Asian Development Bank (ADB)	INR equivalent of U.S.$750 Million	To be availed	20 Years	ADB's Funding Rate + 1.25%*	Repayable in 32 structured semi-annual instalments and the first repayment date shall be the first interest payment date falling four years after Financial Close
Unsecured Foreign Currency Loan					
American Family Life Insurance Company of Columbus (AFLAC-1)	JPY 12 billion equivalent to U.S.$145.90 million	10,832.83 million	15 years	2.85%	Bullet repayment on final maturity date 10 March 2026
American Family Life Insurance Company of Columbus (AFLAC-2)	JPY 3 billion equivalent to U.S.$37.04 million	2,750 million	15 years	2.90%	Bullet repayment on final maturity date 30 March 2026

Particulars of borrowing	Sanctioned amount	Principal outstanding amount (Rs. million) (as of 30 September 2020)	Tenor	Rate of Interest* (per annum)	Redemption Date
SBI Bahrain USD 300 mn loan	USD 300 million	22,275 million	10 years	6 months USD LIBOR plus 1.30% pa	Bullet repayment on final maturity 26 March 2030
Syndicated Foreign Currency Term Loan					
Syndicated JPY Loan-1(Original Lenders-The Bank of TokyoMitsubishi UFJ Ltd., Mizuho Bank Ltd. and Sumitomo Mitsui Banking Corporation)	JPY 26.23 billion	18,584.84 million	10 years	6-month JPY LIBOR + 0.8%	Bullet repayment on final maturity date, 28 March 2028
Syndicated JPY Loan-2 (Original Lenders-The Bank of TokyoMitsubishi UFJ Ltd., Mizuho Bank Ltd. and Sumitomo Mitsui Banking Corporation)	JPY 32.856 billion	23,278.48 million	7 years	6-month JPY LIBOR + 0.90%	Bullet repayment on final maturity date, 4 June 2026
Syndicated JPY Loan-3c(Original Lenders-State Bank of India and Sumitomo Mitsui Banking Corporation)	JPY 33.189 billion	23,514.41 million	10 years	6 months JPY LIBOR plus 0.935%	Bullet repayment on final maturity 31 March 2030

Assets

The Standard Lease Agreement for Fiscal Year 2020 was executed on August 27 2020. A majority of the assets of the Issuer comprise of lease receivables represented by rolling stock assets leased to the Ministry of Railways. The Ministry of Corporate Affairs (**MCA**) has pursuant to notification dated 30 March 2019 notified 'Ind AS 116 – Leases' and the Issuer was required to adopt Ind AS 116 from 1 April 2019. The Issuer applied the transition provisions as mentioned in Appendix C to Ind AS 116. There is no financial impact on the Issuer on adoption of Ind AS 116.The Issuer owned and leased the following units of railway rolling stock (cumulative basis) assets to the Indian Railways as on the following date:

Rolling Stock	As of 31 March 2018	As of 31 March 2019	As of 31 March 2020
Locomotives	9,643	10,350	11,332
Passenger coaches	51,772	57,370	64,648
Wagons	2,20,746	2,29,815	2,41,060

The cumulative acquisition of rolling stocks acquired and leased by the Issuer stood at Rs. 1,699,890 million, Rs. 1,940,440 million and Rs. 2,238,107.84 million as of 31 March 2018, 2019 and 2020, respectively.

Rolling stock assets have an average life of 30 years. As of 31 March 2020 and as of 30 September 2020, the Issuer's outstanding leased assets (net of capital recovery) to the Ministry of Railways were Rs. 1,485,798.00 million and Rs. 1,538,468.10 million, respectively, representing 55.83% and 55.34%, respectively, of the Issuer's total loan assets, which includes lease receivables, advances for funding of railway projects and loan to railway entities, as of such dates.

Other Assets

The Issuer invests its surplus funds in fixed deposits with scheduled commercial banks in accordance with the guidelines issued by the Department of Public Enterprises, issued from time to time.

Treasury Operations

The Issuer's treasury operations help the Issuer meet the funding requirements of the Indian Railways. The Issuer is well capitalised with diversified sources of funds. It has a dedicated resource mobilisation team which handles funding requirements, minimises the cost of the Issuer's borrowings, diversifies the sources of its funds, manages interest rate risk and invests surplus funds. The Issuer's finance team undertakes liquidity management by seeking to maintain an optimum level of liquidity. The Issuer's objective is to ensure adequate capitalisation to conduct its business without holding excessive cash.

Off Balance Sheet Arrangement

The Issuer has in the past also mobilised funds by undertaking asset securitisation transactions during Fiscal Year 2005, 2008, 2009, 2010 and 2011. The Issuer had executed asset securitisation transactions by securitising an identified portion of future lease rentals originating on its assets leased to Ministry of Railways.

Credit Ratings

Domestic Ratings

The Issuer has been accorded the highest ratings by all three domestic credit rating agencies namely, CRISIL, ICRA and CARE. Details of ratings assigned by such domestic credit rating agencies to the Issuer are as follows:

Rating Agency	Rating	Outlook
CRISIL (Long term Debt Programme)	CRISIL AAA	Stable
CRISIL(Short term Debt programme)	CRISIL A1+	
ICRA (Short term Borrowing Programme)	(ICRA) A1+	—
ICRA (Long-term Borrowing Programme)	(ICRA)AAA	Stable
CARE (Short term Market Borrowing Programme)	CARE A1+	—
CARE (Long-term Market Borrowing Programme)	CARE AAA	Stable

International Ratings

Details of the ratings assigned by international credit rating agencies to the Issuer are as follows:

Rating Agency	Rating	Outlook
Moody's	Baa3	Negative
Fitch	BBB-	Negative
Standard &Poor	BBB-	Stable
Japan Credit Rating Agency	BBB+	Stable

Prudential Norms

The Issuer is regulated principally by, and has reporting obligations to the RBI and is subject to the RBI's guidelines on the regulation of the systemically important NBFC-ND-SI and Infrastructure Finance Companies, which includes, among other things, matters related to capital adequacy, exposure, other prudential norms, deployment of assets, requirement of net owned funds and credit ratings. The RBI, from time to time, amends the regulatory framework governing NBFCs to address concerns arising from certain divergent regulatory requirements for banks and NBFCs. The laws and regulations governing the banking and financial services industry in India have become increasingly complex and cover a wide variety of issues, such as interest rates, liquidity, investments, ethical issues, money laundering and privacy.

The Issuer, being a government company was exempt from capital adequacy and prudential norms until 31 May 2018. However, the RBI has since withdrawn the exemption granted to Government-owned NBFCs from 31 May 2018. As a result, the Issuer has to follow the capital adequacy and prudential norms, income recognition and asset classification norms, leverage ratio, corporate governance, standard asset provisioning and exposure norms as well as adoption of the Fair Practice Code (**FPC**), although it has an exemption from RBI to the extent of direct exposure to the Ministry of Railways and the Government. The Issuer's profitability and its capital adequacy ratio etc., will be adversely affected as a result of the mandatory application of prudential norms. Further, there can be no assurance that the RBI will not withdraw the existing exemptions including the Issuer's exposure to exposure to the Ministry of Railways and the Government and adoption of the FPC, which may adversely affect the Issuer's business, financial condition and results of operations. The Issuer is also subject to reporting obligations to the RBI.

Risk Management

Credit Risk

A major portion of the Issuer's assets are in the form of lease receivables from the Ministry of Railways that it believes carry minimal risk. Occasionally, the Issuer lends to other railway entities in the form of loans. The Issuer believes it is adequately covered for risks arising from such loans as these are covered either under a presidential directive or cash flows that constitute its receivables under such loans originated from the Ministry of Railways. The Issuer has in place robust internal control systems that, it believes, are commensurate with the nature and volume of its business. The Issuer has also established various risk management committees and an Asset Liability Committee comprising of the Chairman, the Managing Director, the Director – Finance and senior officials.

Operational Risk

The Issuer's internal controls and systems are reviewed periodically by its internal auditors. The internal audit function has been assigned to an independent firm of chartered accountants. The Issuer's Statutory Auditors are appointed by the Comptroller and Auditor General of India ("**C&AG**"), and the appointment is rotated periodically. Besides, the Issuer's accounts are subject to supplementary audit by the office of the C&AG as required under the Companies Act. The C&AG also conducts a proprietary audit.

Foreign Exchange Risk

In order to minimize its foreign exchange risks, the Issuer hedges its foreign currency exposure associated with its external commercial borrowings. Typically, any expenses incurred by it with respect to any foreign currency hedging costs is included the weighted average cost of incremental borrowing factors which forms part of the lease rentals payable by the Ministry of Railways to the Issuer. The Issuer adopts cost-effective risk management strategies to safeguard its operations against exchange rate variation risk on its overseas borrowings. In addition, The standard lease agreement entered into by the Issuer for Fiscal Year 2020 also specifically provides that any costs in relation to foreign currency hedging undertaken by the Issuer with respect to its overseas borrowings will be borne by the Ministry of Railways and any benefit accruing from such hedging transaction will be passed on by the Issuer to the Ministry of Railways.

Interest Rate Risk

Typically, the weighted average cost of incremental borrowing factors in any expenses incurred by the Issuer with respect to any hedging costs for interest rate fluctuations. Such weighted average cost of incremental borrowing are included in the lease rentals payable by the Ministry of Railways to the Issuer. Further, the Issuer enters into derivative transactions to hedge interest rate risk and minimize its interest rate exposure. In addition, the provision in the Standard Lease Agreement helps the Issuer maintain an appropriate matching of interest rate sensitivity profile of its assets and liabilities.

Technology

The Issuer maintains and upgrades its IT infrastructure periodically. This ensures faster processing of data and/or information. The Issuer uses information technology as a strategic tool in its business operations to improve its overall productivity. The Issuer intends to implement a standard ERP solution, which will allow for more efficiency and monitoring.

All critical data is backed-up daily with back-up servers to ensure data safety. The Issuer also trains its employees on the importance of safeguarding data.

Insurance

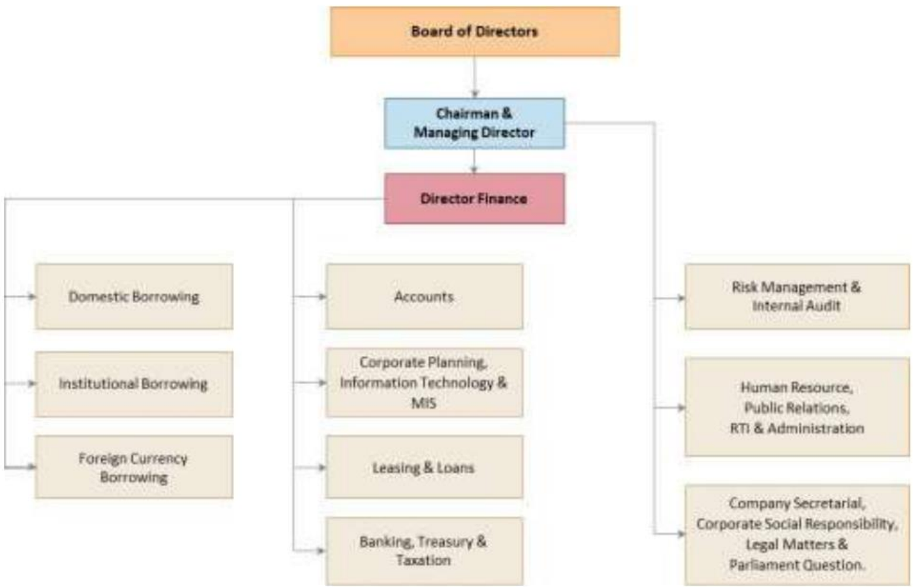
The Issuer maintains a standard insurance and fire insurance policy for its registered and corporate office, which is renewed every year. The Issuer is required to contribute to social security contributions including provident fund contributions and gratuity. Except for the policies, which are required by law, the Issuer has not taken up any other policies for its employees.

Employees

The Issuer believes that the industry knowledge and experience of its senior management has enabled it to develop and implement a consistent business plan and streamlined operational procedures, and allowed it to maintain consistent business growth over the years. Members of the Issuer's senior management team have extensive experience in the finance industry.

The Issuer also has an experienced and committed team. As of the date of this Offering Circular, the Issuer has 26 employees. In addition to the Chairman & Managing Director and the Director – Finance, the executive officers include three general managers, two additional general manager and two Joint general managers. The Issuer's senior management team and executive team have a range of professional qualifications and experience in corporate lending, structured finance and law, working at government agencies as well as leading commercial banks and financial institutions. Set out below is the management organization structure of the Issuer.

Management Organisation Structure of our Company



Corporate Social Responsibility ("CSR")

The Issuer has constituted a CSR Committee that comprises of three independent directors, managing director and director (finance). One of the independent directors is the chairman of the committee. In accordance with the provisions of the Companies Act and guidelines issued by the Department of Public Enterprises, it has adopted a 'Corporate Social Responsibility and Sustainability Policy'.

Intellectual Property

The Issuer obtained a trademark registration for the logo " ", and slogans "*Bhavishya Path Par*" and "Future on track" under Class 36 of the (Indian) Trade Marks Act, 1999. Further, the Issuer has also obtained registration for its website, "www.irfc.nic.in" and "www.irfc.co.in".

Property

The Issuer's registered and corporate office is located at Upper Ground Floor, East Tower, NBCC Place, Bhisham Pitamah Marg, Pragati Vihar, Lodi Road, New Delhi – 110 003. The Issuer has entered into agreements to acquire its registered and corporate office, however, the execution of a sale deed and registration formalities are yet to be completed. Further, the Issuer has entered into a lease agreement for setting up of a liaison office at GIFT City, Gandhinagar, Ahmedabad. For details see, "*Risk Factors - The Issuer has not registered the title documents to its registered and corporate office premises and accordingly the title to the Issuer's office premises may be imperfect.*".

THE ISSUER'S RELATIONSHIP WITH THE GOVERNMENT

The Issuer is subject to regulation by a number of bodies. The Issuer is a Schedule 'A' Public Sector Enterprise under the administrative control of the Ministry of Railways. It is also registered as Systemically Important Non–Deposit Taking Non-Banking Financial Company ("**NBFC-ND-SI**") and is sub-classified as an Infrastructure Finance Company ("**NBFC-IFC**") with the RBI. As a public-sector company, it is regulated by the Department of Public Enterprises under the Ministry of Heavy Industry and Public Enterprises of the Government. The Issuer is also subject to the regulations applicable to public sector enterprises and its accounts are reviewed by the Comptroller and Auditor General of India. As a company, it is subject to the Ministry of Corporate Affairs. In addition, as a NBFC, the Issuer is regulated by the RBI and is required to comply with the applicable regulations and guidelines issued by the RBI and make periodic reports to it.

The Issuer is a company majority-owned by the Government. Its share capital is approximately 86% owned by the President of India.

The President of India is, under the Articles of Association of IRFC, entitled to issue directives to it as to activities to be undertaken by the Issuer. As of the date of this Offering Circular, this has happened three times: (i) loans to Konkan Railway Corporation Ltd., an enterprise owned by the Government; (ii) a loan by Japan Bank for International Cooperation (formerly The Export-Import Bank of Japan) and the on-lending of the proceeds to the Ministry of Finance; and (iii) a loan to RailTel Corporation of India Limited.

Under the terms of previous Standard Lease Agreements, the Ministry of Railways has agreed with the Issuer to ensure that if it is unable to redeem the relevant bonds at maturity and/or repay its loans which it undertook as a source of funds to finance acquisition of rolling stock to be leased to the Ministry of Railways due to inadequate cash flows, the Ministry of Railways will make good such shortfall by making advance payments of lease rentals. The Issuer expects future Standard Lease Agreements to contain an equivalent assurance.

ASSETS AND LIABILITIES

Unless otherwise stated, the financial information of the Issuer used in this section has been derived from, and should be read together with, the financial statements of the Issuer, including the notes thereto, included elsewhere in this Offering Circular and the sections *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* and *"Business"* of this Offering Circular, to the extent that the Issuer's financial performance and financial condition are discussed in those sections.

Cash and cash equivalents

Particulars	**As of 31 March 2018**	**As of 31 March 2019**	**As of 31 March 2020**	**As of 30 September 2020**
		(Rs. millions)		
Balances with banks				
- in current accounts	11.18	36.97	13.70	16.51
Balances in franking machine	0	0	—	—
Deposits with Reserve Bank of India				
- in public deposit account	0.10	0.10	0.10	0.10
Total	**11.28**	**37.07**	**13.80**	**16.61**

Bank balances other than above

Particulars	**As of 31 March 2018**	**As of 31 March 2019**	**As of 31 March 2020**	**As of 30 September 2020**
		(Rs. millions)		
Balances with banks				
- in interest redemption accounts(1)	58.16	80.91	96.82	101.24
- in term deposits accounts	—	—	—	—
- in escrow pool account(2)	928.76	692.68	897.01	840.94
Total	**986.92**	**773.59**	**993.83**	**942.18**

(1) 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.
(2) Related to allotment of 54EC bond – March 2019 series.

Derivative financial instruments

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

	As of 31 March 2018			As of 31 March 2019			As of 31 March 2020			As of 30 September 2020		
PART I	**Notional amounts**	**Fair value -assets**	**Fair value -liabilities**	**Notional amounts**	**Fair value -assets**	**Fair value -liabilities**	**Notional amounts**	**Fair value -assets**	**Fair value -liabilities**	**Notional amounts**	**Fair value -assets**	**Fair value -liabilities**
		(Rs. millions)			*(Rs. millions)*			*(Rs. millions)*			*(Rs. millions)*	
(i) Currency derivatives												
-Spot and forwards	42,284.86	—	5,141.60	—	—	—	—	—	—	—	—	—
-Currency swaps	11,982.16	—	2,354.19	12,737.67	—	3,105.95	13,884.67	—	3,090.22	13,582.83	—	2,873.63
Subtotal	**54,267.02**	—	**7,495.79**	**12,737.67**	—	**3,105.95**	**13,884.67**	—	**3,090.22**	**13,582.83**	—	**2,873.63**
(ii) Interest rate derivatives												
-Forward rate agreements and interest rate swaps	25,082.16	968.47	—	12,737.67	466.90	—	13,884.67	—	974.93	13,582.83	—	1,009.84
Subtotal	**25,082.16**	**968.47**	—	**12,737.67**	**466.90**	—	**13,884.67**	—	**974.93**	**13,582.83**	—	**1,009.84**
Total derivatives instruments	**79,349.18**	**968.47**	**7,495.79**	**25,475.34**	**466.90**	**3,105.95**	**27,769.34**	—	**4,065.15**	**27,165.66**	—	**3,883.47**
PART II												
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:												
(i) Fair value hedging												
Currency derivatives	54,267.02	—	74,95.79	12,737.67	—	3,105.95	13,884.67	—	3,090.22	13,582.83	—	2,873.63
Interest rate derivatives	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal (I)	**54,267.02**	**—**	**74,95.79**	**12,737.67**	**—**	**3,105.95**	**13,884.67**	—	**3,090.22**	**13,582.83**	—	**2,873.63**
(ii) Cash flow hedging												
Currency derivatives	—	—	—	—	—	—	—	—	—	—	—	—
Interest rate derivatives	25,082.16	968.47	—	12,737.67	466.90	—	13,884.67	—	974.93	13,582.83	—	1,009.84
Subtotal (ii)	**25,082.16**	**968.47**	—	**12,737.67**	**466.90**	—	**13,884.67**	—	**974.93**	**13,582.83**	—	**1,009.84**
Net Investment hedging												
Currency derivatives												
Interest rate derivatives												
Subtotal (iii)												
(iii) Undesignated derivatives	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal (iii)	—	—	—	—	—	—	—	—	—	—	—	—
Total derivative financial instruments (i+ii+iii)	**79,349.18**	**968.47**	**7,495.79**	**25,475.34**	**466.90**	**3,105.95**	**27,769.34**	—	**4,065.15**	**27,165.66**	—	**3,883.47**

Receivables

Particulars	As of 31 March 2018	As of 31 March 2019	As of 31 March 2020	As of 30 September 2020
		(Rs. millions)		
Trade receivables	—	—	—	—
Lease receivables[1]				
(Unsecured, considered good due from Ministry of Railways, Government of India)	1,094,716.56	1,250,265.12	14,85,798.00	1,538,468.10
Total	**1,094,716.56**	**1,250,265.12**	14,85,798.00	**1,538,468.10**

[1] 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.1271/03.101/2018-19 dated 21-December-2018.

Loans

Particulars	As of 31 March 2018						As of 31 March 2019						As of 31 March 2020						As of 30 September 2020					
		At Fair Value						At Fair Value						At Fair Value						At Fair Value				
	Amortised cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	Total	Amortised cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	Total	Amortised cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	Total	Amortised cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	Total
Loans																								
(A) Term Loans																								
-Loan to Rail Vikas Nigam Limited	20,379.55	—	—	—	—	20,379.55	28,426.30	—	—	—	—	28,426.30	39,879.41	—	—	—	—	39,879.41	44,221.96	—	—	—	—	44,221.96
-Loan to Ircon International Limited	32,000	—	—	—	—	32,000	30,765.34	—	—	—	—	30,765.34	24,612.27	—	—	—	—	24,612.27	18,459.20	—	—	—	—	18,459.20
Total (A) -Gross	**52,379.55**	—	—	—	—	**52,379.55**	**59,191.64**	—	—	—	—	**59,191.64**	**64,491.68**	—	—	—	—	**64,491.68**	**62,681.16**	—	—	—	—	**62,681.16**
Less: Impairment loss allowance[1]	—	—	—	—	—	—	236.77	—	—	—	—	236.77	257.97	—	—	—	—	257.97	250.72	—	—	—	—	250.72
Total (A) -Net	**52,379.55**	—	—	—	—	**52,379.55**	**58,954.87**	—	—	—	—	**58,954.87**	**64,233.71**	—	—	—	—	**64,233.71**	**62,430.44**	—	—	—	—	**62,430.44**
(B)(I) Secured by tangible assets	—	—	—	—	—		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(ii)Secured by intangible assets	—	—	—	—	—		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(iii)Covered by Bank/Government Guarantees	—	—	—	—	—		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(iv) Unsecured	52,379.55	—	—	—	—	52,379.55	59,191.64	—	—	—	—	59,191.64	64,491.68	—	—	—	—	64,491.68	62,681.16	—	—	—	—	62,681.16
Total (B)-Gross	**52,379.55**	—	—	—	—	**52,379.55**	**59,191.64**	—	—	—	—	**59,191.64**	**64,491.68**	—	—	—	—	**64,491.68**	**62,681.16**	—	—	—	—	**62,681.16**
Less:Impairment loss allowance	—	—	—	—	—	—	236.77	—	—	—	—	236.77	257.97	—	—	—	—	257.97	250.72	—	—	—	—	250.72
Total (B)-Net	**52,379.55**	—	—	—	—	**52,379.55**	**58,954.87**	—	—	—	—	**58,954.87**	**64,233.71**	—	—	—	—	**64,233.71**	**62,430.44**	—	—	—	—	**62,430.44**
(c) (I) Loans in India																								
(I) Public Sector	52,379.55	—	—	—	—	52,379.55	59,191.64	—	—	—	—	59,191.64	64,491.68	—	—	—	—	64,491.68	62,681.16	—	—	—	—	62,681.16
(ii) Others (to be specified)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total (C)-Gross	**52,379.55**	—	—	—	—	**52,379.55**	**59,191.64**	—	—	—	—	**59,191.64**	**64,491.68**	—	—	—	—	**64,491.68**	**62,681.16**	—	—	—	—	**62,681.16**
Less: Impairment loss allowance	—	—	—	—	—	—	236.77	—	—	—	—	236.77	257.97	—	—	—	—	257.97	250.72	—	—	—	—	250.72
Total (c) (1)-Net	**52,379.55**	—	—	—	—	**52,379.55**	**58,954.87**	—	—	—	—	**58,954.87**	**64,233.71**	—	—	—	—	**64,233.71**	**62,430.44**	—	—	—	—	**62,430.44**
(C)(II)Loans outside India																								
Less: Impairment loss allowance	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total (C)(II)· Net	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total C(I)and C(II)	**52,379.55**	—	—	—	—	**52,379.55**	**58,954.87**	—	—	—	—	**58,954.87**	64,233.71	—	—	—	—	64,233.71	**62,430.44**	—	—	—	—	**62,430.44**

[1] Impairement loss allowance is recogonised as per Reserve Bank of India circular no. RB1/2017-18/181_DNBR (PD) CC. No. 092/03.101/2017-18 dated 31 May 2018 read with letter no. DNRB (PD). CO.No.1271/03.101/2018-19 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.

Investments

	As of 31 March 2018					
		At Fair Value				
	Amortised cost	Through other Comprehensive Income	Through Profit or loss	Designated at fair value through profit or loss	Subtotal	Total
			(Rs. millions)			
Debt securities[1]	45.42	—	—	—	—	45.42
Equity instruments[2]	—	94.36	—	—	—	94.36
Total (A)	**139.78**	—	—	—	—	**139.78**
Investments Outside India	—	—	—	—	—	—
Investments in India	139.78	—	—	—	—	139.78
Total (B)	**139.78**	—	—	—	—	**139.78**
Less: Allowance for Impairment' (C)	—	—	—	—	—	—
Total (A)-(C)	**139.78**	**94.36**	—	—	—	**139.78**

	As of 31 March 2019					
		At Fair Value				
	Amortised cost	Through other Comprehensive Income	Through Profit or loss	Designated at fair value through profit or loss	Subtotal	Total
			(Rs. millions)			
Debt securities[1]	33.30	—	—	—	—	33.30
Equity instruments[2]	—	98.15	—	—	98.15	98.15
Total (A)	**33.30**	**98.15**	—	—	**98.15**	**131.44**
Investments Outside India	—	—	—	—	—	—
Investments in India	33.30	98.15	—	—	98.15	131.44
Total (B)	**33.30**	**98.15**	—	—	**98.15**	**131.44**
Less: Allowance for Impairment' (C)	—		—	—	—	—
Total (A)-(C)	**33.30**	**98.15**	—	—	**98.15**	**131.44**

	As of 31 March 2020					
		At Fair Value				
	Amortised cost	Through other Comprehensive Income	Through Profit or loss	Designated at fair value through profit or loss	Subtotal	Total
			(Rs. millions)			
Debt securities[1]	22.23	—	—	—	—	22.23
Equity instruments[2]	—	92.98	—	—	92.98	92.98
Total (A)	22.23	**92.98**	—	—	**92.98**	**115.21**
Investments Outside India	—	—	—	—	—	—
Investments in India	22.23	92.98	—	—	92.98	115.21
Total (B)	**22.23**	**92.98**	—	—	**92.98**	**115.21**
Less: Allowance for Impairment' (C)	0.09	—	—	—	—	0.09
Total (A)-(C)	**22.14**	**92.98**	—	—	**92.98**	**115.12**

	As of 30 September 2020					
		At Fair Value				
	Amortised cost	Through other Comprehensive Income	Through Profit or loss	Designated at fair value through profit or loss	Subtotal	Total
			(Rs. millions)			
Debt securities[1]	17.07	—	—	—	—	17.07
Equity instruments[2]	—	97.05	—	—	97.05	97.05
Total (A)	**17.07**	**97.05**	—	—	**97.05**	**114.12**
Investments Outside India	—	—	—	—	—	—
Investments in India	17.07	97.05	—	—	97.05	114.12
Total (B)	**17.07**	**97.05**	—	—	**97.05**	**114.12**
Less: Allowance for Impairment' (C)	0.07	—	—	—	—	0.07
Total (A)-(C)	**17.00**	**97.05**	—	—	**97.05**	**114.05**

	As of 31 March 2018	As of 31 March 2019	As of 31 March 2020	As of 30 September 2020
[1] Numbers of Senior Pass through Certificates of NOVO X Trust Locos	45	35	25	20
[1] Fair value of Senior Pass through Certificates of NOVO X Trust Locos	45.42	33.30	22.23	17.07
[2] Numbers of Equity Shares of Ircon International Limited	244,000	244,000	244,000	1,220,000
[2] Fair value of Equity Shares of Ircon International Limited	94.36	98.15	92.98	97.05

The Company holds nominal Equity (less than 0.26%) in Ircon. The Equity shares of Ircon 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 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 as available with the Company (Level 3 Input).

Other financial assets

Particulars	As of 31 March 2018	As of 31 March 2019	As of 31 March 2020	As of 30 September 2020
		(Rs. millions)		
Amount recoverable from Ministry of Railways on account of exchange rate variation / derivatives#	0	4,244.98	18,033.97	10,480.43
Amount recoverable from Ministry of Railways - Leased Assets	35,643.40	3,061.73	—	—
Advance against Railway Infrastructure Assets to be leased (Refer Note No. 45)	398,250.55	649,088.40	10,31,195.28	1,096,372.50
Advance Funding Against National Project	—	50,828.17	79,884.94	82,554.16
Interest accrued but not due on advance for railway project to be leased	9,649.87	21,340.11	43,945.37	59,138.49
Infrastructure project assets	—	—	—	36,895.07
Security deposits	1.09	0.96	1.43	1.42
House building advance (secured)(1)	1.01	3.26	2.96	2.80
Advance to employees	0.08	3.05	3.13	3.63
Interest accrued but not due on advance to employees(2)	0.83	0.51	0.77	0.91
Interest accrued but not due on loans & deposits	7,183.74	9,669.11	9,669.86	7,900.48
Interest accrued but not due on fixed deposits with bank	—	—	—	—
Interest accrued but not due on investment	40.90	36.04	28.51	23.75
Interest accrued but not due on 54 EC bond application money	1.39	1.33	13.09	18.44
Amount recoverable from others	0.23	0.46	2.02	3.79
Gross Total	**450,773.10**	**738,278.11**	**1,182,781.33**	**1,293,395.87**
Less: Impairment on interest accrued and due on loans & deposits(3)	—	38.67	38.79	31.70
Net Total	**450,773.10**	**738,239.44**	**1,182,742.54**	**1,293,364.17**

(1) 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, respectively, to key managerial personnel/officers of the Company.
(2) Includes Rs. 0.12 million for 31 March 2020, Rs. 0.01 million for 31 March 2019, Rs. 0.40 million for 31 March 2018, respectively, to key managerial personnel/officers of the Company.
(3) As per Reserve Bank of India Circular No. RBI/2017-18/181_DNBR (PD) CC. No. 092/03.101/2017-18 dated 31-May-2018.

Amount recoverable from Ministry of Railways on account of exchange rate variation / derivatives includes amount recoverable from Ministry of Railways on account of MTM derivatives of the respective year.

Current tax assets (net)

Particulars	As of 31 March 2018	As of 31 March 2019	As of 31 March 2020	As of 30 September 2020
		(Rs. millions)		
TDS & advance tax	23,544.95	25,892.12	31,785.86	34,113.30
Provision for tax	(23,156.46)	(25,477.45)	(25,477.45)	(25,482.78)
Total	**388.49**	**414.67**	**6,308.41**	**8,630.52**

Property, plant and equipment

Particulars	Building	Office Equipment	Computer	Furniture and fixtures	Plant and equipment	Vehicles	Total
Deemed cost / Gross Block							
Balance at 1 April 2017	112.32	0.96	0.68	0.80	0.03	0.25	**115.04**
Additions	---	0.54	0.33	.040	---	---	**1.27**
Disposals	---	(0.26)	(0.18)	----	---	---	**(0.44)**
Balance 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 at 31 March 2019	**112.32**	**1.68**	**1.59**	**1.23**	**0.03**	**2.50**	**119.35**
Additions	—	0.82	1.40	0.12	—	—	**2.34**
Disposals	—	(0.19)	—	—	—	—	**(0.19)**
Balance at 31 March 2020	**112.32**	**2.31**	**2.99**	**1.35**	**0.03**	**2.50**	**121.50**
Additions	—	0.51	0.92	0.51	—	—	1.94

Disposals	—	(0.32)	(0.22)	(0.20)	—	—	(0.74)
Balance at 30 September 2020	**112.32**	**2.50**	**3.69**	**1.66**	**0.03**	**2.50**	**122.70**
Accumulated depreciation							
Balance 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 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 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 at 31 March 2020	**8.65**	**0.65**	**1.09**	**0.38**	**0.03**	**0.66**	**11.46**
Depreciation expense	1.53	0.16	0.36	0.09	—	0.14	2.28
Adjustments	—	—	—	—	—	—	—
Elimination on disposals of assets	—	(0.13)	(0.13)	(0.05)	—	—	(0.31)
Balance at 30 September 2020	**10.18**	**0.68**	**1.32**	**0.42**	**0.03**	**0.80**	**13.42**
Carrying amount							
Balance 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	---	---	---	---	**(0.15)**
Depreciation expense	(2.55)	(0.27)	(0.42)	(0.11)	(0.03)	(0.09)	**(3.47)**
Balance 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 at 31 March 2019	**106.72**	**1.30**	**1.04**	**0.99**	—	**2.20**	**112.25**
Additions	—	0.82	1.40	0.12	—	—	**2.34**
Disposals	—	(0.12)	—	—	—	—	**(0.12)**
Depreciation expense	(3.05)	(0.34)	(0.54)	(0.14)	—	(0.36)	**(4.43)**
Balance at 31 March 2020	**103.67**	**1.66**	**1.90**	**0.97**	—	1.84	**110.04**
Additions	—	0.51	0.92	0.51	—	—	1.94
Disposals	—	(0.19)	(0.09)	(0.15)	—	—	(0.43)
Depreciation expense	(1.53)	(0.16)	(0.36)	(0.09)	—	(0.14)	(2.28)
Balance at 30 September 2020	**102.14**	**1.82**	**2.37**	**1.24**	**—**	**1.70**	**109.27**

[1] Represents deemed cost being carrying value as per previous GAAP in line with D7 AA of Ind AS 101. First time adoption Ind AS on the date of transition to Ind AS. Gross block and accumulated depreciation as per the previous GAAP have been disclosed for the purpose of better understanding of the original cost of the assets.

Other Intangible assets

Particulars	Software
<u>Deemed cost/ Gross Block</u>	
Balance at 1 April 2017	**0.12**
Additions	0.22
Disposals	-
Balance at 31 March 2018	**0.34**
Additions	0.32
Disposals	-
Balance at 31 March 2019	**0.66**
Additions	0.08
Disposals	-
Balance at 31 March 2020	0.74
Additions	0.04
Disposals	—
Balance at 30 September 2020	**0.78**
<u>Accumulated depreciation</u>	
Balance at 1 April 2017	—
Depreciation expense	0.07
Adjustments	—
Elimination on disposals of assets	**-**
Balance at 31 March 2018	**0.07**
Depreciation expense	0.09
Adjustments	—
Elimination on disposals of assets	**-**
Balance at 31 March 2019	**0.16**
Depreciation expense	0.15
Elimination on disposals of assets	**-**
Balance at 31 March 2020	**0.31**
Depreciation expense	0.06
Elimination on disposals of assets	—
Balance at 30 September 2020	**0.37**
<u>Carrying amount(1)</u>	
Balance at 1 April 2017	0.12
Additions	0.22
Disposals	
Depreciation expense	(0.07)
Balance at 31 March 2018	**0.27**
Additions	0.32
Disposals	**-**
Depreciation expense	(0.09)
Balance at 31 March 2019	**0.50**
Additions	0.08
Disposals	-
Depreciation expense	(0.15)
Balance at 31 March 2020	**0.43**
Additions	0.04
Disposals	—
Depreciation expense	(0.06)
Balance at 30 September 2020	**0.41**

(1) Represents deemed cost being carrying value as per previous GAAP in line with D7 AA of Ind AS 101. First time adoption of Ind AS on the date of transition to Ind AS. Gross block and accumulated depreciation as per the previous GAAP have been disclosed for the purpose of better understanding of the original cost of the assets.

Other non-financial assets

Particulars	As of 31 March 2018	As of 31 March 2019	As of 31 March 2020	As of 30 September 2020
		(Rs. millions)		
Capital Advances				
Advance to FA & CAO, Northern Railway	25.30	25.30	25.30	25.30
Advances other than capital advances				
Advance to others	1.67	1.67	1.67	1.62
Others				
Gratuity funded assets	—	—	6.78	6.26
Prepaid expenses	4.88	4.18	3.74	—
Deposit with NCRDC, New Delhi	—	—	—	—
Tax refund receivable	3.66	249.71	20.10	20.10
GST (TDS) recoverable	—	—	—	—
GST recoverable	13,997.79	14,706.23	14,667.82	14,668.27
GST Input - Project Assets (Refer Note No. 45)	—	—	—	1,068.51
Total	**14,033.30**	**14,987.09**	14,725.41	**15,790.06**

Payables

Particulars	As of 31 March 2018	As of 31 March 2019	As of 31 March 2020	As of 30 September 2020
		(Rs. millions)		
(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	2.40	0.08	0.50	1.52
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	84.69	121.65	377.02	439.90
Total	**87.09**	**121.73**	**377.52**	**441.42**

Debt Securities

	As of 31 March 2018				As of 31 March 2019				As of 31 March 2020				As of 30 September 2020			
	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	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
	(Rs. millions)				*(Rs. millions)*				*(Rs. millions)*				*(Rs. millions)*			
Others																
Bonds from domestic capital market	1,035,886.91	—	—	1,035,886.91	1,136,548.03	—	—	1,136,548.03	13,62,599.36	—	—	13,62,599.36	1,438,735.23	—	—	1,438,735.23
Bonds from overseas capital market	62,579.67	—	—	62,579.67	69,571.19	—	—	69,571.19	1,51,671.11	—	—	1,51,671.11	148,369.85	—	—	148,369.85
Commercial Paper	9,975.88	—	—	9,975.88	29,859.77	—	—	29,859.77	38,634.09	—	—	38,634.09	25,481.58	—	—	25,481.58
Total (A)	**1,108,442.46**	—	—	**1,108,442.46**	**1,235,978.99**	—	—	**1,235,978.99**	**15,52,904.56**	**—**	**—**	**15,52,904.56**	**1,612,586.66**	**—**	**—**	**1,612,586.66**
Debt securities in India	1,045,862.79	—	—	1,045,862.79	1,166,407.80	—	—	1,166,407.80	14,01,233.45	—	—	14,01,233.45	1,464,216.81	—	—	1,464,216.81
Debt securities outside India	62,579.67	—	—	62,579.67	69,571.19	—	—	69,571.19	1,51,671.11	—	—	1,51,671.11	148,369.85	—	—	148,369.85
Total (B) to tally with (A)	**1,108,442.46**	—	—	**1,108,442.46**	**1,235,978.99**	—	—	**1,235,978.99**	**15,52,904.56**	**—**	**—**	**15,52,904.56**	**1,612,586.66**	**—**	**—**	**1,612,586.66**

Borrowings (other than debt securities)

	As of 31 March 2018				As of 31 March 2019				As of 31 March 2020				As of 30 September 2020			
	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	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
	(Rs. millions)				*(Rs. millions)*				*(Rs. millions)*				*(Rs. millions)*			
Term loans																
Secured Loans																
(I) from banks- Indian	42,000	—	—	42,000	277,905.00	—	—	277,905.00	4,96,250	—	—	4,96,250	553,500	—	—	553,500
(II) from bank- Foreign	784.36	—	—	784.36	625.44	—	—	625.44	454.58	—	—	454.58	333.72	—	—	333.72
(ii)from other parties- National small saving fund	100,000	—	—	100,000	175,000	—	—	175,000	1,75,00	—	—	1,75,000	175,000	—	—	175,000
Unsecured Loans																
(I) from banks (Indian)	39,692.00	—	—	39,692.00	24,198.97	—	—	24,198.97	22,619.00	—	—	22,619.00	15,710	—	—	15,710

(ii) from banks (Foreign)	49,136.46	—	—	49,136.46	25,618.35	—	—	25,618.35	96,539.07	—	—	96,539.07	96,362.80	—	—	96,362.80
Deferred payment liabilities	—	—	—		—	—	—	—	—	—	—	—	—	—	—	—
Loans from related parties	—	—	—		—	—	—	—	—	—	—	—	—	—	—	—
Finance lease obligations	—	—	—		—	—	—	—	—	—	—	—	—	—	—	—
Liability component of compound financial instruments	—	—	—		—	—	—	—	—	—	—	—	—	—	—	—
Loans repayable on demand	—	—	—		—	—	—	—	—	—	—	—	—	—	—	—
(i)from banks	—	—	—		—	—	—	—	—	—	—	—	—	—	—	—
(ii)from other parties	—	—	—		—	—	—	—	—	—	—	—	—	—	—	—
Other loans (specify nature)i0 Loan term against term deposits	—	—	—		—	—	—	—	—	—	—	—	—	—	—	—
Total (A)	**231,612.82**	—	—	**231,612.82**	**503,347.76**	—	—	—	**7,90,862.65**	—	—	**7,90,862.65**	**840,906.52**	—	—	**840,906.52**
Borrowings in India	181,692.00	—	—	181,692.00	477,103.97	—	—	—	6,93,869.00	—	—	6,93,869.00	744,210	—	—	744,210
Borrowings outside India	49,920.82	—	—	49,920.82	26,243.79	—	—	—	96,993.65	—	—	96,993.65	96,696.52	—	—	96,696.52
Total (B) to tally with (A)	**231,612.82**	—	—	**231,612.82**	**503,347.76**	—	—	—	**7,90,862.65**	—	—	**7,90,862.65**	**840,906.52**	—	—	**840,906.52**

Other financial liabilities

Particulars	As of 31 March 2018	As of 31 March 2019	As of 31 March 2020	As of 30 September 2020
	(Rs. millions)	*(Rs. millions)*	*(Rs. millions)*	
Amount payable to Ministry of Railways on account of exchange rate variations/derivatives	302.52	—	—	—
Interest accrued but not due	56,567.31	72,918.18	101,319.74	130,125.21
Unclaimed matured debentures and interest accrued there on	58.16	80.91	96.82	101.24
Dividend Payable	—	—	—	5,000
Dividend tax payable	—	—	—	—
Amount payable to Ministry of Railways – Leased Assets	—	—	1,956.62	9,802.47
Earnest money deposit	0.33	0.33	0.49	0.52
Total	**56,928.32**	**72,999.42**	**103,373.67**	**145,029.44**

Provisions

Particulars	As of 31 March 2018	As of 31 March 2019	As of 31 March 2020	As of 30 September 2020
		(Rs. millions)		
Provision for employee benefits	16.61	19.36	18.52	14.03
Provision for corporate social responsibility	78.94	78.94	78.94	78.94
Provision on interest payable on income tax	12.82	19.66	40.57	—
Total	**108.37**	**117.96**	**138.03**	**92.97**
Provision on asset as per Reserve Bank of India norms presented as a reduction being impairment loss allowance from				
- Loans	—	236.77	257.97	250.72
- Investments	—	—	0.09	0.07
- Other financial assets	—	38.67	38.79	31.70
Total	—	**275.44**	**296.85**	**282.49**

Deferred tax liabilities (net)

Particulars	As of 31 March 2018	As of 31 March 2019	As of 31 March 2020	As of 30 September 2020
		(Rs. millions)		
Deferred tax liability (net) (Refer Note No. 2.7)	64,431.40	-	-	-
Less: Adjusted on retained earnings as of 1 April as per letter no. F. No. 17/16/2017-CL-V dated 20 March 2020 of Ministry of Corporate Affairs, Government of India	(64,431.40)	-	-	-
Total	-	**-**	**-**	**-**

Other non-financial liabilities

Particulars	As of 31 March 2018	As of 31 March 2019	As of 31 March 2020	As of 30 September 2020
		(Rs. millions)		
Statutory dues	6,477.59	1.05	176.86	0.86
Tax deducted at source payable	115.14	47.10	145.33	54.80
Total	**6,592.73**	**48.15**	**322.19**	**55.66**

MANAGEMENT

Board of Directors

As per the Articles of Association of the Issuer, the number of directors of the Issuer shall not be less than three and not more than 15. Presently, the Issuer's Board comprises six Directors of which two are independent Directors, including one -woman Director. The appointment and the terms and conditions of whole-time Directors including part-time Chairman, Managing Director is approved by the Ministry of Railways.

The following table sets forth the details regarding the Board as of the date of this Offering Circular:

Sr. No.	Name, Designation, Occupation and DIN	Age (in years)	Address	Other Directorships
1	Mr. Amitabh Banerjee **Designation**: Chairman and Managing Director **Occupation**: Service **DIN**: 03315975	57	Room No-1, A2/10 Sufderjung Enclave South West Delhi Delhi, India 110029	Nil
2	Mr. Chetan Venogopal **Designation**: Part-time non-official Director and independent Director **Occupation**: Professional **DIN**: 00317183	53	451, 6th Cross, 7th Block, West Jaya Nagar, Bengaluru, Karnataka- 560082	• E Analytics Partners (India) Pvt. Ltd. • Flat World Interactive Services Pvt. Ltd. • Pierian Digital Pvt. Ltd. • Pierian Services Pvt. Ltd.
3	Mr. Ashok Kumar Singhal **Designation**: Non-official Director and independent Director **Occupation**: Service **DIN**: 08193963	65	D-11/89, Pandara Road, Lodhi Road H.O., New Delhi 110003	Nil
4	Ms. Shelly Verma **Designation**: Director (Finance) and Chief Financial Officer **Occupation**: Professional **DIN**: 07935630	55	A-602 Dwarka Appts, Plot No-21, Sector 7, Dwarka, Delhi, 110075	Nil
5	Mr Baldeo Purushartha **Designation**: Part-time Government Director (Nominee Director)* **DIN**: 07570116	47	House No-80, Sector 7, Chandigarh, Chandigarh, 160019	ONGC Videsh Limited India Infrastructure Finance Company Limited Indian Railway Stations Development Corporation Limited Asian Infrastructure Investment Bank#
6.	Mr Bhaskar Choradia **Designation**: part-time Government Director **DIN**: 08975719	45	168, Vakil Colony, Hiran Magri, Sector 11, Udaipur, Rajasthan, 313001	Nil

** As a nominee of Ministry of Finance.*
 # Mr. Baldeo Purushartha is an alternate director on the board of Asian Infrastructure Investment Bank

All the directors of the Issuer are Indian nationals and none of the Directors are related to each other.

Brief Biographies of the Directors

Mr. Amitabha Banerjee is the Chairman and Managing Director of the Issuer. He holds a bachelor's degree (honours) in commerce from the Shri Ram College of Commerce, University of Delhi and a master's degree in commerce from University of Delhi and is also a fellow member of the Institute of Cost Accountants of India. He is an officer of the Indian Railways Accounts Service (1988 batch). Prior to his current position, he was associated with Konkan Railway Corporation Limited as well as the Hindustan Paper Corporation Limited in the capacity of director (finance). He was associated with Konkan Railway Corporation Limited from September 2013 until October 2019 and Hindustan Paper Corporation Limited from September 2010 until October 2013. Additionally, he has also been associated with Delhi Metro Rail Corporation Limited in the capacity of General Manager (Finance). He was associated with Delhi Metro Rail Corporation Limited for a period of more than five years. Further, he has also been associated as a Director of the Government Accounting Standards Advisory Board secretariat, in the office of the Comptroller and Auditor General of India, GoI from July 2003 until December 2004. He has prior experience in the fields of finance, accounts, and general administration.

Mr. Chetan Venogopal is a part-time non-official Director and independent Director of the Issuer. He holds a Bachelor's Degree in Commerce from Bengaluru University. He has also participated in the Executive Education Programme on "*International Financial Reporting*" conducted by the Indian Institute of Management, Bangalore and is admitted as fellow member of Institute of Chartered Accountants of India. He has prior experience in the fields of finance, strategy and consulting. He is co-founder and a director on the Board of Pierian Services Private Limited and Pierian Digital Private Limited. He has previously worked with Netkraft Private Limited and was founding partner at Chetan and Gurunath, Chartered Accountants.

Mr. Ashok Kumar Singhal is a non-official Director and independent Director of the Issuer. He is a former head of the Indian Cost Accounts Service.He holds a Bachelor's degree in Arts and Bachelor's degree in Law from Dr. Bhimrao Ambedkar University (formerly Agra University). He also holds a Master's degree in Science specialising in Finance from the University of Strathclyde, UK. He is also a qualified chartered accountant, and fellow member of the Institute of Chartered Accountants of India. He has prior experience in the field of Finance, Management and Administration. He has held various positions with the Government in the past, including those as additional chief advisor (cost) at the Ministry of Finance (department of expenditure), principal adviser at the Ministry of Defence, adviser (pricing) at the Ministry of Chemicals and Fertilisers, director (finance) at the Ministry of Finance (department of revenue), among several others.

Ms Shelly Verma, is the Director (Finance) and the Issuer's Chief Financial Officer. 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' experience in Power Sector Financing. Prior to her appointment to the Issuer's Board, She has served in various capacities, including, most recently, as Executive Director (Finance) with the Power Finance Corporation Limited.

Mr. Baldeo Purushartha is a part-time Government Director of the Issuer. He is an officer in the Indian Administrative Service and a Joint Secretary at the Department of Economic Affairs, Ministry of Finance. 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 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.

Mr Bhaskar Choradia is a part-time Government Director of the Issuer. He is an officer of the Indian Railway Accounts Service. He holds a bachelor's degree in mechanical engineering from the University of Roorkee. He was appointed as an executive director, Finance (Budget) on the railway board with effect from 28 October 2020. He has prior experience in the railways accounts services in multiple capacities, including the Railway Board (New Delhi), Ministry of Commerce and West Central Railway..

Borrowing powers of the Board

Subject to the Memorandum and Articles of Association of the Issuer and pursuant to the shareholders' resolution dated 26 September 2019, the Board is authorised to borrow up to an aggregate amount of Rs. 4,000,000 million for the purpose of the business of the Issuer, notwithstanding that the amount to be borrowed and the amount already borrowed by the Issuer may exceed the aggregate of the paid-up share capital and free reserves of the Issuer.

Corporate Governance

In addition to the applicable provisions of the Companies Act and the Department of Public Enterprises' Guidelines on Corporate Governance for Central Public-Sector Enterprises with respect to corporate governance, provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015 ("**Listing Regulations**") will also be applicable to the Issuer immediately upon the listing of the equity shares on the stock exchanges that is currently ongoing.

The Issuer currently has six Directors, out of which two Directors are executive directors and the other four Directors are non-executive Directors. Out of the four non-executive Directors, two of the Issuer's Directors are nominees of the Government. One of the executive Director is a female director on the Issuer's Board.

Pursuant to the Ministry of Corporate Affairs' notification dated 5 June 2015, the Government has exempted/ modified the applicability of certain provisions of the Companies Act in respect of Government companies. In accordance with this notification, the DPE Guidelines on Corporate Governance for Central Public-Sector Enterprises and pursuant to the Issuer's Articles, matters pertaining to, among others, appointment, remuneration and performance evaluation of the Issuer's directors are determined by the President of India. Further, the Issuer's statutory auditor is appointed by the Comptroller and Auditor General of India. Accordingly, in so far as the aforesaid matters are concerned, the terms of reference of the Issuer's Nomination and Remuneration Committee and Audit Committee only allow these committees to take on record the actions of the President of India or the Comptroller and Auditor General of India, as the case may be.

Pursuant to the IPO, the Issuer is required to have an optimum combination of executive and non-executive directors, with at least one woman director and at least fifty percent of the board of directors to be non-executive directors under the Listing Regulations. Further, the Listing Regulations states that where the chairperson of the board of directors is a non-executive director, at least one-third of the board should comprise of independent directors and where the chairperson is an executive director, at least half of the board of directors should comprise of independent directors. Accordingly, given the current composition of the board of directors, following the IPO, the Issuer will not be in compliance with the Listing Regulations and will be required to appoint two additional independent directors in order to be compliant with the applicable corporate governance requirements of the Listing Regulations. In this regard, SEBI, by its letter dated 27 November 2020, has exempted the Issuer from these provisions under the Listing Regulations, for the purposes of and until listing of the equity shares of the Issuer pursuant to the IPO.

Other than as described above, the Issuer is in compliance with corporate governance norms prescribed under SEBI Listing Regulations, including in relation to the composition of its committees, such as the Audit Committee and the Stakeholders' Relationship Committee.

Committees of the Board

The Issuer has constituted the Audit Committee, the Stakeholders' Relationship Committee, the Nomination and Remuneration Committee and the Corporate Social Responsibility Committee for compliance with corporate governance requirements, in addition to other non-mandatory committees:

Audit Committee

The Audit Committee was originally constituted on 19 June 2001. It was re-constituted pursuant to the Board meeting held on 29 September 2020. The present terms of reference of the Audit Committee were adopted on 29 August 2017. It presently comprises the following members:

Name of the Directors	Designation
Mr Chetan Venugopal	Chairman
Mr Ashok Kumar Singhal	Member
Mr Amitabh Banerjee	Member

The Company Secretary is the secretary of the Audit Committee.

Scope and terms of reference:

Terms of reference for the Audit Committee are as follows:

- Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Taking on record the appointment of auditors of the Issuer by the Comptroller and Auditor General of India;
- Recommendation for remuneration and terms of appointment of auditors of the Issuer based on the order of Comptroller & Auditor General of India;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

  (a) Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-Section (3) of Section 134 of the Companies Act;

  (b) Changes, if any, in accounting policies and practices and reasons for the same;

  (c) Major accounting entries involving estimates based on the exercise of judgment by management;

  (d) Significant adjustments made in the financial statements arising out of audit findings;

  (e) Compliance with listing and other legal requirements relating to financial statements;

  (f) Disclosure of any related party transactions;

  (g) Modified opinion(s) in the draft audit report;

- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

- Approval or any subsequent modification of transactions of the Issuer with related parties;

- Scrutiny of inter-corporate loans and investments;

- Valuation of undertakings or assets of the Issuer, wherever it is necessary;

- Evaluation of internal financial controls and risk management systems;

- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

- Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

- Discussion with internal auditors of any significant findings and follow up there on;

- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

- To review the functioning of the whistle blower mechanism;

- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, *etc.* of the candidate;

- Review the following information:

  (a) Management discussion and analysis of financial condition and results of operations;

  (b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;

  (c) Management letters / letters of internal control weaknesses issued by the statutory auditors;

  (d) Internal audit reports relating to internal control weaknesses;

  (e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and

  (f) Statement of deviations;

- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations;

- Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations;

- To review the follow up action on the audit observations of the C&AG audit;

- Recommend the appointment, removal and fixing of remuneration of cost auditors and secretarial auditors; and

- Carrying out any other function as specified by the Board from time to time.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was originally constituted on 24 April 2014. The present committee was reconstituted in the board meeting held on 29 September 2020 and the present terms of reference were adopted pursuant to the Board resolution dated 29 August 2017. The Stakeholders' Relationship Committee presently comprises the following members:

Name of the Directors	Designation
Mr Ashok Kumar Singhal	Chairman
Mr Chetan Venugopal	Member
Mr Amitabh Banerjee	Member
Ms Shelly Verma	Member

Scope and terms of reference:

Terms of reference for the Stakeholder Relationship Committee are as follows:

The Stakeholders' Relationship Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of securities, non-receipt of annual report, non-receipt of declared dividends, *etc.*;

Allotment or transfer of equity shares, approval of transfer or transmission of equity shares, debentures, or any other securities, of the Issuer;

Issue of duplicate certificates and new certificates on split/consolidation/renewal; and

Carrying out any other function contained in the Listing Regulations, as and when amended from time to time.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was originally constituted on 11 May 2016. The present committee was reconstituted in the board meeting held on 29 September 2020. The present terms of reference of the Nomination and Remuneration Committee were adopted on 29 August 2017. It presently comprises the following members:

Name of the Directors	Designation
Mr. Ashok Kumar Singhal	Chairman
Mr. Baldeo Purushartha	Member
Mr. Chetan Venugopal	Member

Scope and terms of reference:

Terms of reference for the Nomination and Remuneration Committee are as follows:

- Decide on the annual bonus/ performance pay/ variable pay pool and policy for its distribution across the executives and non-unionised supervisors of the Issuer;
- Formulation and modification of schemes for providing perks and allowances for officers and non-unionised supervisors;
- Any new scheme of compensation like medical scheme, pension etc. to officers, non-unionised supervisors and the employees as the case may be;
- Exercising such other roles assigned to it by the provisions of the Listing Regulations and any other laws and their amendments from time to time;
- Taking on record the appointment and removal of directors, including independent directors, by the President of India, acting through respective ministries;
- Taking on record the extension, if any, of the term of the independent directors of the Issuer, as may be directed by the President of India, acting through the respective ministries; and
- Taking on record the various policies, if any, promulgated by the Central Government including policy on diversity of Board of Directors and criteria for evaluation of performance of the directors.

Corporate Social Responsibility Committee

The Corporate Social Responsibility ("**CSR**") committee was originally constituted on 11 February 2013. The present committee was reconstituted in the board meeting held on 29 May 2020. The present terms of reference of the CSR Committee were adopted on 11 February 2013. It presently comprises the following members:

Name of the Directors	Designation
Mr. Chetan Venugopal	Chairman
Mr. Amitabh Banerjee	Member
Mr. Ashok Kumar Singhal	Member
Ms Shelly Verma	Member

Scope and terms of reference:

- Terms of reference for the CSR Committee are as follows:
- Recommend CSR and sustainability development policy to the Board;
- Recommend plan of action and projects to be initiated in the short, medium and long term for CSR and sustainability development;
- To recommend the annual CSR and sustainability development plan and budget; and
- Periodic review of CSR and sustainability development policy, plans and budgets.

Risk Management Committee

The Risk Management Committee was originally constituted on 13 September 2013. The present Risk Management Committee was re-constituted pursuant to the board meeting held 29 August 2017 and the present terms of reference of the Risk Management Committee were adopted on 29 August 2017. It presently comprises the following members:

Name of the Directors	Designation
Mr. Amitabh Banerjee	Chairman
Ms Shelly Verma	Member

Scope and terms of reference

Terms of reference for the Risk Management Committee are as follows:

- Carry out responsibilities as assigned by the Board;
- Monitor and review risk management plan as approved by the Board;
- Review and recommend risk assessment report and risk management report for approval of the Board;
- Ensure that appropriate system of risk management is in place;
- Oversee recent developments in the Issuer and periodic updating of Issuer's enterprise risk management programme for assessing, monitoring and mitigating the risks; and

Periodically, but not less than annually, review the adequacy of the Issuer's resources to perform its risk management responsibilities and achieve objectives.

Asset Liability Management Committee

The Asset Liability Management Committee was originally constituted on 29 August 2017. The present committee was reconstituted in the board meeting held on 8 August 2018 and the present terms of reference of the Asset Liability Management Committee, which are governed by the Issuer's asset liability management policy, were adopted on 29 August 2017. It presently comprises the following members:

Name of the Directors/KMPs	Designation
Mr. Amitabh Banerjee	Convenor
Ms Shelly Verma	Member
Mr. N.H Kannan	Member
Mr. Ashutosh Samantaray	Member

Scope and terms of reference

Terms of reference for the Asset Liability Management Committee are as follows:

- Shall be responsible for balance sheet planning from risk return perspective including the strategic management of interest rate and liquidity risks;
- Shall ensure that the Issuer operates within the limits/parameters set by Board;
- Shall consider, *inter alia*, product pricing for both borrowings and advances, desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by other peer NBFCs for the similar services/product, etc;

- Shall review the results of and progress in implementation of the decisions made in the previous meetings.
- Oversee recent developments in the Issuer and periodically update the Issuer's enterprise risk management program for assessing, monitoring and mitigating the risks;
- Shall articulate the current interest rate view and base its decisions for future business strategy on this view;
- Shall decide on source and mix of liabilities of the Issuer; and
- Shall develop a view on future direction of interest rate movements and recommend on funding mixes between fixed versus floating rate funds, money market versus capital market funding, domestic versus foreign currency funding, etc.

THE 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 ("**Ministry of Railways"**). The Indian Railways is the largest rail network in Asia, running approximately 13,523 passenger trains every day in Fiscal Year 2019 to transport approximately 23.12 million passengers perdayinFiscal2019(*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. Further, the total freight carried per day (including non-revenue) was 3.36 million tonnes in Fiscal Year 2019. As of March 31, 2019, the Indian Railways had 1.23 million regular employees. Indian Railways' revenue increased from approximately Rs. 1,787.25 billion in Fiscal Year 2018 to Rs. 1,899.07 billion in Fiscal Year 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 Year 2019, the Indian Railways earned approximately Rs. 1,225.80 billion from freight traffic excluding demurrage/ wharfage and approximately Rs. 510.67 billion from passenger traffic. The number of originating passengers on Indian Railways increased from 8,286 million in Fiscal Year 2018 to 8,439 million in Fiscal Year 2019 and amounted to 8,109 million in Fiscal Year 2020. Further, the passenger earnings also increased from Rs. 486.43 billion in Fiscal Year 2018 to Rs. 510.67 billion in Fiscal Year 2019 and amounted to Rs. 506 billion in Fiscal Year 2020. In addition, freight earnings, excluding demurrage/ wharfage, increased from Rs. 1,135.24 billion in Fiscal Year 2018 to Rs. 1,225.80 billion in Fiscal Year 2019. In Fiscal Year 2020, freight earnings, excluding demurrage/ wharfage, amounted to Rs. 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:

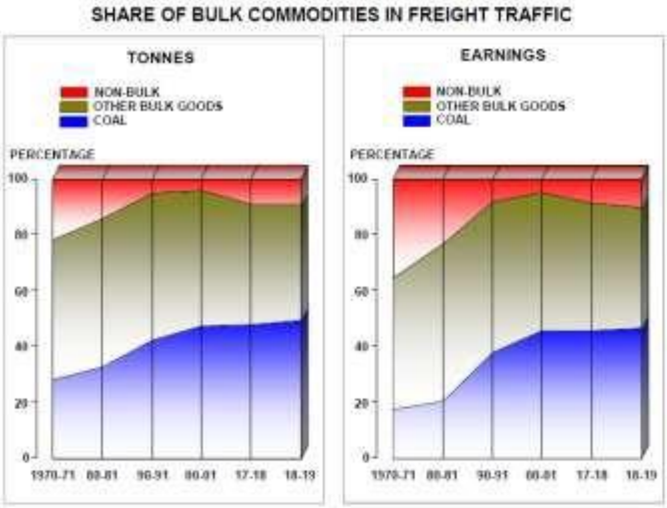
Particulars	Fiscal										
	2001	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Tonnes originating (*million tonnes*)	504	926	975	1,014	1,059	1,101	1,109	1,111	1,163	1,225	1,208

Earnings from freight carried* (*Rs. 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 Year 2019. (*Source: Indian Railways - Year Book 2018-19, Ministry of Railways*). The Indian Railways goods earnings increased from approximately Rs. 1,170.55 billion in Fiscal Year 2018 to approximately Rs. 1,274.33 billion in Fiscal Year 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 Ministry of Railways 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/lsscommittee/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 (*Rs. 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 - 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*) Major parts of the electrification of the railway tracks have been done during the period between Fiscal Year 2015 and Fiscal Year 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 - http://www.indianrailways.gov.in/ railwayboard/uploads/directorate/stat_econ/IRSP_2016-17/Annual_Report_Accounts_Eng/Statistical_Summary.pdf and Indian Railways – Year Book 2018-19, Ministry of Railways and Ministry of Railways*)

Further, as of March 31, 2020, the Indian Railways had 68,155 total route kilometres and 39,866 electrified route kilometres. (*Source: Ministry of Railways*)

The Ministry of Railways, 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 Ministry of Railways'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 - http://www.indianrailways.gov.in/railwayboard/uploads/directorate/stat_econ/IRSP_2016-17/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

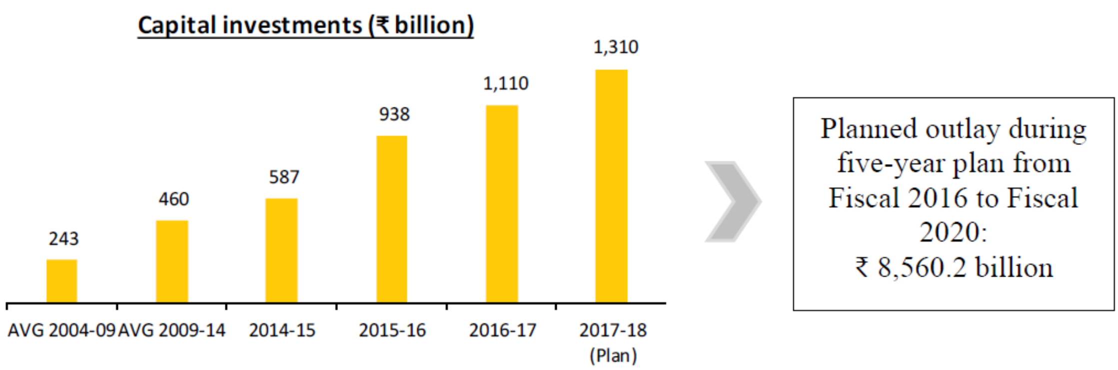
Historical background

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 Ministry of Railways has made substantial progress in initiating railway infrastructure. The amount of investment made during Fiscal Year 2015 and Fiscal Year 2017, was approximately 75% of the total investment made in the Indian Railways during the prior 10 Fiscal Years, *i.e.* Fiscal Year 2004 to Fiscal Year 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 Year 2016 to Fiscal Year 2020 of Rs. 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 Rs. 8,560.2 billion capital expenditure plan from Fiscal Year 2016 to Fiscal Year 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 Year 2016 to Fiscal Year 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 Year 2016 to Fiscal Year 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 Year 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 Year 2017 while the average of broad gauge lines commissioned from Fiscal Year 2009 to Fiscal Year 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 Year 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 Ministry of Railways 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 Ministry of Railways 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 Rs. 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*) Further, as of March 31, 2020, the Indian Railways had 68,155 total route kilometres and 39,866 electrified route kilometres. (*Source: 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 Year 2009 and Fiscal Year 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 Year 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	6,000

(*Source: "Mission Electrification" report by Ministry of Railways and 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 Year 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 Year 2016 to Fiscal Year 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 Year 2009 and Fiscal Year 2014, which has increased to 1,503 in Fiscal Year 2017. Further, the Indian Railways is planning to eliminate all unmanned level crossings on broad gauge in the next three Fiscal Years between Fiscal Year 2018 and Fiscal Year 2020. The Indian Railways has also increased the number of new railways over bridges/under bridges constructed from an average of 762 between Fiscal Year 2009 and Fiscal Year 2014 to 1,354 in Fiscal Year 2017. (*Source: Indian Railways - Three Year Performance Report*)

Expenditure on safety has increased from Rs. 306.61 billion in 2009-2010 to Rs. 730.65 billion in Fiscal Year 2019 (budget estimates). Rashtriya Rail Sanraksha Kosh ("**RRSK**") has been introduced in Fiscal Year 2018 for financing critical safety related *works* under capital segment of budget with an amount of Rs. 1,000 billion over a period of five years having an annual outlay of Rs. 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 - Vision & Plans – 2017 - 2019, January 2017, Indian Railways - http://www.indianrailways.gov.in/Railways%20Presentation.pdf*)

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 Rs. 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*)

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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 Rs. 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 Ministry of Railways. In Fiscal Years 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 Fiscal Years across diesel and electric locomotive units:

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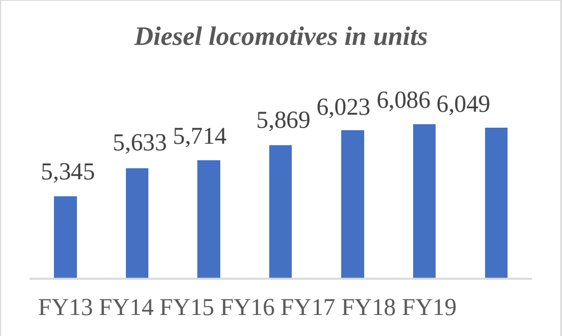
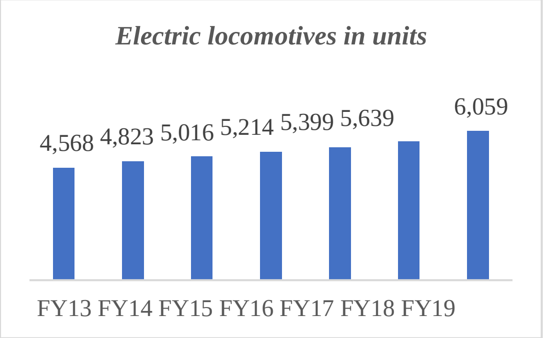


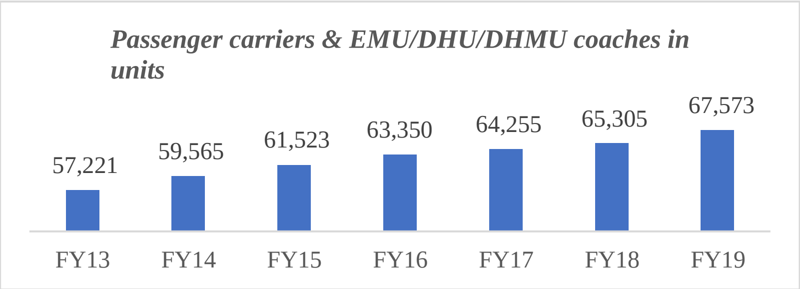


(Source: Statistical Summary – Indian Railways - http://www.indianrailways.gov.in/railwayboard/uploads/directorate/stat_econ/IRSP_2016-17/Annual_Report_Accounts_Eng/Statistical_Summary.pdf, Indian Railways - Year Book 2018-19, Ministry of Railways)

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.

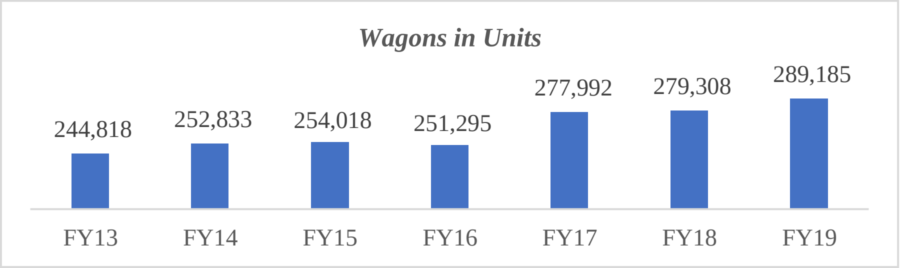


(Source: Statistical Summary – Indian Railways - http://www.indianrailways.gov.in/railwayboard/uploads/directorate/stat_econ/IRSP_2016-17/Annual_Report_Accounts_Eng/Statistical_Summary.pdf, Indian Railways - Year Book 2018-19, Ministry of Railways and Ministry of Railways)

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 Fiscal Years:



(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 Year 2016 to Fiscal Year 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 Rs. 161,042 crore, which was higher than the revised estimate of 2019-2020 by Rs. 4,690.03 crore. This is 2.99% higher than the revised estimate for 2019-2020. The Gross Budgetary Support (excluding Nirbhaya Fund) of Rs. 70,000 crore includes Rs. 5,000 crore towards RRSK and Rs. 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*)

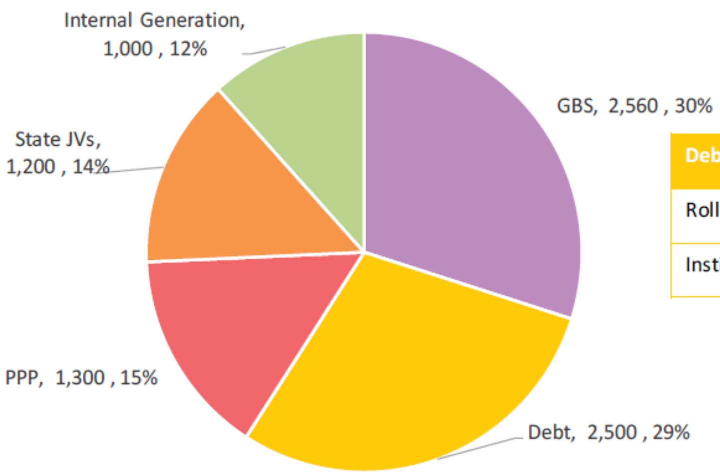
The following table provides for the details of the Indian Railways actual capital outlay and its sources of financing:

(Rs. billion)

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

**Budgetary Estimates*
(*Source: Ministry of Railways*)

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



Debt Breakup	₹ billion
Rolling Stock lease	1,000
Institutional financing (EBR-IF)	1,500

(*Rs. 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 Rs. 349 billion in Fiscal Year 2019 to Rs. 456 billion in Fiscal Year 2019 and the budgetary estimate for Fiscal Year 2021 is Rs. 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 Year 2018, and April 2018 to June 2018, the Indian Railways earned approximately Rs. 3.71 billion, Rs. 8.60 billion, and Rs. 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/PressReleseDetail.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 Rs. 16 billion in Fiscal Year 2018 to Rs. 30 billion in Fiscal Year 2019 and further to Rs. 69 billion in Fiscal Year 2020, and the budgetary estimates for Fiscal Year 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 Rs. 1,000 billion over a period of five years, with an annual outlay of Rs. 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 Fiscal Years 2018, 2019 and 2020, expenses of Rs. 161 billion, Rs. 180 billion and Rs. 150 billion, respectively, was utilised in relation to this fund and the budgetary estimate for Fiscal Year 2021 is Rs. 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 Year 2016 to Fiscal Year 2020 comprises Rs. 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 Rs. 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/lsscommittee/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 Rs. 126 billion in Fiscal Year 2020 and is estimated to contribute Rs. 253 billion in Fiscal Year 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 Rs. 833 billion in Fiscal Year 2021, which has increased from Rs. 789 billion in Fiscal Year 2020 (*Source: Ministry of Railways*).

In this regard, the Standing Committee on Railways directed the Ministry of Railways 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 Ministry of Railways, 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 Year 2017. However, a higher provision of Rs. 115 billion has been made in Fiscal Year 2019 under internal resources, compared to Rs. 109 billion of Fiscal Year 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/lsscommittee/Railways/16_Railways_22.pdf*)

In budget estimates for Fiscal Year 2019, outlay from extra budgetary resources was kept at Rs. 819.40 billion (Rs. 285 billion from market borrowings through bonds, Rs. 264.40 billion from institutional financing and Rs. 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 Year 2019 in respect of rolling stock and extra budgetary resource (institutional finance) will be Rs. 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/lsscommittee/Railways/16_Railways_19.pdf*)

The Indian Railways/ RVNL has borrowed an amount of Rs. 367.22 billion, Rs. 525.35 billion and Rs. 713.92 billion in Fiscal Year 2018, Fiscal Year 2019 and Fiscal Year 2020, respectively, from IRFC. For Fiscal Year 2021, the Ministry of Railways, through its letter dated April 10, 2020, indicated its intention to borrow Rs. 580 billion from IRFC, which comprised Rs. 293.00 billion for rolling stock, Rs. 7.00 billion for projects being executed by RVNL and Rs. 280 billion for projects under EBR-IF. However, subsequently, the Ministry of Railways, through its letter dated January 7, 2021, has revised the said target to be borrowed from IRFC to Rs. 625.67 billion for Fiscal Year 2021, including Rs. 331.37 billion for rolling stock, Rs. 14.30 billion for projects being executed by RVNL and Rs. 280 billion for projects under EBR-IF. In addition, on 30 September 2020, the Ministry of Railways has further indicated its intention to additionally borrow Rs. 530 billion from IRFC in Fiscal Year 2021 and IRFC will be informed after the necessary approvals (to operationalize the proposed borrowings) by the competent authority of Ministry of Railways are obtained. The Ministry of Railways subsequently by its letter dated January 12, 2021, has advised that the additional borrowing target for railway projects under EBR (Special) for Fiscal Year 2021 is Rs. 510 billion. Hence, the total revised target of amount to be mobilized by the Issuer is Rs. 1,135.67 billion for Fiscal Year 2021. The Issuer shall arrange to meet this additional target in its ordinary course of business in Fiscal Year 2021. As of March 31, 2020, and 30 September 2020, the cumulative funding by IRFC to the Ministry of Railways amounted to Rs. 3,402.58 billion and Rs. 3,592.75 billion, respectively.

The Ministry of Railways signed a memorandum of understanding with Life Insurance Corporation of India ("**LIC**"), a public sector undertaking of the GoI, for funding assistance of Rs. 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*). The Ministry of Railways commenced from Fiscal Year 2016 and expired in Fiscal Year 2020. The tenor for LIC funding is for 30 years and matches the Indian Railways' requirement of long term funds for investment in projects. LIC funds carry low interest rates and are linked with the government security with a small margin over it. The funds are passed to the Indian Railways through IRFC. As of 30 September 2020, 2020, IRFC had raised Rs. 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*)

REGULATION AND SUPERVISION

*This section provides an overview of the laws, regulations and policies which are relevant to the Issuer's business and infrastructure financing in India. The Issuer is registered with the RBI as a NBFC and operates as a "systemically important" non-deposit taking NBFC and is sub-classified as a NBFC-IFC vide RBI certificate dated 22 November 2010. The Issuer is notified by the MCA as a public financial institution under Section 4A of the Companies Act, 1956 (now defined under Section 2 (72) of the Companies Act, 2013). Historically, the RBI had exempted a government company as defined under Section 2(45) of the Companies Act, 2013 from the applicability of several sections of the RBI Act as well as, inter alia, the NBFC-ND-SI Directions. However, pursuant to a notification issued by the RBI dated 31 May 2018, Government companies which were previously exempt from, inter alia, the NBFC-ND-SI Directions and certain income recognition, asset classification, provision requirements, capital adequacy requirements, leverage ratios and concentration of credit and investments, corporate governance and deposit regulations, will now have to comply in the same way as non-Government companies within the prescribed timelines ("**Withdrawal Notification**"). Additionally, the Withdrawal Notification permits Government companies set up to serve specific sectors to approach the RBI for exemptions.*

Pursuant to the letter issued by the RBI dated 21 December 2018, the Issuer has been granted exemption from the Withdrawal Notification to the extent of the standard asset provisioning, exposure and income recognition and asset classification norms, insofar as they relate to its direct exposure on the sovereign. Further, pursuant to a letter issued by the RBI dated 22 March 2019, the Issuer has also been granted exemption from credit concentration norms to the extent of 100% of its owned funds for its exposure to Indian Railways entities in which ownership of the Central Government of India or the State Governments, is minimum of 51 per cent.

Except as otherwise stated in this Offering Circular, taxation statutes such as the Income Tax Act,1961, Central Goods and Services Tax Act, 2017, and other miscellaneous regulations and statutes, apply to the Issuer as they do to any other Indian company.

The regulations set out below may not be exhaustive, and are only intended to provide general information to potential investors and are neither designed nor intended to be a substitute for professional legal advice. The information detailed in this chapter has been obtained from publications available in public domain.

The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Potential investors should carefully consider the information described below together with the information set out in other sections of this Offering Circular, including the financial statements, before making an investment decision relating to the Notes, as any changes in these laws, regulations and policies could have a material adverse effect on the Issuer's business.

NBFC Regulations

The Reserve Bank of India Act, 1934 ("RBI Act")

The RBI is entrusted with the responsibility of regulating and supervising activities of NBFCs by virtue of the power vested in it under Chapter IIIB of the RBI Act. The RBI Act defines a NBFC under Section 45I (f) as:

(i) a financial institution which is a company;

(ii) a non-banking institution which is a company and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner;

(iii) such other non-banking institution or class of such institutions, as the RBI may, with the previous approval of the Central Government and by notification in the official gazette, specify.

A financial institution and a non-banking institution have been defined under Sections 45I(c) and 45I(e) of the RBI Act, respectively.

The RBI through a press release dated 8 April 1999 and notification dated 19 October 2006, as amended, stipulated that in order to identify a particular company as a NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide its principal business. The company will be treated as a NBFC: (a) if its financial assets are more than 50 per cent. of its total assets (netted off by intangible assets); and (b) if income from financial assets is more than 50 per cent. of the gross income. Both these tests are required to be satisfied as the determinant factor for the principal business of a company.

The RBI Act mandates that no NBFC shall commence or carry on the business of a non-banking financial institution without obtaining a certificate of registration ("**CoR**") and having a minimum net owned fund of Rs.20 million. In case a NBFC does not accept deposits from the public, the CoR expressly states the same.

Classification Of Infrastructure Finance Companies

The RBI notification RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated 1 September 2016 ("**NBFC-ND-SI Directions**") are applicable to every non-deposit taking NBFC-IFC registered with the RBI under the provisions of the RBI Act and having an asset size of Rs. 5,000 million and above. The Issuer was classified as a NBFC-ND-IFC by the RBI through its CoR dated 22 November 2010. For a non-deposit taking NBFC to be classified as a NBFC-IFC, it should *inter alia* meet the following criteria:

(i) at least 75 per cent. of its total assets should be used in "infrastructure loans" as defined in the NBFC-ND-SI Directions; and

(ii) it should have (a) net owned funds of Rs. 3,000 million or above; (b) a capital to risk assets ratio ("**CRAR**") of 15 per cent. (with a tier I capital of at least 10 per cent.); and (c) a minimum credit rating 'A' or equivalent of CRISIL, FITCH, CARE, ICRA, Brickwork Ratings India Pvt. Ltd. or any other credit rating agency accredited by the RBI.

Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs, 2017 ("Risk Management Directions")

With a view to put in place necessary safeguards applicable to outsourcing of activities by NBFCs, the RBI has issued the Risk Management Directions. The Risk Management Directions specify that core management functions like internal auditing, strategic and compliance functions, decision making functions such as compliance with "*know your customer*" norms shall not be outsourced by NBFCs. Further, the Risk Management Directions specify that outsourcing of functions shall not limit its obligations to its customers.

Financial Regulation of Systemically Important NBFCs and Bank's relationship with them

The RBI has issued guidelines dated 12 December 2006 relating to the financial regulation of systemically important NBFCs and the relationship of banks with such institutions. In particular, these guidelines prohibit banks from financing NBFCs for certain activities, such as *inter alia* (i) bill discounting or rediscounting, except where such discounting arises from the sale of commercial vehicles and two wheelers or three wheelers, subject to certain conditions; (ii) unsecured loans or inter-corporate deposits by NBFCs to or in any company; (iii) investments of NBFCs both of current and long term nature, in any company; (iv) all types of loans and advances by NBFCs to their subsidiaries, group companies/entities by way of shares, debentures, etc., with certain exceptions; and (v) further lending to individuals for the purpose of subscribing to an initial public offer

Supervisory Framework

In order to ensure adherence to the regulatory framework by systematically important NBFCs-ND, the RBI has directed such NBFCs to put in place a system for submission of an annual statement of capital funds, and risk asset ratio etc. at the end of March every year, in a prescribed format. In addition, a NBFC is required to submit a certificate from its statutory auditor that it is engaged in the business of a non-banking financial institution requiring to hold a CoR under the RBI Act. This certificate is required to be submitted within one month of the date of finalisation of the balance sheet and in any other case not later than 31 December of that particular year. Further, in addition to the auditor's report under Section 143 of the Companies Act, the auditors are also required to make a separate report to the board of directors on certain matters, including compliance with prudential norms including capital adequacy, asset classification and others. Where the statement regarding any of the items such as those referred to above, is unfavourable or qualified, or in the opinion of the auditor the NBFC has not complied with the regulations issued by RBI, it shall be the obligation of the auditor to make a report containing the details of such unfavourable or qualified statements and/or about the non-compliance, as the case may be, in respect of the NBFC to the concerned regional office of the Department of Non-Banking Supervision of RBI under whose jurisdiction the registered office of the NBFC is located.

Asset Liability Management

The RBI has prescribed Guidelines for Asset Liability Management ("**ALM**") System in relation to NBFCs ("**ALM Guidelines**") that are applicable to all NBFCs through a Master Circular-Miscellaneous Instructions to NBFC-ND-SI, dated 1 July, 2015, and Asset Liability Management (ALM) System for NBFCs – Guidelines dated June 27, 2001 ("**2001 Circular**"). In accordance with the 2001 Circular, NBFCs (engaged in and classified as equipment leasing, hire purchase finance, loan, investment and residuary non-banking companies) meeting certain criteria, including, an asset base of Rs. 1 billion, irrespective of whether they are accepting / holding public deposits or not, or holding public deposits of Rs. 200 million or more (irrespective of the asset size) in accordance with their audited balance sheet as of 31 March, 2001, are required to put in place an ALM system. The ALM Guidelines mainly address liquidity and interest rate risks. In case of structural liquidity, the negative gap (i.e. where outflows exceed inflows) in the 1 to 30/31 days' time-bucket should not exceed the prudential limit of 15 per cent. of cash outflows of each time-bucket and the cumulative gap of up to one year should not exceed 15 per cent. of the cumulative cash outflows of up to one year. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit should be shown by a footnote in the relevant statement.

Anti-Money Laundering

The RBI has issued a Master Circular dated 1 July, 2015 ("**Master Circular**") to ensure that a proper policy framework for the Prevention of Money Laundering Act, 2002 ("**PMLA**") is put into place. The PMLA seeks to prevent money laundering and provide for confiscation of property derived from, or involved in money laundering and for other connected matters. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the Master Circular, all NBFCs are advised to appoint a principal officer for ensuring compliance, monitoring transactions and reporting of, *inter alia*, (i) all cash transactions with a value of more than Rs. 1 million or its equivalent foreign currency; and (ii) all series of cash transactions integrally connected to each other which have been valued below Rs. 1 million or its equivalent foreign currency where such series of transactions have taken place within one month and the monthly aggregate value of such transaction exceeds Rs.1 million or its equivalent foreign currency. In addition, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. NBFCs are also required to maintain, for at least five years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic and international, which will permit reconstruction of individual transactions (including the nature, amount, date, currency and parties in respect of the transaction) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained when the customer opens its account with the NBFC and during the course of the business relationship between the customer and the NBFC, and that the records are properly preserved for at least five years after the business relationship has ended. The identification records and transaction data must be made available by the NBFCs to the competent authorities upon request.

The RBI, by notification dated 3 December 2015, titled "Anti-Money Laundering (AML) / Combating of Financing of Terrorism (CFT) – Standards" has directed all regulated entities (including NBFCs) to comply with the updated Financial Action Task Force Public Statement and document on 'Improving Global AML/CFT Compliance: on-going process', both dated 23 October 2015.

RBI Exemption for Government Companies

Pursuant to a notification issued by the RBI dated 31 May 2018, Government companies which were previously exempt from, *inter alia*, the NBFC-ND-SI Directions and certain income recognition, asset classification, provision requirements, capital adequacy requirements, leverage ratios and concentration of credit and investments, corporate governance and deposit regulations, were required to comply in the same way as non-Government companies within the prescribed timelines ("**Withdrawal Notification**"). Additionally, the Withdrawal Notification permits Government companies set up to serve specific sectors to approach the RBI for exemptions. Pursuant to the letter issued by the RBI dated 21 December 2018, the Issuer has been granted exemption from the Withdrawal Notification to the extent of the standard asset provisioning, exposure and income recognition and asset classification norms, insofar as they relate to its direct exposure on the sovereign. Further, pursuant to a letter issued by the RBI dated 22 March 2019, the Issuer has also been granted exemption from credit concentration norms to the extent of 100 per cent. of its owned funds for its exposure to Indian Railways' entities in which ownership of the Central Government of India or the State Governments, is minimum of 51 per cent.

Other RBI regulations

NBFCs are governed by various circulars, directions, and notifications issued by the RBI, including but not limited to, issuance of perpetual debt instruments and private placement of non-convertible debentures, creation of reserve fund, monitoring of frauds, fair practices code, know your customer requirements, requirement of a chief risk officer, corporate governance guidelines for operational transparency, liquidity management framework, declaration of dividends, change in rating of financial products, norms for excessive interest rates, implementation of IND-AS from Fiscal Year 2020 onwards, requirement of an asset liability management committee, opening of branches and undertaking investment outside India, information technology framework, guidelines on securitisation and sale of loans.

Insolvency and Bankruptcy Code, 2016 and Resolution of Stressed Assets

The Bankruptcy Code was notified on 5 August 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

RBI by its circular dated 7 June 2019, laid down the Prudential Framework for Resolution of Stressed Assets whereby prescribing the regulatory approach for resolution of stressed assets *inter alia* by: (i) early recognition and reporting of default by banks, financial institutions and NBFCs in respect of large borrowers; (ii) affording complete discretion to lenders with regard to design and implementation of resolution plans, subject to the specified timeline and independent credit evaluation; (iii) laying down a system of disincentives in the form of additional provisioning for delay in implementation of resolution plan or initiation of insolvency proceedings; (iv) withdrawal of asset classification dispensations on restructuring; and (v) requiring the mandatory signing of an inter-creditor agreement by all lenders, which will provide for a majority decision making criteria.

The Government of India, owing to the impact of COVID-19, has (i) amended section 4 of the Bankruptcy Code, pursuant to which the the minimum amount of default under the insolvency matters has increased from Rs 100,000 to Rs. 10,000,000; and (ii) prohibited filings to commence any insolvency for any defaults occurring from 25 March 2020 to 25 March 2021.

Recently, MCA by a notification dated 15 November 2019, issued the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ("**FSP Rules**") *inter alia* governing the corporate insolvency resolution process and liquidation process of Financial Service Providers ("**FSPs**") under the Bankruptcy Code. The issuance of the FSP Rules has made viable and unified resolution process accessible for the FSPs and their creditors.

Regulations Applicable to Central Public Sector Enterprises

As a Central Public Sector Enterprise ("**CPSE**") and a Government company, the Issuer is required to comply with certain laws and regulations such as guidelines on corporate social responsibility and sustainability for central public sector enterprises, Prevention of Corruption Act 1988, the Central Vigilance Commission Act 2003, Right to Information Act 2005, amongst others, including those promulgated by the Department of Public Enterprises.

Recovery of Debts Due to Banks and Financial Institutions Act, 1993

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 ("**DRT Act**") provides for establishment of the Debts Recovery Tribunals ("**DRTs**") and Debt Recovery Appellate Tribunals ("**DRATs**"), for *inter alia* expeditious adjudication and recovery of debts due to banks and public financial institutions or to a consortium of banks and public financial institutions. Under the DRT Act, the procedures for recovery of debt have been simplified and time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and his detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant. The DRT Act also provides that a bank or public financial institution having a claim to recover its debt, may join an ongoing proceeding filed by some other bank or public financial institution, against its debtor, at any stage of the proceedings before the final order is passed, by making an application to the DRT.

Regulation of Foreign Investment

Foreign investment in India is governed by the provisions of the FEMA which relates to regulations primarily issued by the RBI and the rules, circulars, press notes and notifications issued thereunder, and the policy prescribed by the Department for Promotion of Industry and Internal Trade ("**DPIIT**") the Government of India, which is regulated by the relevant ministries or departments of the Government of India.

RBI has notified Foreign Exchange Management (Debt Instruments) Regulations, 2019 ("**Regulations**") which regulate the investment in debt and quasi-debt instruments to foreign portfolio investors. The Ministry of Finance, has issued the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("**Rules**") to prohibit and regulate the transfer by or issue of securites such as equity and equity related instruments persons resident outside India. No prior approval is required from the Government or RBI for foreign direct investments ("**FDI**") under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, or in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the respective administrative ministries of the Government for the relevant sector and/or DPIIT. In accordance with the consolidated FDI policy effective from 15 October, 2020, NBFCs are eligible for FDI investment up to 100 per cent under the automatic route.

External Commercial Borrowings ("ECBs")

ECBs are commercial loans raised by eligible resident borrowers from recognised non-resident entities. ECBs are governed by the RBI Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 dated 17 December 2018, Master Direction on External Commercial Borrowings, Trade Credits and Structured Obligations dated 26 March 2019 (RBI/ FED/2018-19/67) and Master Direction on Reporting under Foreign Exchange Management Act, 1999, dated 1 January 2016, each as amended (together the "**ECB Guidelines**").

ECBs can be accessed under two routes, namely (i) the automatic route and (ii) the approval route. The automatic route does not require a borrower to obtain any RBI approvals, whereas the approval route refers to circumstances where prior RBI approval is mandatory before raising an ECB. The ECB Guidelines are subject to amendment from time to time. Investors are urged to consult their own advisers in connection with the applicability of any Indian laws or regulations.

Under the ECB Guidelines, an ECB may be availed in the form of, (i) foreign currency denominated commercial loans or bonds ("**FCNY ECBs**"), or (ii) Rupee denominated commercial loans or Rupee denominated bonds ("**Rupee ECBs**"), from non-resident lenders. ECBs can now be availed by all entities eligible to receive FDI. Additionally, port trusts, units in special economic zones, Small Industries Development Bank of India, and Export Import Bank of India are eligible borrowers for FCNY ECB and in addition registered micro-finance entities can raise Rupee ECBs. The ECB Guidelines set out that: (i) any resident of Financial Action Task Force or International Organization of Securities Commission compliant country, (ii) multilateral and regional financial institutions, where India is a member country, (iii) individuals if they are foreign equity holders or subscribers to bonds or debentures listed abroad, can provide ECBs to eligible Indian borrowers. Foreign branches or subsidiaries of Indian banks continue to be recognised lenders only for FCNY ECBs. Foreign branches or subsidiaries of Indian banks, subject to applicable prudential norms, can participate as arrangers, underwriters, market-makers or traders for Rupee ECBs issued overseas. However, underwriting by foreign branches or subsidiaries of Indian banks for issuances by Indian banks will not be allowed.

Automatic Route

The maximum amount that can be raised every Fiscal Year by an eligible borrower under the automatic route is U.S.$ 750 million or its equivalent. The all-in cost (which includes rate of interest, other fees, charges and expenses, guarantees fees or export credit agency fees payable in foreign currency or Rupees but does not include commitment fees, or withholding tax in Rupees) ceilings for (i) FCNY ECBs is 450 basis points per annum over 6 month London interbank offered rate (or applicable benchmark for the respective currency) and (ii) for Rupee ECBs will be is 450 basis points per annum over the prevailing yield of the Government securities of corresponding maturity. In accordance with the ECB Guidelines, various components of all-in-cost (such as interest or charges) have to be paid by a borrower without drawing down on the ECB.

Foreign investors (including Noteholders) eligible to lend ECBs must be eligible under the ECB Guidelines. These requirements apply in respect of in respect of transfers of any ECB, including transfers of any of the Notes. For further information, please see section *"Subscription and Sale – India"*.

The minimum average maturity period ("**MAMP**") prescribed under the ECB Guidelines for ECBs is 3 years. ECB proceeds cannot be utilised for (i) real estate activities; (ii) investment in the capital markets; or (iii) equity investment;

If the ECB is raised from foreign equity holders and utilised for working capital or general corporate purposes or repayment of Rupee loans, the ECB MAMP will be 5 years. If the eligible lender is not a foreign equity holder and ECB is raised for: (a) repayment of Rupee loans for capital expenditure purposes, the ECB MAMP is 7 years; or (b) working capital or general corporate purposes or repayment of Rupee loans utilised in India for purposes other than capital expenditure, the ECB MAMP is 10 years. On lending by a NBFC for the above is subject to the same restrictions. ECB by manufacturing companies up to 1 year can be raised up to U.S.$50 million. No call and put option, if any, can be exercised prior to the expiry of the MAMP.

In respect of Rupee loans availed domestically for capital expenditure in manufacturing and infrastructure sectors where such loans are classified as special mention account category 2 or as non-performing assets, eligible corporate borrowers can utilise ECBs to repay these Rupee loans as part of a one-time settlement with lenders and lenders can sell such Rupee loans by assignment to eligible ECB lenders, provided that such loan complies with the all-in-cost, MAMP and other relevant requirements of the ECB Guidelines. Resolution applicants under the Bankruptcy Code can also utilise ECBs for repayment of Rupee loans of the target company, under the approval route.

Approval Route

All ECBs falling outside the automatic route limits are considered by the RBI under the approval route.

Creation of Security

Under the present ECB Guidelines, the choice of security to be provided is left to the borrower. ECBs may be secured, after approval by an AD Bank, by creation of a charge on immovable assets, movable assets, financial securities and the issue of corporate and/or personal guarantees in favour of an overseas lender or a security trustee, to secure the ECB, subject to certain conditions.

Creation of Charge on Immovable Assets

If an ECB is secured, in the event of enforcement of the charge over the immovable assets, the assets or properties will have to be sold to person resident of India and the sale proceeds shall be repatriated to liquidate the outstanding ECBs.

Creation of Charge on Movable Assets

If an ECB is secured, inthe event of enforcement of the charge over movable assets, the claim of the lender, whether the lender takes possession over the movable asset or otherwise, will be restricted to the outstanding claim against the ECB. Encumbered movable assets may also be taken out of the country subject to getting 'no objection certificate' from domestic lenders, if any.

Filing and regulatory requirements in relation to issuance of the Notes

An ECB borrower is required to obtain a loan registration number ("**LRN**") from the RBI before an issuance of Notes is effected. To obtain this, ECB borrowers are required to submit a completed form ECB certified by a company secretary or a chartered accountant to the AD Bank of the ECB borrower. The AD Bank is then required to forward a copy of the completed form ECB to the RBI. An ECB borrower is required to submit a form ECB 2 filing on a monthly basis via its AD Bank to the RBI.

Procedure in relation to any change to the Terms and Conditions of the Notes

Any change in the terms and conditions of the Notes after obtaining the LRN are required to be reported to Department of Statistics and Information Management through a revised form ECB at the earliest, and in any case not later than 7 days from the changes effected. Further, the borrowers are required to report actual ECBs transactions through form ECB 2 filing through AD Bank on monthly basis so as to reach RBI within seven working days from the close of month to which it relates and the changes, if any, in ECB parameters should also be incorporated therein.

Further, any change in the terms and conditions of the Notes after obtaining the LRN may require prior approval of the RBI or AD Bank, as the case may be. Certain changes (such as change of AD Bank, cancellation of LRN, refinancing of existing of ECB, conversion of ECB into equity, security for ECB) may be approved by the AD Bank under a delegated authority from the RBI subject to certain conditions being complied with. Any redemption of the Notes prior to their stated maturity, including on occurrence of an Event of Default, a Change of Control Put Event or for taxation reasons (as further described in the Conditions) may require the prior approval of the RBI or the AD Bank, as the case may be. Refinancing of existing ECB with new ECB is permitted provided that the outstanding maturity of original borrowing is not reduced and the all-in-cost of the new ECB is lower than the all-in-cost of the existing ECB.

Hedging

Indian companies raising FCNY ECB are required to follow guidelines for hedging if any, by relevant sectoral or prudential regulators in respect of foreign currency exposure. Infrastructure space companies (being companies in the infrastructure sector, NBFCs undertaking infrastructure financing, holding companies or core investment companies undertaking infrastructure financing, housing finance companies and port trusts) raising FCNY ECBs are required to (i) have a board approved risk management policy; and (ii) mandatorily hedge 70 per cent of their FCNY ECB exposure if the MAMP is less than 5 years. An AD Bank is required to confirm that the hedging requirement has been complied with during the currency of the ECB and report the position to the RBI by way of Form ECB 2 filing. ECB investors are eligible to hedge their exposure for Rupee ECBs through permitted derivative products with AD Banks in India or through branches or subsidiaries of Indian banks abroad or branches of foreign banks with Indian presence on a back to back basis.

The various reports and forms prescribed by the RBI and required to be submitted under FEMA are provided under the ECB Guidelines. Further, in accordance with the FEMA and the regulations framed thereunder, a person resident in India will be required to obtain the approval of the RBI for any payment in respect of any indemnities that may be required to be made by such person to, or for the credit of, any person resident outside India, in Rupees or foreign currency, before any such payment is made. Consequently, any indemnity payment by the Issuer to Noteholders will require RBI approval.

Labour laws

India has stringent labour related legislations, which are applicable to the Issuer. The Code on Social Security 2020 (enacted by the Parliament of India and assented to by the President of India on 28 September 2020) will come into force on such date as may be notified in the official gazette by the Central Government and different dates may be appointed for different provisions of the Code on Social Security 2020. Once effective, it will subsume, *inter alia*, the Employees' Compensation Act 1923, the Employees' State Insurance Act 1948, the Employee's Provident Fund and Miscellaneous Provisions Act 1952, the Maternity Benefit Act 1961 and the Payment of Gratuity Act 1972. The Code on Wages 2019 (enacted by the parliament of India and assented to by the President of India on 8 August 2019) will come into force on such date as may be notified in the official gazette by the Central Government and different dates may be appointed for different provisions of the Code on Wages 2019. Once effective, it will subsume the Equal Remuneration Act 1976, the Minimum Wages Act 1948, the Payment of Bonus Act 1965 and the Payment of Wages Act 1936.

Intellectual Property Laws

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act 1970, copyright protection under the Copyright Act 1957 and trademark protection under the Trade Marks Act 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

Other Laws

In addition to the above, the Issuer is also required to comply with the provisions of the Companies Act and rules framed thereunder, Bankruptcy Code and rules framed thereunder, Securities and Exchange Board of India regulations and other applicable statutes imposed by the Central or the State Government and other authorities for its day-to-day business and operations. The Issuer is also subject to various central and state tax laws.

TAXATION

The information provided below does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes. In particular, the information does not consider any specific facts or circumstances that may apply to a particular purchaser. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules.

Prospective purchasers of Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any state or local taxes, under the tax laws applicable in India and each country of which they are residents or the countries of purchase, holding or disposition of Notes. Additionally, in view of the number of different jurisdictions where local laws may apply, this Offering Circular does not discuss the local tax consequences applicable to a potential holder, purchaser or seller arising from the acquisition, holding or disposal of the Notes. Prospective investors must therefore inform themselves as to any tax, exchange control legislation or other laws and regulations in force relating to the subscription, holding or disposal of the Notes at their place of residence, and in the countries of which they are citizens or the countries of purchase, holding or disposal of the Notes.

Indian Taxation

The following is a summary of the principal existing Indian tax consequences for investors who are not tax residents of India ("**non-resident investor(s)**") subscribing to the Notes issued by the Issuer. The summary is based on existing Indian taxation law and practice in force at the date of this Offering Circular and is subject to change. The summary does not constitute legal or tax advice and is not intended to represent a complete analysis of the tax consequences under Indian law of the acquisition, ownership or disposal of the Notes. Prospective investors should, therefore, consult their own tax advisers regarding the Indian tax consequences, as well as the tax consequences under any other applicable taxing jurisdiction of acquiring, owning and disposing of the Notes.

Payments through India

Any payments the Issuer makes on the Notes, including additional amounts, made through India will be subject to the regulations of the RBI.

Taxation of interest and withholding

Interest on the Notes may not be subject to taxes in India if the proceeds of the issuance of the Notes are used for the purposes of business carried on by the Issuer outside India. If, however, the proceeds are used for the purposes of the Issuer's business in India, non-resident investors will be liable to pay tax on the interest paid on the Notes. As of the date of this Offering Circular, the rate of tax for interest paid on Notes under the Income Tax Act, 1961 (the "**Income Tax Act**") is 5% (plus applicable surcharge and cess), provided the Notes are issued before 1 July 2023. The rate of tax for interest paid on Notes issued before 1 July 2023 and listed exclusively on a recognised stock exchange located in an IFSC is 4% (plus applicable surcharge and cess).

Since the interest payable on the Notes is subject to taxation in India, there is a requirement to withhold tax at the applicable rate being 5% (or 4% in respect of Notes listed exclusively on a recognised stock exchange located in an IFSC) plus applicable surcharge and cess provided the Notes are issued before 1 July 2023, subject to any lower rate of tax provided by an applicable Tax Treaty (as defined later), depending on the legal status of the non-resident investor and its taxable income in India.

The rates of tax will stand reduced if the beneficial recipient is a resident of a country with which the Government has entered into an agreement for granting relief of tax or for avoidance of double taxation (a "**Tax Treaty**"), and the provisions of such Tax Treaty, which, provide for the taxation in India of income by way of interest at a rate lower than that stated above, and of the Income Tax Act, are fulfilled. The interest payable will be subject to withholding tax in India, subject to conditions as detailed below.

A non-resident investor will be obligated to pay such income tax, or will be entitled to a refund of, as the case may be, any difference between amounts withheld in respect of interest paid on the Notes through India and its ultimate Indian tax liability for such interest, subject to and in accordance with the provisions of the Income Tax Act. Pursuant to the Conditions, all payments of, or in respect of, principal and interest on the Notes, will be made free and clear of and without withholding or deduction on account of any present or future taxes within India unless it is required by law, in which case, pursuant to Condition 8 (Taxation), the Issuer will pay additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction, subject to certain exceptions.

Taxation of gains arising on transfer of Notes

Any gains arising to a non-resident investor from disposition of the Notes held (or deemed to be held) as a capital asset will be chargeable to income tax in India if the Notes are regarded as property situated in India. A non-resident investor generally will not be chargeable to income tax in India from a disposition of the Notes held as a capital asset provided the Notes are regarded as being situated outside India. The issue as to where the Notes should properly be regarded as being situated is not free from doubt.

The ultimate decision, however, will depend on the view taken by Indian tax authorities on the position with respect to the situs of the rights being offered in respect of the Notes. There is a possibility that the Indian tax authorities may treat the Notes as being located in India as the Issuer is incorporated in and resident in India.

If the Notes are regarded as situated in India by the Indian tax authorities, upon disposition of a Note:

a) a non-resident investor, who has held the Notes for a period of more than 36 months immediately preceding the date of their dispositions, would be liable to pay capital gains tax at rate of 10% or 20% of the capital gains (plus applicable surcharge and cess). These rates are subject to any lower rate provided for by an applicable Tax Treaty;

b) a non-resident investor who has held the Notes for 36 months or less would be liable to pay capital gains tax at a rate of up to 40% of capital gains (plus applicable surcharge and cess), depending on the legal status of the non-resident investor, and his taxable income in India. These rates are subject to any lower rate provided for by an applicable Tax Treaty;

c) Any gains arising on account of appreciation of the Rupee against a foreign currency at the time of redemption of INR denominated Notes of an Indian company held by a non-resident investor, shall be ignored for the computation of full value of consideration and not subject to taxation;

d) capital gains, if any, arising pursuant to any transfer, made outside India by a non-resident to another non-resident of a capital asset being INR denominated Notes of the Issuer (being an Indian company) issued outside India are not subject to tax in India.;

e) capital gains on any transfer of an INR denominated Note by a non-resident, if such INR denominated Note is transferred on a recognised stock exchange located in an IFSC and where consideration for such transaction is paid or payable in foreign currency are not subject to tax in India; and

f) any surplus realised by a non-resident investor from a disposition of the Notes held as stock-in-trade would be subject to income tax in India to the extent, if any, that the surplus are attributable to a "business connection in India" or, where a Tax Treaty applies, to a "permanent establishment" in India of the non-resident investor. A non-resident investor would be liable to pay Indian tax on the surplus which are so attributable at a rate of up to 40% of income as profits and gains of business or profession (plus applicable surcharge and cess,), depending on the legal status of the non-resident investor and his taxable income in India, subject to any lower rate provided for by a Tax Treaty.

If a non-resident investor earns any capital gains chargeable to tax in India, the Income Tax Act requires that such tax shall be withheld by the person making any payment to such non-resident investor at the rate of 10% or 20% (plus applicable surcharge and cess) on long term capital gains. Furthermore, tax at the rate of up to 40% (plus applicable surcharge and cess), shall be withheld depending on the legal status of the recipient of income on short term capital gains.

For the purpose of tax withholding, the non-resident Noteholders in respect of INR denominated Notes shall be obliged to provide permanent account number allotted by the tax authorities and all prescribed information/documents, including a tax residency certificate (issued by the tax authorities of the country in which the investor is resident) for claiming the tax treaty benefits. If the investor does not have a permanent account number allotted by Indian tax authorities, tax identification number issued by the authorities of the investor's country of residence, may be submitted along with other with certain other details like name, email address, contact number, address in the country of residence along with tax residency certificate.

Taxation of Deemed Income

As a measure to prevent laundering of unaccounted income, the Income Tax Act provides that any person receiving certain specified assets (including the Notes) at a price less than their fair market value (by a margin of more than Rs. 50,000), shall be subject to income tax in India on the benefit accruing to him (being the difference between the price paid and the fair market value). Tax shall be payable at the rates applicable for the regular income. However, it may be noted that this provision would not be applicable if the asset is received from a relative or under a will or by way of inheritance or any other specific instances provided under section 56(2)(x) of the Income Tax Act.

In case a non-resident receives Notes as per the above mechanism, the taxability of the same shall also be subject to the provisions of the applicable Tax Treaty, assuming the non-resident is entitled to claim benefits of the Tax Treaty.

Anti-Avoidance Provisions

Under the Income Tax Act, there are both specific as well as generic anti-avoidance provisions relating to tax like transfer pricing provision and GAAR.

Under the transfer pricing provisions, any income arising from an international transaction between two associated enterprises have to be computed having regard to the arm's length price ("**ALP**"). In the event that the Notes are transferred by a non-resident investor to another non-resident investor and such non-resident investors are associated enterprises, then the transactions must be at ALP and there are necessary consequential compliances.

Under general anti-avoidance rules ("**GAAR**"), any arrangement, may be declared an "impermissible avoidance arrangement", being an arrangement the main purpose of which is to obtain a tax benefit, and which: (i) creates rights, or obligations, not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in the misuse, or abuse, of the provisions of the Income Tax Act; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, not ordinarily employed for bona fide purposes. The aggregate monetary limit to invoke GAAR provisions is Rs.30 million.

Arrangements are presumed to have been entered into or carried out for the main purpose of obtaining a tax benefit when the main purpose of a step in, or a part of, the arrangement is to obtain a tax benefit, notwithstanding the fact that the main purpose of the whole arrangement is not to obtain a tax benefit

If GAAR provisions are invoked, it could result in significant implications for the parties to the transaction including, inter alia, disregarding, combining or re-characterization of any step in or part or whole of the impermissible avoidance arrangement, considering or looking through any arrangement by disregarding any corporate structure, denial of any tax benefit claimed by the taxpayer or denial of benefit claimed by the non-resident under a tax treaty.

Wealth Tax

No wealth tax is payable in relation to the Notes.

Estate Duty

No estate duty is payable at present in India in relation to the Notes.

Gift Tax

There is no gift tax payable at present in India in relation to the Notes.

Stamp Duty

A transfer of the Notes outside India will not give rise to any Indian stamp duty liability unless brought into India. Stamp duty will be payable if the Notes are brought into India for enforcement or for any other purpose. The amount of stamp duty payable will depend on the applicable State Stamp Act and the duty will have to be paid within a period of three months from the date the Notes are first received in India.

Potential investors should, in any event, consult their own tax advisers on the tax consequences of transfer of the Notes.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

U.S. Federal Income Taxation

The following is a general summary of certain U.S. federal income tax consequences that may be relevant with respect to the purchase, ownership and disposition of the Notes. This summary does not address the U.S. federal income tax consequences of every type of Note which may be issued under the Programme and the relevant Pricing Supplement may contain additional or modified disclosure concerning the U.S. federal income tax consequences relevant to such type of Note as appropriate. In general, this summary assumes that U.S. Holders (as defined below) acquire the Notes at original issuance at their issue price (as defined below under "*Taxation of U.S. Holders of the Notes—Original Issue Discount"*) and will hold the Notes as capital assets. It does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase Notes. In particular, it does not discuss special tax considerations that may apply to certain types of taxpayers, including, without limitation, the following: (i) financial institutions; (ii) insurance companies; (iii) dealers or traders in stocks, securities, notional principal contracts or currencies; (iv) tax-exempt entities; (v) real estate investment trusts; (vi) regulated investment companies; (vii) persons that will hold the Notes as part of a "hedging" or "conversion" transaction or as a position in a "straddle" or as part of a "synthetic security" or other integrated transaction for U.S. federal income tax purposes; (viii) persons that own (or are deemed to own) 10 percent or more of the equity of the Issuer (by vote or value); (ix) partnerships, pass-through entities, or persons that hold Notes through partnerships or pass-through entities; (x) U.S. Holders that have a "functional currency" other than the U.S. dollar; and (xi) certain U.S. expatriates and former long-term residents of the United States. In addition, this summary does not address alternative minimum tax or net investment income tax consequences, special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account on an applicable financial statement, or the indirect effects on the holders of interests in a holder of Notes. This summary also does not describe any tax consequences arising under the laws of any taxing jurisdiction other than the U.S. federal government.

Each prospective investor should consult its own tax advisers with respect to the U.S. federal, state, local and non-U.S. tax consequences of acquiring, owning or disposing of the Notes. This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), U.S. Treasury regulations and judicial and administrative interpretations thereof, in each case as in effect or available on the date of this Offering Circular. All of the foregoing is subject to change, and any such change may apply retroactively and could affect the tax consequences described below.

As used in this section, the term "**U.S. Holder**" means a beneficial owner of Notes that is for U.S. federal income tax purposes: (i) a citizen or individual resident of the United States; (ii) a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia); (iii) any estate the income of which is subject to U.S. federal income tax regardless of its source; or (iv) any trust if a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all substantial decisions of the trust. A "**Non-U.S. Holder**" is a beneficial owner of Notes that is not a U.S. Holder and is not a partnership for U.S. federal income tax purposes. If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds Notes, the tax treatment of a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partners of entities or arrangements treated as partnerships for U.S. federal income tax purposes that hold Notes should consult their own tax advisers.

This discussion applies only to holders of Registered Notes. Bearer Notes are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Note may be subject to limitations under U.S. federal income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Code.

Characterization of the Notes

This summary should be read in conjunction with any discussion of U.S. federal income tax consequences to holders in the applicable Pricing Supplement. To the extent there is any inconsistency in the discussion of the U.S. federal income tax consequences to holders between this Offering Circular and the applicable Pricing Supplement, holders should rely on the tax consequences described in the applicable Pricing Supplement instead of this Offering Circular. Any special U.S. federal income tax consequences relevant to a particular issue of Notes, including Index Linked Notes, Dual Currency Notes, Instalment Notes and Partly Paid Notes may be specified in the applicable Pricing Supplement. The balance of this discussion, unless otherwise specified, assumes that the Notes will be treated as debt and will not be treated as contingent payment debt instruments for U.S. federal income tax purposes. A prospective investor in the Notes should consult its tax adviser in determining the tax consequences of an investment in the Notes, including the application of state, local or other tax laws and the proper characterization of the Notes for tax purposes.

Taxation of U.S. Holders of the Notes

Payments of Interest

Interest paid on a Note, including the payment of any additional amounts whether payable in U.S. dollars or a currency other than U.S. dollars (a "**foreign currency**"), other than interest on a "Discount Note" that is not "qualified stated interest" (each as defined below under "*Original Issue Discount*"), will be taxable to a U.S. Holder as ordinary interest income at the time it is received or accrued, depending on the U.S. Holder's method of accounting for U.S. federal income tax purposes. Interest income on the Notes, and OID (if any), accrued with respect to the Notes (as described below under "*Original Issue Discount*") and payments of additional amounts will be treated as foreign source income for U.S. federal income tax purposes.

As discussed in "*Taxation—Indian Taxation— Taxation of interest and withholding*", under current law payments of interest and OID on the Notes to foreign investors may be subject to Indian withholding taxes. As discussed under "*Terms and Conditions of the Notes—Taxation*", in certain cases the Issuer is liable for the payment of additional amounts to U.S. Holders so that U.S. Holders receive the same amounts they would have received had no Indian withholding taxes been imposed. For U.S. federal income tax purposes, U.S. Holders will be treated as having actually received the amount of Indian taxes withheld by the Issuer with respect to a Note, and as then having actually paid over the withheld taxes to the Indian taxing authorities. As a result of this rule, the amount of interest income included in gross income for U.S. federal income tax purposes by a U.S. Holder with respect to a payment of interest or OID may be greater than the amount of cash actually received (or receivable) by the U.S. Holder from the Issuer with respect to the payment.

Subject to certain limitations, a U.S. Holder generally will be entitled to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for Indian income taxes withheld by the Issuer. The U.S. foreign tax credit limitation is calculated separately with respect to specific classes of income. The foreign tax credit rules are complex, and U.S. Holders should consult their own tax advisers regarding the availability of a foreign tax credit and the application of the limitation in their particular circumstances.

Original Issue Discount

The following is a summary of the principal U.S. federal income tax consequences of the ownership of Notes issued with OID. In the event the Issuer issues contingent payment debt instruments, the applicable Pricing Supplement may describe the U.S. federal income tax consequences thereof.

A Note, other than a Note with a term of one year or less (a "**Short-Term Note**"), will be treated as issued with OID (a "**Discount Note**") if the excess of the Note's "stated redemption price at maturity" over its issue price is equal to or more than a *de minimis* amount (0.25 per cent. of the Note's stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an "**installment obligation**") will be treated as a Discount Note if the excess of the Note's stated redemption price at maturity over its issue price is equal to or greater than 0.25 per cent. of the Note's stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note's weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note's stated redemption price at maturity. Generally, the issue price of a Note will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers. The stated redemption price at maturity of a Note is the total of all payments provided by the Note that are not payments of "qualified stated interest." A qualified stated interest payment is generally any one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate (in the circumstances described below under "*Variable Interest Rate Notes*"), applied to the outstanding principal amount of the Note. Solely for the purposes of determining whether a Note has OID, the Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note.

U.S. Holders of Discount Notes must generally include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note. The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note's adjusted issue price at the beginning of the accrual period and the Discount Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The "adjusted issue price" of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period, and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

Short-Term Notes

In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID (as specially defined below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realized on the sale, exchange or other disposition of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale, exchange or other disposition. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realized.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note's stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Note. This election will apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the Internal Revenue Service (the "**IRS**").

Variable Interest Rate Notes

Notes that provide for interest at variable rates ("**Variable Interest Rate Notes**") generally will bear interest at a "qualified floating rate" and thus will be treated as "variable rate debt instruments" under U.S. Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a "variable rate debt instrument" if (a) its issue price does not exceed the total non-contingent principal payments due under the Variable Interest Rate Note by more than a specified de minimis amount, (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (c) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A "qualified floating rate" is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note's issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e., a cap) or a minimum numerical limitation (i.e., a floor) may, under certain circumstances, fail to be treated as a qualified floating rate.

An "objective rate" is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits or the value of the Issuer's stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note's term. A "qualified inverse floating rate" is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note's issue date is intended to approximate the fixed rate (e.g., the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a "current value" of that rate. A "current value" of a rate is the value of the rate on any day that is no earlier than 3 months prior to the first day on which that value is in effect and no later than one year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a "variable rate debt instrument", then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a "variable rate debt instrument" will generally not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a "true" discount (i.e., at a price below the Note's stated principal amount) in excess of a specified de minimis amount. OID on a Variable Interest Rate Note arising from "true" discount is allocated to an accrual period using the constant-yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as at the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a "variable rate debt instrument" will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an "equivalent" fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as at the Variable Interest Rate Note's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a "variable rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as at the Variable Interest Rate Note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the "equivalent" fixed rate debt instrument by applying the general OID rules to the "equivalent" fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the "equivalent" fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the "equivalent" fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a "variable rate debt instrument", then the Variable Interest Rate Note will be treated as a contingent payment debt obligation. The proper U.S. federal income tax treatment of Variable Interest Rate Notes that are treated as contingent payment debt obligations may be more fully described in the applicable Pricing Supplement.

Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes. We may consolidate such additional debt securities with the outstanding Notes to form a single series and we may offer additional debt securities with OID for U.S. federal income tax purposes as part of a further issue. Purchasers of debt securities after the date of any further issue may not be able to differentiate between debt securities sold as part of the further issue and previously issued Notes. If we were to issue additional debt securities with OID, purchasers of debt securities after such further issue may be required to accrue OID (or greater amounts of OID than they would have otherwise accrued) with respect to their debt securities. This may affect the price of outstanding Notes following a further issuance.

Election to Treat All Interest as Original Issue Discount

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under *"Original Issue Discount"*, with certain modifications. For purposes of this election, interest includes stated interest, OID and *de minimis* OID. This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. U.S. Holders should consult their own tax advisers concerning the propriety and consequences of this election.

Occurrence of a Benchmark Event for Notes Linked to or Referencing a Benchmark or Screen Rate

If a Benchmark Event occurs, the tax treatment of a U.S. Holder holding Notes linked to or referencing a benchmark or screen rate, including LIBOR, EURIBOR, and any other IBOR, will depend on whether a replacement of the Original Reference Rate with an alternative reference rate is treated as a "significant modification" that results in a deemed exchange of the existing Notes for "new" Notes.

Recently released proposed Treasury Regulations describe circumstances under which a replacement of the Original Reference Rate (or related adjustments to the interest rate on the Notes) would not be treated as a deemed exchange and would not affect the calculation of OID, provided certain conditions are met. It cannot be determined at this time whether the final Treasury Regulations on this issue will contain the same standards as the proposed Treasury Regulations.

Sale, Exchange or Other Disposition

A U.S. Holder's adjusted tax basis in a Note will generally equal its cost, increased by the amount of any OID included in the U.S. Holder's income with respect to the Note and the amount, if any, of income attributable to de minimis OID included in the U.S. Holder's income with respect to the Note, and reduced by the amount of any payments that are not qualified stated interest payments. A U.S. Holder will generally recognize gain or loss on the sale, exchange or other disposition of a Note in an amount equal to the difference between the amount realized on the sale, exchange or other disposition and the U.S. Holder's adjusted tax basis in the Note. The amount realized does not include the amount attributable to accrued but unpaid qualified stated interest, which will be taxable as interest income to the extent not previously included in income. Except to the extent described above under "*Short-Term Notes*" or attributable to changes in exchange rates (as discussed below), gain or loss recognized on the sale, exchange or other disposition of a Note will be U.S.-source capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period in the Notes exceeds one year. Prospective investors should consult their own tax advisers with respect to the treatment of capital gains (which may be taxed at lower rates than ordinary income for taxpayers who are individuals, trusts or estates that hold the Notes for more than one year) and capital losses (the deductibility of which is subject to limitations).

Foreign Currency Notes

<u>Interest</u>

If a qualified stated interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognized by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognized with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year). Under the second method, the

U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale, exchange or other disposition of a Note) denominated in, or determined by reference to, a foreign currency, the U.S. Holder will generally recognize U.S.-source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

OID

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment on the Note or a sale, exchange or other disposition of the Note), a U.S. Holder may recognize U.S.-source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Sale or Retirement

As discussed above under "*Sale, Exchange or other Disposition*", a U.S. Holder will generally recognize gain or loss on the sale or retirement of a Note equal to the difference between the amount realized on the sale or retirement and its adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in a Note that is denominated in a foreign currency will be determined by reference to the U.S. dollar cost of the Note. The amount realized on a sale or retirement for an amount in foreign currency will be the U.S. dollar value of this amount. If the Notes are traded on an established securities market, as defined in the applicable U.S. Treasury regulations, the amount realized will be, in the case of a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), determined using the spot rate on the settlement date for the purchase. Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

A U.S. Holder will recognize U.S.-source exchange rate gain or loss (taxable as ordinary income or loss) on the sale or retirement of a Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder's purchase price for the Note (or, if less, the principal amount of the Note) (i) on the date of sale or retirement and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss will be realized only to the extent of total gain or loss realized on the sale or retirement (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest). An accrual basis U.S. Holder that does not elect to determine its amount realized using the spot rate on the settlement date of the sale or retirement will also recognize U.S. source exchange rate gain or loss on the difference between the U.S. dollar amount realized and the U.S. dollar value of the foreign currency on the date of receipt.

Taxation of Non-U.S. Holders of the Notes

Subject to the discussion under "*Backup Withholding and Information Reporting*", and "*Foreign Account Tax Compliance Act*" below, a Non-U.S. Holder generally should not be subject to U.S. federal income or withholding tax on any payments on a Note or gain from the sale, exchange or other disposition of a Note unless: (i) that payment or gain is effectively connected with the conduct by that Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized on the sale, exchange or other disposition of a Note by an individual Non-U.S. Holder, that holder is present in the United States for 183 days or more in the taxable year of the sale, exchange or other disposition and certain other conditions are met. Non-U.S. Holders should consult their own tax advisers regarding the U.S. federal income and other tax consequences of purchasing, owning and disposing of Notes.

IRS Disclosure Reporting Requirements

Certain U.S. Treasury regulations meant to require the reporting of certain tax shelter transactions ("**Reportable Transactions**") could be interpreted to cover transactions generally not regarded as tax shelters. Under the U.S. Treasury regulations, certain transactions with respect to the Notes may be characterized as Reportable Transactions requiring a U.S. Holder of Notes to disclose such transaction, such as a sale, exchange, retirement or other taxable disposition of a Note that results in a loss that exceeds certain thresholds and other specified conditions are met. A penalty in the amount of U.S.$10,000 in the case of a natural person and U.S.$50,000 in all other cases is generally imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. Accordingly, if a U.S. Holder realizes a loss on any Note (or, possibly, aggregate losses from the Notes) satisfying the monetary thresholds discussed above, the U.S. Holder could be required to file an information return with the IRS, and failure to do so may subject the U.S. Holder to the penalties described above. In addition, the Issuer and its advisers may also be required to disclose the transaction to the IRS, to maintain a list of U.S. Holders, and to furnish this list and certain other information to the IRS upon written request. Prospective investors in the Notes should consult their own tax advisers to determine the tax return obligations, if any, with respect to an investment in the Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Statement).

Backup Withholding and Information Reporting

Backup withholding and information reporting requirements may apply to certain payments on the Notes and proceeds of the sale, exchange or other disposition of the Notes to U.S. Holders. A U.S. Holder may be subject to backup withholding if it fails to furnish (usually on IRS Form W-9) the U.S. Holder's taxpayer identification number to certify that such U.S. Holder is not subject to backup withholding, or to otherwise comply with the applicable requirements of the backup withholding rules. Certain U.S. Holders are not subject to the backup withholding and information reporting requirements. Non-U.S. Holders may be required to comply with applicable certification procedures (usually on IRS Form W-8BEN or W-8BEN-E) to establish that they are not U.S. Holders in order to avoid the application of such information reporting requirements and backup withholding. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a U.S. Holder generally may be claimed as a credit against such U.S. Holder's U.S. federal income tax liability or refunded, provided that the required information is timely furnished to the IRS. Prospective investors in the Notes should consult their own tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Foreign Financial Asset Reporting

Certain U.S. Holders that own "specified foreign financial assets" that meet certain U.S. dollar thresholds generally are required to file an information report with respect to such assets with their tax returns. The Notes generally will constitute specified foreign financial assets subject to these reporting requirements unless the Notes are held in an account at certain financial institutions. U.S. Holders should consult their own tax advisers regarding the application of these disclosure requirements to their ownership of the Notes.

THE U.S. FEDERAL INCOME TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON A HOLDER'S PARTICULAR SITUATION. PROSPECTIVE INVESTORS IN THE NOTES SHOULD CONSULT THEIR OWN TAX ADVISERS WITH RESPECT TO THE TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES, INCLUDING THE TAX CONSEQUENCES UNDER STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN FEDERAL OR OTHER TAX LAWS.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the Code, commonly known as FATCA, withholding may be required on, among other things, certain payments made by "foreign financial institutions" ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including India) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, proposed U.S. Treasury regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Notes characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under "*Terms and Conditions of the Notes—Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

1 Initial Issue of Notes

Global Notes and Global Certificates may be delivered on or prior to the original issue date of the Tranche to a common depositary for Euroclear and Clearstream (the "**Common Depositary**").

Upon the initial deposit of a Global Note with the Common Depositary or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream and delivery of the relative Global Certificate to the Common Depositary, Euroclear or Clearstream will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Upon the initial deposit of a Global Certificate in respect of, and registration of, Registered Notes in the name of a nominee for The Depository Trust Company ("**DTC**") and delivery of the relevant Global Certificate to the Custodian for DTC, DTC will credit each participant with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream or other clearing systems.

2 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, DTC or any other clearing system ("**Alternative Clearing System**") as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, DTC or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, DTC or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

3 Exchange

3.1 Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

(i) if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with TEFRA C or in a transaction to which TEFRA is not applicable (as to which, see *"Summary of the Programme — Selling Restrictions"*), in whole, but not in part, for Definitive Notes as defined and described below; and

(ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

3.2 Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Notes:

(i) if the permanent Global Note is held on behalf of Euroclear or Clearstream or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or

(ii) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.3 Global Certificates

(A) Unrestricted Global Certificates

If the relevant Pricing Supplement states that the Notes are to be represented by an Unrestricted Global Certificate on issue, the following will apply in respect of transfers of Notes held in DTC, Euroclear, Clearstream or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

(i) if such Notes are held on behalf of Euroclear or Clearstream or an Alternative Clearing System (except for DTC) and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(ii) if such Notes are held on behalf of a Custodian for DTC and if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to that Unrestricted Global Certificate or DTC ceases to be a “clearing agency” registered under the Exchange Act or is at any time no longer eligible to act as such, and this Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC; or

(iii) if principal in respect of any Notes is not paid when due;

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(A)(i) or 3.3(A)(ii) above, the Registered Holder has given the Registrar not less than 30 days’ notice at its specified office of the Registered Holder’s intention to effect such transfer.

(B) Restricted Global Certificates

If the relevant Pricing Supplement states that the Restricted Notes are to be represented by a Restricted Global Certificate on issue, the following will apply in respect of transfers of Notes held in DTC, Euroclear or Clearstream. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by that Restricted Global Certificate pursuant to Condition 2(b) may only be made in part:

(i) if such Notes are held by a nominee for either Euroclear or Clearstream and either Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to permanently cease business or does in fact do so; or

(ii) if such Notes are held on behalf of a Custodian for DTC and if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to that Restricted Global Certificate or DTC ceases to be a “clearing agency” registered under the Exchange Act or is at any time no longer eligible to act as such, and this Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC; or

(iii) if principal in respect of any Note is not paid when due,

provided that, in the case of any transfer pursuant to paragraph 3.3(B)(i) or 3.3(B)(iv) above, the relevant Registered Noteholder has given the relevant Registrar not less than 30 days’ notice at its specified office of the Registered Noteholder’s intention to effect such transfer. Individual Certificates issued in exchange for a beneficial interest in a Restricted Global Certificate shall bear the legend applicable to such Notes as set out under *“Transfer Restrictions”*.

3.4 Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Pricing Supplement) relating to Partly Paid Notes.

3.5 Delivery of Notes

On or after any Exchange Date (as defined in paragraph 3.6 below) the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes. Global Notes and Definitive Notes will be delivered outside the United States and its possessions. In this Offering Circular, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3.6 Exchange Date

"**Exchange Date**" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

4 Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions:

4.1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with TEFRA D before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 7(h) (Non-Business Days).

Payments of principal and interest in respect of Registered Notes registered in the name of, or in the name of a nominee for, DTC and denominated in a Specified Currency other than U.S. Dollars will be made or procured to be made by the Fiscal Agent in the Specified Currency in accordance with the following provisions. The amounts in such Specified Currency payable by the Fiscal Agent or its agent to DTC with respect to Registered Notes held by DTC or its nominee will be received from the Issuer by the Fiscal Agent who will make payments in such Specified Currency by wire transfer of same day funds to the designated bank account in such Specified Currency of those DTC participants entitled to receive the relevant payment who have made an irrevocable election to DTC, in the case of interest payments, on or prior to the third DTC business day after the DTC Record Date (as defined below) for the relevant payment of interest and, in the case of payments or principal, at least 12 DTC business days prior to the relevant payment date, to receive that payment in such Specified Currency. The Fiscal Agent, after the exchange agent appointed by the Issuer pursuant to the terms of the Agency Agreement (the "**Exchange Agent**") has converted amounts in such Specified Currency into U.S. Dollars, will cause the Exchange Agent to deliver such U.S. Dollar amount in same day funds to DTC for payment through its settlement system to those DTC participants entitled to receive the relevant payment who did not elect to receive such payment in such Specified Currency. The Agency Agreement sets out the manner in which such conversions are to be made. "**DTC business day**" means any day on which DTC is open for business.

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be:

(i) except in the case of Registered Notes to be cleared through DTC, the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January; and

(ii) in the case of Registered Notes to be cleared through DTC, on the 15th DTC business day before the due date for payment thereof (the "**DTC Record Date**").

4.2 Prescription

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 9).

4.3 Meetings

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note or Notes represented by a Global Certificate shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

4.4 Cancellation

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note.

4.5 Purchase

Notes represented by a permanent Global Note may only be purchased by the Issuer or any of its respective subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

4.6 Issuer's Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, DTC or any other Alternative Clearing System (as the case may be).

4.7 Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time presenting the permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation.

4.8 Events of Default

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 10 by stating in the notice to the Fiscal Agent the nominal amount of such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect that Direct Rights (as defined and set forth in Annex A of the Global Note or Global Certificate) to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes, as the case may be, as accountholders with a clearing system. Following any such acquisition of Direct Rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of

Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

4.9 Notices

So long as any Notes are represented by a Global Note or Global Certificate and such Global Note or global Certificate is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading.

5 Partly Paid Notes

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holder in respect of them.

6 Electronic Consent and Written Resolution

While any Global Note is held on behalf of, or any Global Certificate is registered in the name of any nominee for, a clearing system, then:

(a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an "**Electronic Consent**" as defined in the Fiscal Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the special quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons, Talons and Receipts whether or not they participated in such Electronic Consent; and

(b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Fiscal Agency Agreement) has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer (i) by accountholders in the clearing system with entitlements to such Global Note or Global Certificate and/or, where (ii) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (i) above, Euroclear, Clearstream or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (ii) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

CLEARING AND SETTLEMENT

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear and Clearstream (together, the "**Clearing Systems**") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but neither the Issuer nor any Dealer or the Arranger takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer, any other party to the Agency Agreement, the Arrangers nor any Dealer will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.*

The relevant Pricing Supplement will specify the Clearing System(s) applicable for each Series.

The Clearing Systems

DTC

DTC has advised the Issuer that it is a limited purpose trust company organized under the New York Banking Law, a member of the Federal Reserve System, a "banking organization" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants (the "**Direct Participants**") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust and Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "**Indirect Participants**" and, together with Direct Participants, the "**Participants**"). More information about DTC can be found at www.dtcc.com and www.dtc.org but such information is not incorporated by reference in and does not form part of this Offering Circular.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**DTC Rules**"), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system (the "**DTC Notes**") as described below and receives and transmits distributions of principal and interest on DTC Notes. The DTC Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes (the "**Owners**") have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the DTC Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note (a "**Beneficial Owner**") is in turn to be recorded on the Direct Participant's and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the

Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the relevant agent (or such other nominee as may be requested by an authorized representative of DTC), on the relevant payment date in accordance with their respective holdings shown in DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct Participants and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which will be legended as set forth under in *"Subscription and Sale"* and *"Transfer Restrictions"*.

A Beneficial Owner shall give notice to elect to have its DTC Notes purchased or tendered, through its Participant, to the relevant agent, and shall effect delivery of such DTC Notes by causing the Direct Participant to transfer the Participant's interest in the DTC Notes, on DTC's records, to the relevant agent. The requirement for physical delivery of DTC Notes in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the DTC Notes are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered DTC Notes to the relevant agent's DTC account.

DTC may discontinue providing its services as depositary with respect to the DTC Notes at any time by giving reasonable notice to the Issuer or the relevant agent. Under such circumstances, in the event that a successor depositary is not obtained, DTC Note certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depositary). In that event, DTC Note certificates will be printed and delivered to DTC.

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream

Euroclear and Clearstream each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream will be credited, to the extent received by the Paying Agent, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

Book-Entry Ownership

Bearer Notes

The Issuer may make applications to Euroclear and Clearstream for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. In respect of Bearer Notes, a temporary Global Note and/or a permanent Global Note will be deposited with a common depositary for Euroclear and Clearstream. Transfers of interests in a temporary Global Note or a permanent Global Note will be made in accordance with the normal market debt securities operating procedures of the Euroclear and Clearstream. Each Global Note will have an International Securities Identification Number ("**ISIN**") and Common Code.

Registered Notes

The Issuer may make applications to Euroclear and/or Clearstream for acceptance in their respective book-entry systems in respect of the Registered Notes to be represented by an Unrestricted Global Certificate or a Restricted Global Certificate. Each Unrestricted Global Certificate or a Restricted Global Certificate deposited with a common depositary for, and registered in the name of, a nominee of Euroclear and/or Clearstream will have an ISIN and a Common Code.

The Issuer, and a relevant U.S. agent appointed for such purpose that is a Participant, may make application to DTC for acceptance in its book-entry settlement system of the Registered Notes represented by an Unrestricted Global Certificate or a Restricted Global Certificate. Each such Global Certificate will have a CUSIP number. Each Global Certificate will be subject to restrictions on transfer contained in a legend appearing on the front of such Global Certificate, as set out under *"Transfer Restrictions"*. In certain circumstances, as described below in *"Transfers of Registered Notes"*, transfers of interests in a Restricted Global Certificate may be made as a result of which such legend may no longer be required.

In the case of a Tranche of Registered Notes to be cleared through the facilities of DTC, the Custodian, with whom the Global Certificates are deposited, and DTC, will electronically record the nominal amount of the Notes held within the DTC system. Investors may hold their beneficial interests in a Global Certificate directly through DTC if they are Direct Participants, or indirectly through Indirect Participants.

Payments of the principal of, and interest on, each Global Certificate registered in the name of DTC's nominee will be to, or to the order of, its nominee as the registered owner of such Global Certificate. The Issuer expects that the nominee, upon receipt of any such payment, will immediately credit Direct Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the nominal amount of the relevant Global Certificate as shown on the records of DTC or the nominee. The Issuer also expects that payments by Participants to owners of beneficial interests in such Global Certificate held through such Participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such Participants. Neither the Issuer nor any Paying Agent or any Transfer Agent will have any responsibility or liability for any aspect of the records relating, to or payments made on account of, ownership interests in any Global Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

All Registered Notes will initially be in the form of an Unrestricted Global Certificate and/or a Restricted Global Certificate. Individual Certificates will only be available, in the case of Notes initially represented by an Unrestricted Global Certificate, in amounts specified in the applicable Pricing Supplement, and, in the case of Notes initially represented by a Restricted Global Certificate, in minimum amounts of U.S.$200,000 (or its equivalent rounded upwards as agreed between the Issuer and the relevant Dealer(s)), or higher integral multiples of U.S.$1,000, in certain limited circumstances described below.

Payments through DTC

Payments in U.S. dollars of principal and interest in respect of a Global Certificate registered in the name of a nominee of DTC will be made to the order of such nominee as the registered holder of such Note. Payments of principal and interest in a currency other than U.S. dollars in respect of Notes evidenced by a Global Certificate registered in the name of a nominee of DTC will be made or procured to be made by the Paying Agent in such currency in accordance with the following provisions. The amounts in such currency payable by the Paying Agent or its agent to DTC with respect to Notes held by DTC or its nominee will be received from the Issuer by the Paying Agent who will make payments in such currency by wire transfer of same day funds to the designated bank account in such currency of those Participants entitled to receive the relevant payment who have made an irrevocable election to DTC, in the case of payments of interest, on or prior to the third business day in New York City after the record date for the relevant payment of interest and, in the case of payments of principal, at least 12 business days in New York City prior to the relevant payment date, to receive that payment in such currency. The Exchange Agent will convert amounts in such currency into U.S. dollars and deliver such U.S. dollar amount in same day funds to DTC for payment through its settlement system to those Participants entitled to receive the relevant payment who did not elect to receive such payment in such currency. The Agency Agreement sets out the manner in which such conversions are to be made.

Transfers of Registered Notes

Transfers of interests in Global Certificates within Euroclear, Clearstream and DTC will be in accordance with the usual rules and operating procedures of the relevant clearing system. The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Certificate to such persons may be limited. Because DTC can only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, the ability of a person having an interest in a Global Certificate to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

In the case of Registered Notes to be cleared through Euroclear, Clearstream and/or DTC, transfers may be made at any time by a holder of an interest in an Unrestricted Global Certificate to a transferee who wishes to take delivery of such interest through a Restricted Global Certificate for the same Series of Notes, provided that any such transfer will only be made upon receipt by the Registrar or any Transfer Agent of a written certificate from the transferor of such interest to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States. Any such transfer made thereafter of the Notes represented by such Unrestricted Global Certificate will only be made upon request by the holder of an interest in the Unrestricted Global Certificate to the Fiscal Agent. Transfers at any time by a holder of any interest in the Restricted Global Certificate to a transferee who takes delivery of such interest through an Unrestricted Global Certificate will only be made upon delivery to the Registrar or any Transfer Agent of a certificate setting forth compliance with the provisions of Regulation S.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described above and under "*Transfer Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Custodian, the Registrar and the Fiscal Agent.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Euroclear and/or Clearstream and transfers of Notes of such Series between Participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Euroclear or Clearstream and Participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Euroclear and Clearstream, on the other, transfers of interests in the relevant Global Certificates will be effected through the Fiscal Agent, the Custodian, the relevant Registrar receiving instructions (and where appropriate certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. Transfers will be effected on the later of (i) three business days after the trade date for the disposal of the interest in the relevant Global Certificate resulting in such transfer and (ii) two business days after receipt by the Fiscal Agent or the Registrar, as the case may be, of the necessary certification or information to effect such transfer. In the case of cross-market transfers, settlement between Euroclear or Clearstream accountholders and Participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

For a further description of restrictions on transfer of Registered Notes, see *"Transfer Restrictions"*.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Registered Notes (including, without limitation, the presentation of Global Certificates for exchange as described above) only at the direction of one or more Participants in whose account with DTC interests in Global Certificates are credited and only in respect of such portion of the aggregate nominal amount of the relevant Global Certificates as to which such Participant or Participants has or have given such direction. However, in the circumstances described above, DTC will surrender the relevant Global Certificates for exchange for individual Certificates (which will, in the case of Restricted Notes, bear the legend applicable to transfers pursuant to Rule 144A).

Although Euroclear, Clearstream and DTC have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Global Certificates among participants and accountholders of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither the Issuer, nor any Paying Agent nor any Transfer Agent will have any responsibility for the performance by Euroclear, Clearstream or DTC or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

While a Restricted Global Certificate is lodged with DTC or the Custodian, Restricted Notes represented by individual Certificates will not be eligible for clearing or settlement through Euroclear, Clearstream or DTC.

Individual Certificates

Registration of title to Registered Notes in a name other than a depositary or its nominee for Clearstream and Euroclear or for DTC will be permitted only (i) in the case of Restricted Global Certificates in the circumstances set forth in *"Summary of Provisions Relating to the Notes while in Global Form—Exchange—Global Certificates—Restricted Global Certificates"* or (ii) in the case of Unrestricted Global Certificates in the circumstances set forth in *"Summary of Provisions Relating to the Notes while in Global Form—Exchange—Global Certificates—Unrestricted Global Certificates"*. In such circumstances, the Issuer will cause sufficient individual Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Noteholder(s). A person having an interest in a Global Certificate must provide the Registrar with:

(i) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual Certificates; and

(ii) in the case of a Restricted Global Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange, or in the case of a simultaneous resale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Individual Certificates issued pursuant to this paragraph (ii) shall bear the legends applicable to transfers pursuant to Rule 144A.

Pre-issue Trades Settlement

It is expected that delivery of Notes will be made against payment therefor on the relevant Issue Date, which could be more than two business days following the date of pricing. Under Rule 15c6-1 of the U.S. Securities and Exchange Commission under the Exchange Act, trades in the United States, secondary market generally are required to settle within two business days ("**T+2**"), unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Registered Notes in the United States on the date of pricing or the next succeeding business days until the relevant Issue Date will be required, by virtue of the fact that such Notes initially will settle beyond T+2, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices and purchasers of Notes who wish to trade Notes between the date of pricing and the relevant Issue Date should consult their own adviser.

CERTAIN ERISA AND RELATED CONSIDERATIONS

The U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), imposes certain requirements on "employee benefit plans" within the meaning of Section 3(3) of ERISA that are subject to Title I of ERISA, such as pension plans, profit-sharing plans, collective investment funds, separate accounts and entities whose underlying assets include the assets of such employee benefit plans (collectively, "**ERISA Plans**"), and on those persons who are fiduciaries or service providers with respect to such ERISA Plans.

Fiduciaries of ERISA Plans and "plans" within the meaning of Section 4975(e) of the Code that are subject to Section 4975 of the Code, including individual retirement accounts and "Keogh" plans (together with ERISA Plans, "**Plans**"), should consider ERISA, the regulations and guidance thereunder and the issues described below in deciding whether to purchase a Note.

General Fiduciary Matters

Under ERISA, a person who exercises discretionary authority or control regarding the management or disposition of an ERISA Plan's assets is generally considered a fiduciary of such an ERISA Plan. An ERISA Plan's investments are subject to ERISA's fiduciary requirements, which should be considered in the context of each ERISA Plan's particular facts and circumstances. An ERISA Plan fiduciary deciding whether to purchase a Note should consider, among other factors, (i) whether the acquisition would satisfy the diversification requirements of Section 404 of ERISA, (ii) whether the acquisition would be prudent with respect to the Note's structure, potential risks and lack of liquidity, (iii) whether the investment would be consistent with the documents and instruments governing the ERISA Plan and (iv) whether the investment would constitute or result in a "prohibited transaction" under Section 406 of ERISA or Section 4975 of the Code (as discussed below).

In evaluating the prudence of purchasing a Note, an ERISA Plan fiduciary should consider the U.S. Department of Labor (the "**DOL**") regulation on investment duties located at 29 C.F.R. § 2550.404a-1. ERISA also requires that an ERISA Plan fiduciary maintain an indicia of ownership of the ERISA Plan's assets within the jurisdiction of the U.S. Federal District Courts.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan and certain persons and their affiliates who have certain specified relationships to the Plans (referred to as "parties in interest" under ERISA and "disqualified persons" under Section 4975 of the Code, and collectively, "**Parties in Interest**"). Whether or not the underlying assets of the Issuer are deemed to include assets of a Plan, a purchase of a Note by a Plan, to the extent it is permitted, may constitute or result in a direct or indirect "prohibited transaction" under Section 406 of ERISA and/or Section 4975 of the Code (collectively, "**prohibited transaction**") to the extent any of the Issuer, the Arrangers, the Dealers, the Trustee, the Agents or their respective affiliates (each, a "**Transaction Party**") is considered a Party in Interest. A non-exempt violation of these prohibited transaction rules may result in an imposition of excise taxes or other penalties and liabilities under ERISA and Section 4975 of the Code and a rescission or correction of any applicable transaction.

Although an administrative or statutory exemption may be applicable to a prohibited transaction in respect of a purchase of a Note, the applicability of such exemption will depend in part on the type of Plan fiduciary making the decision to acquire a Note and the circumstances under which such a decision is made. These exemptions include the administrative exemptions of Prohibited Transaction Class Exemption ("**PTCE**") 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by "independent qualified professional asset managers"), PTCE 90-1 (relating to investments by insurance company pooled separate accounts), PTCE 95-60 (relating to investments by insurance company general accounts), and PTCE 96-23 (relating to transactions effected by in-house asset managers) (Investor-Based Exemptions) and the statutory exemption of Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (relating to the purchase and sale of securities and related lending transactions, *provided that*, neither the security's issuer nor any of its affiliates has or exercises any discretionary authority or control or renders any investment advice with respect to the assets of the Plan involved in the transaction and *provided further that*, the Plan pays not more than adequate consideration in connection with the transaction).

The fiduciary of a Plan that proposes to purchase a Note should consider, without limitation, (i) whether the purchase would involve a direct or indirect extension of credit to a Party in Interest, (ii) whether the purchase would involve a sale or exchange of any property between a Plan and a Party in Interest and (iii) whether the purchase would involve a transfer to, or use by or for the benefit of, a Party in Interest of a Plan's assets. In this regard, there can be no assurance that any of these administrative and statutory exemptions will be available with respect to any particular transaction involving the Notes. Most of these exemptions do not provide relief from some or all of the self-dealing prohibitions of Section 406 of ERISA or Section 4975 of the Code. Each Plan fiduciary is responsible for ensuring that the purchase of a Note does not and will not constitute or result in a non-exempt prohibited transaction.

Plan Assets Regulation

Under the DOL regulation at 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA (the "**Plan Assets Regulation**"), when a Plan invests in an "equity interest" of an entity (which is defined as an interest in an entity other than an instrument that is treated as indebtedness under applicable local law and that has no substantial equity features) that is neither a publicly offered security nor a security issued by an investment company registered under the U.S. Investment Company Act of 1940, the Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless it is established that the entity is an "operating company" or equity participation by "Benefit Plan Investors" is deemed not to be "significant".

Equity participation by "Benefit Plan Investors" in an entity is deemed to be "significant" under the Plan Assets Regulation if, immediately after the most recent acquisition of any equity interest in the entity, twenty-five per cent (25%) or more of the value of any class of equity interests in the entity is held by "Benefit Plan Investors". "Benefit Plan Investor" means (i) a Plan or (ii) a person or entity whose underlying assets are deemed for purposes of Title I of ERISA or Section 4975 of the Code to include the assets of any such Plan by reason of the Plan Assets Regulation or otherwise. This test must be satisfied at each acquisition, transfer or disposition of a Note in order for the assets of the Issuer to not be treated as "plan assets". For these purposes, the value of any Note held by certain persons (other than Benefit Plan Investors) that have discretionary authority or "control" over the assets of the entity or that provide investment advice with respect to such assets for a fee, directly or indirectly, or "affiliates" of such persons (other than Benefit Plan Investors) are excluded. An "affiliate" of a person includes any person, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with the person. "Control", with respect to a person other than an individual, means the power to exercise a controlling influence over the management or policies of such person.

Similar Plans

"Governmental plans" within the meaning of Section 3(32) of ERISA, "church plans" within the meaning of Section 3(33) of ERISA that have made no election under Section 410(d) of the Code, "non-U.S. plans" described in Section 4(b)(4) of ERISA and other benefit plans that are not Benefit Plan Investors (as defined below) (any such plan, a "**Similar Plan**"), while not subject to the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code, may nevertheless be subject to a U.S. federal, state, local, non-U.S. or other law or regulation that contains one or more provisions that are substantially similar to the foregoing provisions of ERISA or the Code (any such law or regulation, a "**Similar Law**").

Representations and Further Considerations

The Notes issued under this Programme may generally be permitted to be held by a Benefit Plan Investor, so long as the particular Notes being acquired by a Benefit Plan Investor are treated as indebtedness without substantial equity characteristics for purposes of Title I of ERISA or Section 4975 of the Code (any permitted issuance of such Notes, an "**ERISA-Permitted Issuance**").

By its acquisition of the Notes, each purchaser and subsequent transferee thereof will be deemed to have represented and warranted, on each day from the date on which such purchaser or transferee, as applicable, acquires its interest in such Notes through and including the date on which such purchaser or transferee, as applicable, disposes of its interest in such Notes, either that (a) no portion of the assets used to purchase or hold the Notes (or any interest therein) constitutes assets of a Benefit Plan Investor or a Similar Plan that is subject to any Similar Law or, (b) provided that the Notes (or any interest therein) are purchased under an ERISA-Permitted Issuance, its purchase and holding of the Notes (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a non-exempt violation of any Similar Law. Any purported purchase or transfer in violation of these representations shall be null and void ab initio.

Moreover, each purchaser and subsequent transferee of the Notes (or any interest therein) that is a Benefit Plan Investor will be deemed to have represented by its acquisition of such Notes that (x) none of the Transaction Parties (i) have provided any investment recommendation or investment advice to the Benefit Plan Investor or any fiduciary or other person investing the assets of the Benefit Plan Investor (a "**Plan Fiduciary**"), on which either the Benefit Plan Investor or Plan Fiduciary has relied in connection with the decision to acquire the Notes (or any interest therein), and (ii) are acting as a "fiduciary" within the meaning of Section 3(21) of ERISA or Section 4975(e)(3) of the Code to the Benefit Plan Investor or Plan Fiduciary in connection with the Benefit Plan Investor's acquisition of the Notes (or any interest therein) and (y) the Plan Fiduciary is exercising its own independent judgment in evaluating the transaction.

The foregoing discussion is general in nature and is not intended to be all inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that any Plan fiduciary or other person who proposes to use assets of any Plan to acquire the Notes should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code, or any other applicable Similar Laws, to such an investment, and to confirm that such investment will not constitute or result in a non-exempt prohibited transaction or any other violation of an applicable requirement of ERISA, the Code or any other applicable Similar Laws.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in an Amended and Restated Dealer Agreement dated 26 January 2021 (the "**Dealer Agreement**") between the Issuer and the Permanent Dealers, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not the Permanent Dealer. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally or severally but not jointly underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arrangers and Dealers for certain of their expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Pricing Supplement.

The Issuer has agreed to indemnify the Arrangers and Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Each of the Arrangers and the Dealers and their respective affiliates may have performed certain banking and advisory services for the Issuer and/or its affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer and/or its affiliates in the ordinary course of the Issuer's or their business. The Arrangers and the Dealers or certain of their respective affiliates may purchase the Notes and be allocated the Notes for asset management and/or proprietary purposes but not with a view to distribution.

The Arrangers, the Dealers or any of their respective affiliates may purchase the Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or other securities of the Issuer or its associates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Notes).

Selling Restrictions

United States of America

The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer or sell any Notes within the United States, except as permitted by the Dealer Agreement.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

The Notes are being offered and sold outside the United States in reliance on Regulation S. The Dealer Agreement provides that the Dealers may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of Notes within the United States only to qualified institutional buyers in reliance on Rule 144A.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such tranche of Notes) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States and for the resale of the Notes in the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States, other than any qualified institutional buyer within the meaning of Rule 144A to whom an offer has been made directly by one of the Dealers or its U.S. broker-dealer affiliate. Distribution of this Offering Circular to any person within the United States, other than any qualified institutional buyer and those persons, if any, retained to advise such qualified institutional buyer with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such person within the United States, other than any qualified institutional buyer and those persons, if any, retained to advise such non-U.S. person or qualified institutional buyer, is prohibited.

Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any

Notes which are the subject of the offering contemplated by this Offering Circular, as completed by the Pricing Supplement, in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

If the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to EEA" as "Not Applicable", in relation to each Member State of the EEA (each, a "**Relevant State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, it has not made and will not make an offer of the Notes which are the subject of the offering contemplated by the Offering Circular as completed by the pricing supplement in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

(a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular, as completed by the Pricing Supplement, in relation thereto to any retail investor in the UK. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of the Notes which are the subject of the offering contemplated by the Offering Circular as completed by the pricing supplement in relation thereto to the public in the UK except that it may make an offer of such Notes to the public in the UK:

(a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Notes which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

(b) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

United Kingdom

Each Dealer has represented and agreed that:

(i) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Republic of Italy

The offering of the Notes has not been registered with the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Offering Circular or of any other document relating to any Notes be distributed in Italy, except, in accordance with any Italian securities, tax and other applicable laws and regulations.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered, sold or delivered, and will not offer, sell or deliver any Notes or distribute any copy of the Offering Circular or any other document relating to the Notes in Italy except:

(i) to qualified investors (investitori qualificati), as defined pursuant to Article 100 of Legislative Decree no. 58 of 24 February 1998 (the "**Financial Services Act**") and Article 34-ter, paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999 (the "Issuers Regulation"), all as amended from time to time; or

(ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Issuers Regulation.

In any event, any offer, sale or delivery of the Notes or distribution of copies of the Offering Circular or any other document relating to the Notes in Italy under paragraphs (i) or (ii) above must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of 1 September 1993 (the "**Banking Act**") and CONSOB Regulation No. 20307 of 15 February 2018, all as amended from time to time;

(b) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time; and

(c) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB or the Bank of Italy or other competent authority.

Investors should note that, in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under paragraphs (i) and (ii) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and the Issuers Regulation. Furthermore, where no exemption from the rules on public offerings applies, the Notes which are initially offered and placed in Italy or abroad to professional investors only but in the following year are "systematically" distributed on the secondary market in Italy become subject to the public offer and the prospectus requirement rules provided under the Financial Services Act and Issuers Regulation. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the purchasers of Notes who are acting outside of the course of their business or profession.

Hong Kong

In relation to each Tranche of Notes issued by the Issuer, each Dealer has represented and agreed that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") other than (a) to "professional investors" as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the C(WUMP)O; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged that this Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, and will not circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired such Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Singapore SFA Product Classification *– In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of*

Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

India

Each Dealer acknowledged, represented and agreed, and each further Dealer appointed under the Programme will be required to acknowledge, represent and agree, that (a) the Offering Circular has not been and will not be registered, filed, produced or published or made available as an offer document (whether as a prospectus or statement in lieu of a prospectus in respect of a public offer or information memorandum or private placement offer letter or other offering material in respect of any private placement under the Companies Act and the rules framed thereunder or any other applicable Indian laws), with the ROC, the SEBI or the RBI, any Indian stock exchanges or any other statutory or regulatory body of like nature in India, save and except for any information from any part of this Offering Circular which is mandatorily required to be disclosed or filed in India under any applicable Indian laws, including, but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended, and under the listing agreements with any Indian stock exchanges pursuant to the Listing Regulations or pursuant to the sanction of a regulatory and adjudicatory body in India and (b) the Notes have not been and will not be offered or sold in India by means of this Offering Circular or any document other than to persons permitted to acquire the Notes under Indian law, whether as principal or agent, and (c) this Offering Circular or any other offering document or material relating to the Notes have not been and will not be circulated or distributed, directly or indirectly, to any person or to the public or any member of the public in India or otherwise generally distributed or circulated in India which would constitute an advertisement, invitation, offer, sale or solicitation of an offer to subscribe for or purchase any securities in violation of Indian laws for the time being in force. The Notes have not been offered or sold and will not be offered or sold in India in circumstances which would constitute an offer of securities (whether to the public or by way of private placement) within the meaning of the Companies Act, or any other applicable Indian laws for the time being in force.

The Notes will not be offered, directly or indirectly, in Gujarat International Finance Tec-City IFSC, India ("**GIFT IFSC**") or to, or for the account or benefit of, any resident in GIFT IFSC.

This Offering Circular has not been and will not be reviewed or approved by the ROC, the SEBI, the RBI or any statutory or regulatory authority in India or by the Indian stock exchanges. If any person purchases any of the Notes, such person will be deemed to have acknowledged, represented and agreed that such person is eligible to purchase the Notes under applicable laws and regulations and that there is no prohibition under any applicable law or regulation from acquiring, owning or selling the Notes.

Potential investors should seek independent advice and verify compliance with ECB Investor Requirements prior to any purchase of the Notes.

In respect of any Notes, each Dealer further represented and agreed:

(a) that the Offering Circular or any material relating to the Notes have not been and will not be circulated or distributed to any prospective investor who does not meet the ECB Investor Requirements; and

(b) that the Notes will not be offered, sold or transferred and have not been offered, sold or transferred as part of the primary issuance to any person who does not meet the ECB Investor Requirements.

Disclosure of information relating to holders of Notes

(a) Holders and beneficial owners shall be responsible for compliance with restrictions on the ownership of the Notes imposed from time to time by applicable laws or by any regulatory authority or otherwise. In this context, holders and beneficial owners of Notes shall be deemed to have acknowledged, represented, agreed and confirmed that such holders and beneficial owners meet the ECB Investor Requirements and are otherwise eligible to purchase the Notes under applicable laws and regulations and are not prohibited under any applicable law or regulation from acquiring, owning or selling the Notes. The holders and beneficial owners of Notes shall be deemed to confirm that for so long as they hold any Notes, they will meet the ECB Investor Requirements. Further, all Noteholders are deemed to represent and agree that the Notes will not be offered or sold on the secondary market to any person who does not meet the ECB Investor Requirements.

(b) In relation to any issuance of Notes, the holder and beneficial owners represent and agree that they will provide all information and details about themselves to the Issuer, to enable the Issuer to provide such information to the RBI or any other statutory or regulatory authority in India as and when such information is required.

(c) To comply with applicable laws and regulations, the Issuer or its duly appointed agent may from time to time request Euroclear and/or Clearstream to provide them with details of the accountholders within Euroclear and/or Clearstream, as may be appropriate, that hold the Notes and the amount of Notes held by each such accountholder. Euroclear and/or Clearstream which are holders of the Notes or intermediaries acting on behalf of such Noteholders would be deemed to have hereby authorised Euroclear and/or Clearstream, as may be appropriate, to disclose such information to the Issuer or its duly appointed agent. The holders and beneficial owners will provide all information and details that they have or can procure about any subsequent transferee Noteholders (and shall provide all assistance in relation thereto) to the Issuer so as to enable the Issuer to obtain the details of the transferee Noteholders or any other information pertaining to such transferee Noteholders to enable the Issuer to provide such information to the RBI or any other statutory or regulatory authority in India as and when such information is required.

In accordance with applicable provisions of Indian regulations only (i) non-individual residents of a FATF Compliant Country or an IOSCO Compliant Country, (ii) multilateral and regional financial institutions where India is a member country; (iii) individuals who are from a FATF Compliant Country or an IOSCO Compliant Country if they are foreign equity holders or the Notes are listed; (iv) foreign branches or subsidiaries of Indian banks in the case of Notes denominated in foreign currency (and excluding Rupee denominated Notes) and subject to prudential guidelines issued by the Department of Banking Regulation of the RBI; or (v) foreign branches or subsidiaries of Indian banks (subject to prudential guidelines issued by the Department of Banking Regulation of the RBI) in their capacity as arrangers, underwriters, market-makers or traders for Rupee denominated Notes issued overseas, in each case, other than as stated above, excluding any person resident in India, and in compliance with other requirements as may be specified by the RBI from time to time in relation to external commercial borrowings by Indian entities who are not otherwise prohibited under any applicable laws or regulations from acquiring, owning or selling the Notes, are eligible to subscribe for the Notes ("**ECB Investor Requirements**").

A "**FATF Compliant Country**" is a country that is a member of Financial Action Task Force ("**FATF**") or a member of a FATF style regional body and should not be a country identified in the public statement of the FATF as (a) a jurisdiction having a strategic anti-money laundering or combating the financing of terrorism deficiencies to which counter measures apply; or (b) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies. An "**IOSCO Compliant Country**" is a country whose securities market regulator is a signatory to the International Organisation of Securities Commission's (IOSCO's) Multilateral Memorandum of Understanding (Appendix A Signatories) or a signatory to bilateral Memorandum of Understanding with SEBI for information sharing arrangements.

General

These selling restrictions may be supplemented or modified by the agreement of the Issuer and any Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Offering Circular or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer will be required to agree that, it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Offering Circular, any other offering material or any Pricing Supplement thereof, in all cases at its own expense.

TRANSFER RESTRICTIONS

Restricted Notes

Each purchaser of Restricted Notes within the United States pursuant to Rule 144A, by accepting delivery of this Offering Circular, will be deemed to have represented, agreed and acknowledged that:

1. It is not an affiliate of the Issuer or acting on behalf of the Issuer, and it is (a) a QIB, (b) acquiring such Restricted Notes for its own account, or for the account of one or more QIBs, and (c) aware, and each beneficial owner of the Restricted Notes has been advised, that the sale of the Restricted Notes to it is being made in reliance on Rule 144A.

2. (i) The Restricted Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it, and any person acting on its behalf, reasonably believes is a QIB purchasing for its own account or for the account of one or more QIBs, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) in each case in accordance with any applicable securities laws of any State of the United States and (ii) it will, and each subsequent holder of the Restricted Notes is required to, notify any purchaser of the Restricted Notes from it of the resale restrictions on the Restricted Notes.

3. The Restricted Notes, unless the Issuer determines otherwise in accordance with applicable law, will bear a legend in or substantially in the following form:

THE NOTES IN RESPECT OF WHICH THIS CERTIFICATE IS ISSUED (THE "**NOTES**") HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (A "**QIB**") THAT IS ACQUIRING THE NOTES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE, OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR RESALES OF THE NOTES.

4. It understands that the Issuer, each Registrar, the relevant Dealer(s) and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

5. It acknowledges that neither the Issuer nor the Dealers, nor any person representing the Issuer, or the Dealers have made any representation to it with respect to the Issuer or the offering or sale of any Restricted Notes, other than the information contained in this Offering Circular, which Offering Circular has been delivered to it and upon which it is relying in making its investment decision with respect to the Restricted Notes. It also acknowledges it has had access to such financial and other information concerning the Issuer as it deemed necessary in connection with its decision to purchase any of the Restricted Notes, including an opportunity to ask questions of, and request information from the Issuer and the Dealers.

6. It is purchasing the Restricted Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any state or other securities laws, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Restricted Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the Securities Act.

7. It understands that the Restricted Notes will be represented by a Restricted Global Certificate. Before any interest in a Restricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Unrestricted Global Certificate or as the case may be, Global Note, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Unrestricted Notes

Each purchaser of Unrestricted Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Unrestricted Notes in resales prior to the expiration of the distribution compliance period, by accepting delivery of this Offering Circular and the Unrestricted Notes, will be deemed to have represented, agreed and acknowledged that:

1. It is, or at the time Unrestricted Notes are purchased will be, the beneficial owner of such Unrestricted Notes and (a) it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.

2. It understands that such Unrestricted Notes have not been and will not be registered under the Securities Act and that it will not offer, sell, pledge or otherwise transfer such Unrestricted Notes except pursuant to an exemption from registration under the Securities Act.

3. It understands that the Unrestricted Notes, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend in or substantially in the following form:

   "THE NOTES IN RESPECT OF WHICH THIS UNRESTRICTED GLOBAL CERTIFICATE IS ISSUED (THE "NOTES") HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.''

4. It understands that the Issuer, each Registrar, the relevant Dealer(s) and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

5. It understands that the Unrestricted Notes will be represented by an Unrestricted Global Certificate, or as the case may be, a Global Note.

SUMMARY OF CERTAIN DIFFERENCES AMONG IFRS AND IND AS

Certain differences exist between International Financial Reporting Standards ("**IFRS**") and IND AS which might be material to the financial information herein. The matters described below summarise certain differences between IFRS and IND AS that may be material. The Issuer is responsible for preparing the summary below. Accordingly, no assurance is provided that the following summary of differences between IFRS and IND AS is complete. In making an investment decision, investors must rely upon their own examination of the Issuer, the terms of the offering and the financial information. Potential investors should consult their own professional advisors for an understanding of the differences between IFRS and IND AS, and how those differences might affect the financial information herein.

	IFRS	**IND AS**
Revenue definition	Revenue is the gross inflow of economic benefits during the period arising in the course of the ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants. Amounts collected on behalf of third parties such as sales and service taxes and value added taxes are excluded from revenues.	Similar to IFRS. As per Schedule III of the Companies Act revenue from operations shall be disclosed as under: Sale of products Sale of services Other operating revenue Less: Excise duty
Revenue measurement	Fair value of revenue from sale of goods and services when the inflow of cash and cash equivalents is deferred is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of consideration is recognised as interest revenue using the effective interest method.	Similar to IFRS
Revenue recognition	Revenue from the sale of goods shall be recognised when all the following conditions have been satisfied: (i) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods; (ii) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; (iii) the amount of revenue can be measured reliably; (iv) it is probable that the economic benefits associated with the transaction will flow to the entity; (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably and (vi) In case of rendering of services; where revenue is recognised by reference to the transaction's stage of completion at the balance sheet date.	Similar to IFRS
Revenue – contract costs	IFRS 15 contains criteria for determining when to capitalise costs	Similar to IFRS

	associated with obtaining and fulfilling a contract.	
Multiple elements contracts	To present the substance of a transaction appropriately, it may be necessary to apply the recognition criteria to the separately identifiable component of a single transaction.	Similar to IFRS
Accounting Treatment for Changes in Accounting Policies	Retrospective application of changes in accounting policies is done by adjusting the opening balance of the affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy were always applied. If retrospective application is impracticable for a particular prior period, or for a period before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied needs to be stated.	Similar to IFRS
Consolidation and Investment in Subsidiaries	The difference between the reporting date of the subsidiary and that of the parent shall be no more than three months. Uniform accounting policies should be followed. No exception is provided.	Similar to IFRS Uniform accounting policies to be followed unless impracticable to do so
Control	(i) Investor controls an investee if the investor has following: Power over the investee; (ii) Exposure, or rights, to variable returns from its investment with the investee; or (iii) the ability to use power over the investee to affect the amount of investor's return.	Similar to IFRS
Consolidation-Investment in Associates and Joint Ventures	Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.	Similar to IFRS
	Joint control: The contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.	Similar to IFRS
	The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing significant influence.	Similar to IFRS
	A joint venture applies the equity method, as described in IAS 28.	Similar to IFRS

Impairment of assets	Goodwill, intangible assets not yet available for use and indefinite life intangible assets are required to be tested for impairment at least on an annual basis or earlier if there is an impairment indication.	Similar to IFRS
Financial instruments	All financial instruments are initially measured at fair value plus or minus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Trade receivables that do not have a significant financing component should initially be measured at transaction price as defined in IFRS 15.	Similar to IFRS
	Impairment model in IFRS 9 is based on expected credit losses and it applies equally to debt instruments measured at amortised cost FVTOCI (the loss allowance is recognised in Other Comprehensive Income and not reduced from carrying amount of financial asset), lease receivables, contract assets within scope of IFRS 15 and certain written loan commitments and financial guarantee contracts. Expected credit losses (with the exception of purchased or original credit impaired financial assets) are required to be measured through a loss allowance at an amount equal to a) 12 months expected credit losses b) lifetime expected credit losses if credit risk has increased significantly since initial recognition of financial instrument. Trade receivables or contract assets within the scope of IFRS 15, loss allowance is measured at lifetime expected credit losses. For lease receivables within scope of IAS 17, an entity can elect to always measure loss allowances at an amount equal to lifetime expected credit losses.	Similar to IFRS
	The transaction costs are amortised to profit or loss using the effective interest method	Similar to IFRS
Property, Plant and Equipment	If an entity adopts there valuation model, revaluations are required to be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. IFRS mandates entire class of assets to be revalued.	Similar to IFRS
Intangible assets	If an intangible asset is acquired with a group of other assets (but not those acquired in a business combination),	Similar to IFRS

	the cost of the group shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill.	
	Measured at cost or revalued amounts.	Similar to IFRS
Deferred Taxation	Deferred income taxes are recognised for all taxable temporary differences between accounting and tax base of assets and liabilities except to the extent they arise from (a) initial recognition of goodwill or (b) the initial recognition of asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither the accounting nor the tax profit.	Similar to IFRS
	Deferred tax asset is recognised for carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and tax credits can be utilised.	Similar to IFRS
	Current tax and deferred tax is recognised outside profit or loss if the tax relates to items that are recognised in the same or a different period, outside profit or loss. Therefore the tax on items recognised in other comprehensive income, or directly in equity, is also recorded in other comprehensive income or in equity, as appropriate.	
Foreign Exchange Differences	Exchange differences arising on translation or settlement of foreign currency monetary items are recognised in profit or loss in the period in which they arise, except when hedge accounting is applied.	Similar to IFRS. However an entity may continue the policy adopted for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first IND AS financial reporting period as per previous GAAP.
First time adoption	IFRS 1 gives detailed guidance on preparation of the first IFRS financial statements. To help overcome a number of practical challenges for a first-time adopter, there are certain mandatory exemptions/voluntary exemptions from the full retrospective application.	IND AS 101 gives detailed guidance on preparation of the first IND AS financial statements. To help overcome a number of practical challenges for a first-time adopter, there are certain mandatory exemptions/voluntary exemptions from the full retrospective application. IND AS 101 gives few additional voluntary exemptions as compared to IFRS. For example, it gives an exemption whereby an entity can continue using its Indian GAAP carrying value of all its property, plant and equipment as deemed cost at transition date, provided that there is no change in functional currency. It also gives an exemption whereby

		a company can continue using its accounting policy under previous GAAP for capitalisation/deferral of exchange differences arising on long term foreign currency monetary items recognised in financial statements for the period ending immediately before the beginning of the first IND AS financial reporting period.
Presentation of financial statements	A complete set of financial statements under IFRS comprises: (i) Statement of financial position as of the end of the financial year; (ii) Statement of profit or loss and other comprehensive income for the financial year – Either as single statement or two separate statements; (iii) Statement of changes in equity; (iv) Statement of cash flows for the financial year; and (v) Notes comprising significant accounting policies and other explanatory information.	Similar to IFRS
Comparative figures	Comparative figures are presented for minimum one year. However, when a change in accounting policy has been applied retrospectively or items in financial statements have been restated/reclassified which has an impact beyond the comparative period, a statement of financial position is required as of the beginning of the earliest comparative period	Comparative figures are presented for minimum one year. However, when a change in accounting policy has been applied retrospectively or items in financial statements have been restated/reclassified which has an impact beyond the comparative period, a balance sheet is required as of the beginning of the earliest comparative period.
Formats for Presentation of financial statement	IAS 1 does not prescribe any rigid format for presentation of financial statement.	IND AS 1 does not prescribe any rigid format for presentation of financial statement.
	However, it specifies the position, statement of profit or loss and other comprehensive income and statement of changes inequity. IAS 7 provides guidance on the line items to be presented in the cash flow statement.	However, it specifies the line items to be presented in the balance sheet, statement of profit and loss and statement of changes in equity. IND AS 7 provides guidance on the line items to be presented in cash flow statement. In addition to above, IND AS compliant Schedule III of the Companies Act prescribes the format for presentation of balance sheet and statement of profit and loss which companies need to follow.
Presentation of income statement	An analysis of expenses is presented using a classification based either on the nature of expenses or their function whichever provides information that is reliable and more relevant.	Entities should present an analysis of expenses recognised in profit or loss using a classification based only on the nature of expense.
	If presented by function, specific disclosure by nature are provided in the notes. When items of income or expense are material, their nature and amount are separately disclosed.	IND AS compliant Schedule III of the Companies Act also requires an analysis of expenses by nature.

Statement of other comprehensive income	Among other items, the components of other comprehensive income includes: 1. Changes in the revaluation surplus; 2. Foreign exchange translation differences; 3. Re-measurements of post-employment benefit obligations; 4. Gains or losses arising on fair valuation of financial assets; 5. Effective portion of gains or losses on hedging instruments in cash flow hedge; 6. Share of other comprehensive income of investments accounted for using the equity method; 7. Foreign currency exchange gains and losses arising on translation of net investment in a foreign operation. These components are grouped into those that, in accordance with other IFRSs (a) will not be reclassified subsequently to profit or loss, and (b) will be reclassified subsequently to profit or loss when specific conditions are met.	Similar to IFRS
Presentation of profit or loss attributable to non-controlling interests	Profit or loss attributable to non-controlling interest and equity holders of the parent are disclosed in the statement of profit or loss and other comprehensive income as allocations of profit or loss and total comprehensive income for the period.	Similar to IFRS
Extraordinary items	Presentation of any items of income or expense as extraordinary is prohibited.	Similar to IFRS
Correction of prior period items	Material prior period errors are corrected retrospectively in the first set of financial statements approved for issue after their discovery by restating the comparative amounts for the prior period(s) presented in which the error occurred, or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.	Similar to IFRS
Disclosure of critical judgements and capital disclosures	IAS 1 requires disclosure of critical judgements made by the management in applying accounting policies and key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. It also requires disclosure of information that enables the users of	Similar to IFRS

	financial statements to evaluate an entity's objectives, policies and processes for managing capital.	
Measurement of investments	Under IAS 39, the investments are categorised as financial assets and can be classified in following The Issuer's categories based on the conditions mentioned therein: (i) Fair value through profit or loss; (ii) Held to maturity; (iii) Loans and (iv) receivables; (v) Available for sale.	Under IND AS 109, the investments are categorised as financial assets and can be classified in the following three categories based on the conditions mentioned therein: 1. Amortised cost; 2. Fair value through profit or loss; 3. Fair value through other comprehensive income
Functional currency	IAS 21 requires the assessment of functional currency basis the conditions specified therein. Functional currency is defined as the currency of the primary economic environment in which the entity operates. The functional currency could be different from the currency of the country in which the company is incorporated.	Similar to IFRS
Employee benefits	IAS 19, Employee Benefits requires the impact of re-measurement in net defined benefit liability (asset) to be recognised in other comprehensive income (OCI). Re-measurement of net defined benefit liability (asset) comprises actuarial gains or losses, return on plan assets (excluding interest on net asset/liability). Further, the amount recognised in OCI is not reclassified to the Statement of Profit and Loss.	Similar to IFRS.
	Discount rate is determined by reference to market yields at the end of reporting period on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yield on government bonds denominated in that currency should be used.	Discount rate is determined by reference to market yield on market yields at the end of reporting period on government bonds. However, subsidiaries, associates, joint ventures and branches domiciled outside India should use rate determined by reference to market yields on high quality corporate bonds at the end of reporting period. In case such subsidiaries, associates, joint ventures and branches are domiciled in countries where there is no deep market in such bonds, market yield at the end of reporting period on government bonds of that country should be used. The currency and term of government bonds or corporate bonds should be consistent with the currency and estimated term of post-employment benefits.
Common control business combinations	IFRS 3 does not prescribe any specific method for accounting of common control business combinations. Hence, either pooling or acquisition method may be possible.	IND AS 103 mandates the recording of common control transactions using pooling of interest method

	Goodwill is measured as the difference between: Aggregate of (a) the acquisition-date fair value of the consideration transferred (b) amount of non-controlling interest (c) in a business combination achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquire and (d) net of acquisition date fair values of the identifiable assets acquired and the liabilities assumed.	Similar to IFRS. However, any gain on bargain purchase is recognised in other comprehensive income and accumulated in equity as capital reserve. If there is no clear evidence of the underlying reason for classification of the business combination as a bargain purchase, the resultant gain is recognised directly in equity as capital reserve.
	If the above difference is negative, resultant gain is recognised as bargain purchase in profit and loss.	
	For business combinations achieved in stages, if the acquirer increase an existing equity interest so as to achieve control of the acquire, the previously held equity interest is remeasured at acquisition date fair value and any resulting gain or loss is recognised in profit and loss.	Similar to IFRS
Dividend adjustment	Liability for dividends declared to holders of equity instruments is recognised in the period when declared. It is a non-adjusting event.	Similar to IFRS
Government Grant	Government grants are recognised as income to match them with expenses in respect of the related costs for which they are intended to compensate on a systematic basis. Government grants are not directly credited to shareholders' interests. Grants related to assets are presented in the balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of asset.	Grants related to assets, including non-monetary grants at fair value should be presented in the balance sheet only by setting up the grant as deferred income
Inventories	Write down of inventory is reversed if circumstances that previously caused inventories to be written down below cost no longer exist or where there is a clear evidence of increase in net realisable value because of change in economic conditions. The amount of reversal is limited to amount of original write down	Similar to IFRS
	No specific classification requirements.	Inventories to be classified as per the requirements of Schedule III.
Borrowing costs	A qualifying asset is an asset that necessarily takes substantial period of	Similar to IFRS

	time to get ready for its intended use or sale.	
	Borrowing costs need not be capitalised in respect of i) qualifying assets measured at fair value (e.g. biological assets) ii) inventories that are manufactured, or otherwise produced, in large quantities on a repetitive basis. This is an option.	Similar to IFRS
Provisions	A provision is recognised only when a past event has created a legal or constructive obligation, an outflow of resources is probable, and the amount of the obligation can be estimated reliably. A constructive obligation is an obligation that derives from an entity's actions where, by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.	Similar to IFRS
	When the effect of time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation. The discount rate is a pre-tax rate that reflects the current market assessment of the time value of money and risks specific to the liability.	Similar to IFRS
Segment reporting	Operating segments are identified based on financial information that is regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in accessing performance.	Similar to IFRS

GENERAL INFORMATION

Authorisation

1. The Issuer has obtained all necessary consents, approvals and authorisations as required in connection with the establishment and update of the Programme. The establishment and subsequent updates of the Programme were authorised by resolutions of the Board of Directors of the Issuer on 14 December 2018, 29 May 2020 and 28 August 2020. The Issuer has obtained and has agreed to obtain from time to time all necessary internal consents, approvals and authorisations for the issue of Notes under the Programme.

No Potential Conflicts of Interest

2. There are no material contracts entered into other than in the ordinary course of the Issuer's business, which could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes being issued.

Listing

3. Approval in-principle has been received from the SGX-ST in connection with the Programme and application will be made to the SGX-ST for the listing and quotation of any Notes that may be issued under the Programme and which are agreed, at or prior to the time of issue thereof, to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted for listing and quotation on the SGX-ST. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of S$200,000 (or its equivalent in foreign currencies).

   The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in principle from, admission to the Official List of, and listing and quotation of any Notes on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Programme or the Notes.

   For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that a Global Note is exchanged for definitive Notes, the Issuer will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption. In addition, in the event that a Global Note is exchanged for definitive Notes, an announcement of such exchange shall be made by the Issuer or on the Issuer's behalf through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

   An application may be made for the Programme or any subsequent Notes issued under the Programme to be listed on the INX, which will comply with the SEBI (IFSC) Guidelines, 2015, as amended from time to time.

   In the event the Notes are listed on the INX, the Issuer will make an announcement on the INX that will include all material information with respect to the delivery of the Notes issued in definitive form.

Delisting of Notes

4. The Dealer Agreement provides that the Issuer will use its best endeavours to maintain the listing on the relevant Stock Exchange of those of the Notes which are listed on the relevant Stock Exchange or, if it is unable to do so having used its best endeavours or if the maintenance of such listings is unduly onerous, it may cease to maintain such listing, provided that it shall use its best endeavours promptly to obtain and maintain a quotation or listing of such Notes on such other stock exchange or exchanges or securities market or markets on which it is then accepted in the sphere of international issues of debt securities to list securities such as the Notes as it may (with the approval of the relevant Dealer(s) in respect of such Notes that such other stock exchange or exchanges or securities market or markets is so accepted) decide.

Clearing Systems

5. The Notes to be issued under the Programme have been accepted for clearance through Euroclear and Clearstream. The appropriate common code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream will be specified in the applicable Pricing Supplement. In addition, the Issuer may make an application for each series of Registered Notes intended to be eligible for sale pursuant to Rule 144A of such Notes to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of Registered Notes, together with the relevant ISIN and common code, will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Pricing Supplement.

No significant change

6. Except as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Issuer since 30 September 2020 and no material adverse change in the financial position or prospects of the Issuer since 30 September 2020.

Litigation

7. Except for what has already been provided for in the contingent liability section of the relevant financial statements, the Issuer is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Offering Circular which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer.

Accounts

8. The auditors of the Issuer in respect of the audited financial statements as of and for the fiscal year ended 31 March 2019 and 2020 were SPMG & Co. ("**SPMG**"). The auditors in respect of the audited financial statements as of and for the six months ended 30 September 2020, prepared in accordance with Ind AS, were KBDS & Company ("**KBDS**"). The Restated Reviewed Historical Financial Statements were reviewed by KBDS. Each of SPMG and KBDS has issued audit opinions in connection with its audits and a review opinion in connection with its review respectively, in each case for the respective periods without any qualification.

Documents

9. For so long as Notes may be issued pursuant to this Offering Circular, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Fiscal Agent or the registered office of the Issuer:

   (i) the Agency Agreement (which includes the form of the Global Notes, the definitive Bearer Notes, the Global Certificates, the Coupons, the Receipts and the Talons);

   (ii) the Memorandum and Articles of Association of the Issuer;

   (iv) copies of the most recent annual and interim reports (including financial statements) and audited accounts of the Issuer;

   (v) each Pricing Supplement, which however will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of Notes and identity; and

   (vi) a copy of this Offering Circular together with any Supplemental Offering Circular or further Offering Circular.

   Copies of the latest Annual Report and the accounts of the Issuer may be obtained, and copies of the Agency Agreement will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.

Third Party Information

10. Where information in this Offering Circular has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

U.S. Tax Legend

11. The following legend will appear on all Bearer Notes having a maturity of more than one year and to which TEFRA D applies, and all Receipts, Coupons and Talons related thereto:

    "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

INDEX TO FINANCIAL STATEMENTS

KBDS & CO.
CHARTERED ACCOUNTANTS

G-4/4, First Floor, Sector-16, Rohini
(Opposite Jain Bharti Model School)
Mobile: +91-9312271440, +91-9555071440 Phone: +91-11-27882573
Email: kbdsandco@gmail.com

REVIEW REPORT ON HISTORICAL FINANCIAL STATEMENTS

The Board of Directors,
Indian Railway Finance corporation Ltd
UG Floor, East Tower, NBCC Place,
Bhishm Pitmah Marg,
Lodi Road
New Delhi-110003

We have reviewed the accompanying Special Purpose Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows as of and for the six months ended September 30, 2020, September 30, 2019 and the years ended March 31, 2020, March 31, 2019 and March 31, 2018 (the "Special Purpose Statements") and other explanatory notes prepared in accordance with the basis of preparation as set out in Notes to the statement.

Management's Responsibility for the Special Purpose Accounts

The Company's Management is responsible for the preparation and presentation of these Statements in accordance with the accounting principles generally accepted in India, including the applicable accounting standards read with the basis of preparation as set out in Notes to the Special Purpose Statements. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of these Special Purpose Statements that are free from material misstatement, whether due to fraud or error.

Scope of Review

Our responsibility is to express a conclusion on these Special Purpose Statements based on our review. We conducted our review of these Special Purpose Statements in accordance with the Standard on Review Engagements (SRE) 2400 (Revised) 'Engagements to Review Historical Financial Statements', issued by the Institute of Chartered Accountants of India. This Standard requires us to conclude whether anything has come to our attention that causes us to believe that these Special Purpose Statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

KBDS & CO. M. No. 060030 DELHI Chartered Accountants

A review of financial statements in accordance with SRE 2400 (Revised) is a limited assurance engagement. The review process primarily consists of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with Standards on Auditing. Accordingly, we do not express an audit opinion on these Special Purpose Statements.

Conclusion

Based on our review and to the best of our information and according to the explanations given to us, nothing has come to our attention that causes us to believe that the accompanying Special Purpose Statements are not prepared, in all material respects, in accordance with recognition and measurement principles laid down in the applicable accounting standards and the basis of preparation as set out in Notes to the Special Purpose Statements.

Basis of Preparation and Restriction on Distribution and Use

Without modifying or qualifying our conclusion, we draw attention to the Notes to the Special Purpose Statements, which describes the basis of preparation. These Special Purpose Statements have been prepared by the management of the Company for the purpose of including the same in the Offering Circular in respect of the proposed global medium term note programme of the Company and related drawdowns thereunder. As a result, these Special Purpose Statements may not be suitable for any other purpose.

Our report is intended solely for the aforementioned use and should not be distributed or used for any other purpose.

For KBDS & Co.
Chartered Accountants
FRN:323288E

(CA Dashrath Kumar Singh)
Partner
Membership number: 060030
UDIN:21060030AAAABL9078
Place: New Delhi
Date: 22nd January, 2021

KBDS & CO. * M. No. 060030 DELHI * Chartered Accountants

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 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
ASSETS						
Financial assets						
Cash and cash equivalents	3	16.61	13.03	13.80	37.07	11.28
Bank balance other than above	4	942.18	96,175.05	993.83	773.59	986.92
Derivative financial instruments	5	-	-	-	466.90	968.47
Receivables	6					
- Lease receivables		15,38,468.10	13,49,225.35	14,85,798.00	12,50,265.12	10,94,716.56
Loans	7	62,430.44	56,495.21	64,233.71	58,954.87	52,379.55
Investments	8	114.05	119.23	115.12	131.45	139.78
Other financial assets	9	12,93,364.17	8,59,693.33	11,82,742.54	7,38,239.44	4,50,773.10
Total financial assets		**28,95,335.55**	**23,61,721.20**	**27,33,897.00**	**20,48,868.44**	**15,99,975.66**
Non-financial assets						
Current tax assets (net)	10	8,630.52	6,251.52	6,308.41	414.67	388.49
Property, plant and equipment	11	109.27	111.17	110.04	112.25	112.69
Other Intangible assets	12	0.41	0.51	0.43	0.50	0.27
Other non-financial assets	13	15,790.06	14,695.39	14,725.41	14,987.09	14,033.30
Total non-financial assets		**24,530.26**	**21,058.59**	**21,144.29**	**15,514.51**	**14,534.75**
Total Assets		**29,19,865.81**	**23,82,779.79**	**27,55,041.29**	**20,64,382.95**	**16,14,510.41**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Derivative financial instruments	5	3,883.47	3,102.49	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		1.52	4.58	0.50	0.08	2.40
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		439.90	148.02	377.02	121.65	84.69
Debt securities	15	16,12,586.66	13,51,895.53	15,52,904.56	12,35,978.99	11,08,442.46
Borrowings (other than debt securities)	16	8,40,906.52	4,94,421.01	7,90,862.65	5,03,347.76	2,31,612.82
Other financial liabilities	17	1,45,029.44	2,70,504.01	1,03,373.67	72,999.42	56,928.32
Total financial liabilities		**26,02,847.51**	**21,20,075.64**	**24,51,583.55**	**18,15,553.85**	**14,04,566.48**
Non-financial liabilities						
Current tax liabilities (net)	10	-	-	-	-	-
Provisions	18	92.97	140.89	138.03	117.96	108.37
Deferred tax liabilities (net)	19	-	-	-	-	-
Other non-financial liabilities	20	55.66	108.38	322.19	48.15	6,592.73
Total non-financial liabilities		**148.63**	**249.27**	**460.22**	**166.11**	**6,701.10**
Total liabilities		**26,02,996.14**	**21,20,324.91**	**24,52,043.77**	**18,15,719.96**	**14,11,267.58**
EQUITY						
Equity share capital	21	1,18,804.60	93,804.60	1,18,804.60	93,804.60	65,264.60
Other equity	22	1,98,065.07	1,68,650.28	1,84,192.92	1,54,858.39	1,37,978.23
Total equity		**3,16,869.67**	**2,62,454.88**	**3,02,997.52**	**2,48,662.99**	**2,03,242.83**
Total Liabilities and Equity		**29,19,865.81**	**23,82,779.79**	**27,55,041.29**	**20,64,382.95**	**16,14,510.41**

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 M/s. KBDS & Co.
Chartered Accountants
(FRN 323288E)

(Dashrath Kumar Singh)
(Partner)

M.No. 060030
UDIN:

Place: New Delhi
Date: 2nd December 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 U65910DL1986GOI026363
Annexure II: Restated statement of profit and loss
(All amounts in millions of INR, unless stated otherwise)

Particulars	**Notes (Annexure VI)**	**Half Year ended 30 September 2020**	**Half Year ended 30 September 2019**	**Year ended 31 March 2020**	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Revenue from operations						
Interest income	**23**	17,167.76	14,034.90	27,479.98	17,230.71	9,885.72
Dividend income		2.32	-	5.92	5.14	4.87
Lease income	**24**	56,661.12	51,712.78	1,06,724.27	92,637.69	82,179.06
Total revenue from operations		**73,831.20**	**65,747.68**	**1,34,210.17**	**1,09,873.54**	**92,069.65**
Other income	**25**	17.09	21.23	0.73	0.01	8.74
Total income		**73,848.29**	**65,768.91**	**1,34,210.90**	**1,09,873.55**	**92,078.39**
Expenses						
Finance costs	**26**	54,409.80	49,373.24	1,01,626.62	81,830.62	66,375.85
Impairment on financial instruments	**27**	-	-	21.41	275.44	-
Employee benefit expense	**28**	26.54	22.52	62.65	62.51	55.20
Depreciation, amortization and impairment	**29**	2.34	2.16	4.58	4.18	3.54
Other expenses	**30**	541.20	67.06	574.68	147.37	324.37
Total expenses		**54,979.88**	**49,464.98**	**1,02,289.94**	**82,320.12**	**66,758.96**
Profit before exceptional items and tax		18,868.41	16,303.93	31,920.96	27,553.43	25,319.43
Exceptional items				-	-	-
Profit before tax		**18,868.41**	**16,303.93**	**31,920.96**	**27,553.43**	**25,319.43**
Tax expense	**31**					
Current tax		-	-	-	6,154.10	5,304.83
Deferred tax		-	-	-	-	-
Total Tax Expenses		**-**	**-**	**-**	**6,154.10**	**5,304.83**
Profit for the period from continuing operations		**18,868.41**	**16,303.93**	**31,920.96**	**21,399.33**	**20,014.60**
Profit from discontinued operations					-	-
Tax expense of discontinued operations					-	-
Profit from discontinued operations (after tax)		-	-	-	-	-
Profit for the period		**18,868.41**	**16,303.93**	**31,920.96**	**21,399.33**	**20,014.60**
Other comprehensive income						
(A) (i) Items that will not be reclassified to profit or loss						
- Remeasurement of defined benefit plans		0.17	(0.58)	(0.35)	(2.71)	0.87
- Remeasurement of Equity Instrument		4.07	(6.55)	(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)		**4.24**	**(7.13)**	**(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)		**4.24**	**(7.13)**	**(5.52)**	**1.66**	**8.03**
Total comprehensive income for the period (comprising profit (loss) and other comprehensive income for the period)		**18,872.65**	**16,296.80**	**31,915.44**	**21,400.99**	**20,022.63**
Earnings per equity share (for continuing operations)	**32**					
Basic (Rs.)		1.59	1.74	3.40	3.26	3.07
Diluted (Rs.)		1.59	1.74	3.40	3.26	3.07
Earnings per equity share (for discontinued operations)						
Basic (Rs.)		-	-	-	-	-
Diluted (Rs.)		-	-	-	-	-
Earnings per equity share (for continuing and discontinued operations)	**32**					
Basic (Rs.)		1.59	1.74	3.40	3.26	3.07
Diluted (Rs.)		1.59	1.74	3.40	3.26	3.07

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 M/s. KBDS & Co.
Chartered Accountants
(FRN 323288E)

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

(Dashrath Kumar Singh)
(Partner)

M.No. 060030
UDIN:

(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: 2nd December 2020

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363
Annexure III: Restated statement of cash flow
(All amounts in millions of INR, unless stated otherwise)

-

Particulars	Half Year ended 30 September 2020	Half Year ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
A. CASH FLOW FROM OPERATING ACTIVITIES					
Profit before taxes	18,868.41	16,303.93	31,920.96	27,553.43	25,319.43
Adjustments for:					
Remeasurement of defined benefit plans	0.17	(0.58)	(0.35)	(2.71)	0.87
Depreciation and amortisation	2.34	2.16	4.58	4.18	3.54
Provision of interest on income tax	5.33	-	20.91	19.66	12.82
Loss on sale of fixed assets	0.16	0.01	0.07	0.16	0.06
Profit on sale of fixed assets	(0.01)	-	-	(0.01)	-
Discount of commercial paper	281.70	678.57	1,358.05	1,237.25	2,020.12
Adjustments towards effective interest rate	189.03	(288.92)	(1,482.30)	169.04	(480.12)
Dividend income received	(2.32)	-	(5.92)	(5.14)	(4.87)
Share issue Expenses	(0.50)	(93.80)	(169.80)	-	-
Operating profit before working capital changes	**19,344.31**	**16,601.37**	**31,646.20**	**28,975.86**	**26,871.85**
Movements in working capital:					
Increase/(decrease) in payables	63.90	30.87	255.79	34.64	52.02
Increase/(decrease) in provisions	(4.49)	22.93	(0.84)	2.75	3.52
Increase/(decrease) in others non financial liabilities	(266.53)	60.23	274.04	(6,544.58)	6,485.84
Increase/(decrease) in other financial liabilities	36,655.77	1,95,093.48	30,374.25	16,071.10	17,539.91
Decrease/(increase) in receivables	(52,670.10)	(98,960.23)	(2,35,532.88)	(1,55,548.56)	(1,12,654.67)
Decrease/(increase) in loans and advances	1,803.27	2,459.66	(5,278.84)	(6,575.32)	(30,739.25)
Decrease/(increase) in bank balance other than cash and cash equivalents	51.65	(95,401.46)	(220.24)	213.33	(921.19)
Decrease/(increase) in other non financial assets	(1,064.65)	291.70	261.68	(953.79)	(13,997.39)
Decrease/(increase) in other financial assets	(1,10,586.71)	(1,20,804.34)	(4,43,061.27)	(2,86,964.78)	(1,67,870.03)
Cash generated from operations	**(1,06,673.58)**	**(1,00,605.79)**	**(6,21,282.11)**	**(4,11,289.35)**	**(2,75,229.39)**
Less: Direct taxes paid (net of refunds)	2,368.00	5,836.85	5,893.75	6,192.53	5,531.86
Net cash flow/(used) in operating activities (A)	**(1,09,041.58)**	**(1,06,442.64)**	**(6,27,175.86)**	**(4,17,481.88)**	**(2,80,761.25)**
B. CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property plant & equipement and intangible assets	(1.98)	(1.12)	(2.41)	(4.22)	(1.48)
Proceeds from sale of property plant & equipement	0.28	-	0.05	0.10	0.08
Proceeds from realization of pass through certificates / sale of investments	5.14	5.66	11.16	12.12	13.28
Dividend income received	2.32	-	5.92	5.14	4.87
Net cash flow/(used) in investing activities (B)	**5.76**	**4.54**	**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)	72,773.14	1,22,136.80	3,08,125.43	1,04,655.95	2,07,419.28
Raising of Rupee Term Loans/ Foreign Currency Borrowings (net of repayments)	49,699.70	(8,773.90)	2,89,007.28	2,70,172.83	1,25,853.88
Issue of commercial paper (net of repayments)	(13,434.21)	(6,948.84)	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)	**1,09,038.63**	**1,06,414.06**	**6,27,137.87**	**4,17,494.53**	**2,80,746.35**
Net increase in Cash and cash equivalents (A+B+C)	**2.81**	**(24.04)**	**(23.27)**	**25.79**	**1.85**
Cash and cash equivalents at the beginning of the year	13.80	37.07	37.07	11.28	9.43
Cash and cash equivalents at the end of year end (Refer Note No. 3 in Annexure V)	**16.61**	**13.03**	**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 M/s. KBDS & Co.
Chartered Accountants
(FRN 323288E)

(Dashrath Kumar Singh)
(Partner)

M.No. 060030
UDIN:

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: 2nd December 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**
Balance as at 1 April 2019	**21**	**93,804.60**
Changes in equity share capital during the year		-
Balance as at 30 September 2019	**21**	**93,804.60**
Balance as at 1 April 2020	**21**	**1,18,804.60**
Changes in equity share capital during the year		-
Balance as at 30 September 2020	**21**	**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 M/s. KBDS & Co.
Chartered Accountants
(FRN 323288E)

(Dashrath Kumar Singh)
(Partner)

M.No. 060030
UDIN:

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: 2nd December 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)

B. Other equity

Particulars	Share issue expenses	Reseves and surplus				Equity instruments through other comprehensive income	Total other equity
		General Reserve	Bond redemption reserve	Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	Retained Earnings		
Balance as at 01 April 2017	**-**	**6,039.87**	**48,749.39**	**-**	**1,488.63**	**56.95**	**56,334.84**
Add: Deferred tax liabilty 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**	**-**	**64,431.40**
Restated balance as at 01 April 2017	**-**	**6,039.87**	**48,749.39**	**-**	**65,920.03**	**56.95**	**1,20,766.24**
Total comprehensive income for the period (comprising profit (loss) and other comprehensive income for the period)	-	-	-	-	20,015.29	7.34	**20,022.63**
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	**-**	**17,397.90**	**52,947.49**	**-**	**67,568.55**	**64.29**	**1,37,978.23**
Total comprehensive income for the period (comprising profit (loss) and other comprehensive income for the period)	-	-	-	-	21,397.20	3.79	**21,400.99**
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	**-**	**30,327.36**	**57,145.59**	**4,509.50**	**62,807.86**	**68.08**	**1,54,858.39**
Total comprehensive income for the period (comprising profit (loss) and other comprehensive income for the period)	-	-	-	-	31,920.61	(5.17)	**31,915.44**
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)**	**1,74,032.28**	**-**	**11,894.35**	**(1,626.82)**	**62.91**	**1,84,192.92**
Balance as at 1 April 2019	**-**	**30,327.36**	**57,145.59**	**4,509.50**	**62,807.86**	**68.08**	**1,54,858.39**
Total comprehensive income for the period (comprising profit (loss) and other comprehensive income for the period)	-	-	-	-	16,303.35	(6.55)	**16,296.80**
Addition during the period	(93.80)	-	-	-	-	-	**(93.80)**
Transfer to retained earnings	-	-	(57,145.59)	-	57,145.59	-	**-**
Dividend	-	-	-	-	(2,000.00)	-	**(2,000.00)**
Dividend tax	-	-	-	-	(411.11)	-	**(411.11)**
Balance as at 30 September 2019	**(93.80)**	**30,327.36**	**-**	**4,509.50**	**1,33,845.69**	**61.53**	**1,68,650.28**
Balance as at 1 April 2020	**(169.80)**	**1,74,032.28**	**-**	**11,894.35**	**(1,626.82)**	**62.91**	**1,84,192.92**
Total comprehensive income for the period (comprising profit (loss) and other comprehensive income for the period)	-	-	-	-	18,868.58	4.07	**18,872.65**
Addition during the period	(0.50)	-	-	-	-	-	**(0.50)**
Transfer to retained earnings	-	-	-	-	-	-	**-**
Dividend	-	-	-		(5,000.00)		**(5,000.00)**
Dividend tax	-	-	-	-	-	-	**-**
Balance as at 30 Septemeber 2020	**(170.30)**	**1,74,032.28**	**-**	**11,894.35**	**12,241.76**	**66.98**	**1,98,065.07**

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 M/s. KBDS & Co.
Chartered Accountants
(FRN 323288E)

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

(Dashrath Kumar Singh)

(Partner)
M.No. 060030
UDIN:

(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: 2nd December 2020

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 six month period ended September 30, 2019; year ended March 31, 2020 and six month period ended September 30, 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 and six months period ended September 30, 2019 & September 30, 2020 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 September 30, 2020, March 31, 2020; September 30, 2019, 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 and six month ended September 30, 2020 & September 30, 2019 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 / period ended September 30, 2020, March 31, 2020, September 30,2019 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").

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 six month period ended September 30, 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 six month period ended September 30, 2020 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, 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.

c) 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").

d) 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 :

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 and six month period ended September 30, 2020 and September 30, 2019.

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) 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. 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.

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

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 New amended standards:

In July 2020, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2020, 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

Ind AS 1 defined 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.

This amendment has not affected these financial statements.

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.

The amendment is not applicable to the Company.

Amendments to Ind AS 116:

A practical expedient is inserted which permits lessees not to account for Covid – 19 related rent concessions as a lease modification. As the Company has not availed any Covid 19 related rent concessions, the practical expedient has no applicability on the Company's financial statements.

Amendments to Ind AS 107, Financial Instruments : Disclosures
Amendments to Ind AS 109, Financial Instruments

The amendments addresses the issues arising from the replacement of existing IBOR based interest rate benchmarks with alternative nearly risk – free interest rates (RFRs) in the context of hedge accounting. These amendments allow hedging relationships affected by the IBOR reform to be accounted for as continuing hedges.

The amendments provide relief on key areas of hedge accounting most notably the hedge effectiveness and the ability to identify LIBR based cash flows for the purpose of designation (re – designation) during the period of the Reform. Additional disclosures are shown in Note No. 38.6.

(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 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Balances with banks					
- in current accounts	16.51	12.93	13.70	36.97	11.18
Deposits with Reserve Bank of India					
- in public deposit account	0.10	0.10	0.10	0.10	0.10
Total	**16.61**	**13.03**	**13.80**	**37.07**	**11.28**

Note 4: Bank balances other than above

Particulars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Balances with banks					
- in interest redemption accounts*	101.24	76.90	96.82	80.91	58.16
- in escrow pool Account**	840.94	548.15	897.01	692.68	928.76
- in term deposits accounts***	-	95,550.00	-	-	-
Total	**942.18**	**96,175.05**	**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 bonds (Bonds from domestic capital market under note no. 15)

*** The Company has taken Loan against these Term Deposits shown under Note 16.

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363
Annexure VI: Notes to restated financial statement
(All amounts in millions of INR, unless stated otherwise)

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.

	As at 30 September 2020			As at 30 September 2019			As at 31 March 2020			As at 31 March 2019			As at 31 March 2018		
PART I	**Notional amounts**	**Fair value- assets**	**Fair value- liabilities**	**Notional amounts**	**Fair value- assets**	**Fair value- liabilities**	**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	13,582.83	-	2,873.63	12,997.44	-	2,919.87	13,884.67	-	3,090.22	12,737.67	-	3,105.95	11,982.16	-	2,354.19
Subtotal	**13,582.83**	**-**	**2,873.63**	**12,997.44**	**-**	**2,919.87**	**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	13,582.83	-	1,009.84	12,997.44	-	182.62	13,884.67	-	974.93	12,737.67	466.90	-	25,082.16	968.47	-
Subtotal	**13,582.83**	**-**	**1,009.84**	**12,997.44**	**-**	**182.62**	**13,884.67**	**-**	**974.93**	**12,737.67**	**466.90**	**-**	**25,082.16**	**968.47**	**-**
Total derivatives instruments	**27,165.66**	**-**	**3,883.47**	**25,994.88**	**-**	**3,102.49**	**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	13,582.83	-	2,873.63	12,997.44	-	2,919.87	13,884.67	-	3,090.22	12,737.67	-	3,105.95	54,267.02	-	7,495.79
Interest rate derivatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	**13,582.83**	**-**	**2,873.63**	**12,997.44**	**-**	**2,919.87**	**13,884.67**	**-**	**3,090.22**	**12,737.67**	**-**	**3,105.95**	**54,267.02**	**-**	**7,495.79**
(ii) Cash flow hedging															
Currency derivatives	-	-	-							-	-	-	-	-	-
Interest rate derivatives	13,582.83	-	1,009.84	12,997.44	-	182.62	13,884.67	-	974.93	12,737.67	466.90	-	25,082.16	968.47	-
Subtotal	**13,582.83**	**-**	**1,009.84**	**12,997.44**	**-**	**182.62**	**13,884.67**	**-**	**974.93**	**12,737.67**	**466.90**	**-**	**25,082.16**	**968.47**	**-**
Total derivative financial instruments	**27,165.66**	**-**	**3,883.47**	**25,994.88**	**-**	**3,102.49**	**27,769.34**	**-**	**4,065.15**	**25,475.34**	**466.90**	**3,105.95**	**79,349.18**	**968.47**	**7,495.79**

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

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

Note 6 : Receivables

Particulars	**As at 30 September 2020**	**As at 30 September 2019**	**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)	15,38,468.10	13,49,225.35	14,85,798.00	12,50,265.12	10,94,716.56
Total	**15,38,468.10**	**13,49,225.35**	**14,85,798.00**	**12,50,265.12**	**10,94,716.56**

*No impairment loss has been recognized 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)

Indian Railway Finance Corporation Limited

CIN U65910DL1986GOI026363

Annexure VI: Notes to restated financial statement

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

Note 7 : Loans

As at 30 September 2020

	Amortised cost (A)	At Fair Value: Through Other Comprehensive Income (B)	At Fair Value: Through Profit or Loss (C)	At Fair Value: Designated at Fair Value Through Profit or Loss (D)	Subtotal E= (B+C+D)	Total (A+B)
Loans						
(A) Term Loans						
-Loan to Rail Vikas Nigam Limited	44,221.96	-	-	-	-	44,221.96
-Loan to Ircon International Limitec	18,459.20	-	-	-	-	18,459.20
Total (A)-Gross	**62,681.16**	-	-	-	-	**62,681.16**
Less:Impairmentloss allowance	250.72	-	-	-	-	250.72
Total (A) - Net	**62,430.44**	-	-	-	-	**62,430.44**
(B)(i)Securedby tangibleassets	-	-	-	-	-	-
(ii)Secured by intangible assets	-	-	-	-	-	-
(iii)Coveredby Bank/Government Guarantees	-	-	-	-	-	-
(iv) Unsecured	62,681.16	-	-	-	-	62,681.16
Total (B)-Gross	**62,681.16**	-	-	-	-	**62,681.16**
Less:Impairment loss allowance	250.72	-	-	-	-	250.72
Total (B)-Net	**62,430.44**	-	-	-	-	**62,430.44**
(C) (I)LoansinIndia						
(i) PublicSector	62,681.16	-	-	-	-	62,681.16
(ii)Others (tobe specified)		-	-	-	-	
Total (C)-Gross	**62,681.16**	-	-	-	-	**62,681.16**
Less: Impairment loss allowance	250.72	-	-	-	-	250.72
Total (C) (I)-Net	**62,430.44**	-	-	-	-	**62,430.44**
(C)(II)Loans outsideIndia						
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C)(II)- Net	-	-	-	-	-	-
TotalC(I)andC(II)	**62,430.44**	-	-	-	-	**62,430.44**

As at 30September 2019

	Amortised cost (A)	At Fair Value: Through Other Comprehensive Income (B)	At Fair Value: Through Profit or Loss (C)	At Fair Value: Designated at Fair Value Through Profit or Loss (D)	Subtotal E= (B+C+D)	Total (A+B)
Loans						
(A) Term Loans						
-Loan to Rail Vikas Nigam Limited	32,109.80	-	-	-	-	32,109.80
-Loan to Ircon International Limitec	24,612.30	-	-	-	-	24,612.30
Total (A)-Gross	**56,722.10**	-	-	-	-	**56,722.10**
Less:Impairmentloss allowance	226.89	-	-	-	-	226.89
Total (A) - Net	**56,495.21**	-	-	-	-	**56,495.21**
(B)(i)Securedby tangibleassets	-	-	-	-	-	-
(ii)Secured by intangible assets	-	-	-	-	-	-
(iii)Coveredby Bank/Government Guarantees	-	-	-	-	-	-
(iv) Unsecured	56,722.10	-	-	-	-	56,722.10
Total (B)-Gross	**56,722.10**	-	-	-	-	**56,722.10**
Less:Impairment loss allowance	226.89	-	-	-	-	226.89
Total (B)-Net	**56,495.21**	-	-	-	-	**56,495.21**
(C) (I)LoansinIndia						
(i) PublicSector	56,722.10	-	-	-	-	56,722.10
(ii)Others (tobe specified)		-	-	-	-	
Total (C)-Gross	**56,722.10**	-	-	-	-	**56,722.10**
Less: Impairment loss allowance	226.89	-	-	-	-	226.89
Total (C) (I)-Net	**56,495.21**	-	-	-	-	**56,495.21**
(C)(II)Loans outsideIndia						
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C)(II)- Net	-	-	-	-	-	-
TotalC(I)andC(II)	**56,495.21**	-	-	-	-	**56,495.21**

As at 31 March2020

	Amortised cost (A)	At Fair Value: Through Other Comprehensive Income (B)	At Fair Value: Through Profit or Loss (C)	At Fair Value: Designated at Fair Value Through Profit or Loss (D)	Subtotal E= (B+C+D)	Total (A+B)
Loans						
(A) Term Loans						
-Loan to Rail Vikas Nigam Limited	39,879.41	-	-	-	-	39,879.41
-Loan to Ircon International Limitec	24,612.27	-	-	-	-	24,612.27
Total (A)-Gross	**64,491.68**	-	-	-	-	**64,491.68**
Less:Impairmentloss allowance	257.97	-	-	-	-	257.97
Total (A) - Net	**64,233.71**	-	-	-	-	**64,233.71**
(B)(i)Securedby tangibleassets	-	-	-	-	-	-
(ii)Secured by intangible assets	-	-	-	-	-	-
(iii)Coveredby Bank/Government Guarantees	-	-	-	-	-	-
(iv) Unsecured	64,491.68	-	-	-	-	64,491.68
Total (B)-Gross	**64,491.68**	-	-	-	-	**64,491.68**
Less:Impairment loss allowance	257.97	-	-	-	-	257.97
Total (B)-Net	**64,233.71**	-	-	-	-	**64,233.71**
(C) (I)LoansinIndia						
(i) PublicSector	64,491.68	-	-	-	-	64,491.68
(ii)Others (tobe specified)	-	-	-	-	-	-
Total (C)-Gross	**64,491.68**	-	-	-	-	**64,491.68**
Less: Impairment loss allowance	257.97	-	-	-	-	257.97
Total (C) (I)-Net	**64,233.71**	-	-	-	-	**64,233.71**
(C)(II)Loans outsideIndia						
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C)(II)- Net	-	-	-	-	-	-
TotalC(I)andC(II)	**64,233.71**	-	-	-	-	**64,233.71**

As at 31 March 2019

	Amortised cost (A)	At Fair Value: Through Other Comprehensive Income (B)	At Fair Value: Through Profit or Loss (C)	At Fair Value: Designated at Fair Value Through Profit or Loss (D)	Subtotal E= (B+C+D)	Total (A+B)
Loans						
(A) Term Loans						
-Loan to Rail Vikas Nigam Limited	28,426.30	-	-	-	-	28,426.30
-Loan to Ircon International Limitec	30,765.34	-	-	-	-	30,765.34
Total (A)-Gross	**59,191.64**	-	-	-	-	**59,191.64**
Less:Impairmentloss allowance	236.77	-	-	-	-	236.77
Total (A) - Net	**58,954.87**	-	-	-	-	**58,954.87**
(B)(i)Securedby tangibleassets	-	-	-	-	-	-
(ii)Secured by intangible assets	-	-	-	-	-	-
(iii)Coveredby Bank/Government Guarantees	-	-	-	-	-	-
(iv) Unsecured	59,191.64	-	-	-	-	59,191.64
Total (B)-Gross	**59,191.64**	-	-	-	-	**59,191.64**
Less:Impairment loss allowance	236.77	-	-	-	-	236.77
Total (B)-Net	**58,954.87**	-	-	-	-	**58,954.87**
(C) (I)LoansinIndia						
(i) PublicSector	59,191.64	-	-	-	-	59,191.64
(ii)Others (tobe specified)	-	-	-	-	-	-
Total (C)-Gross	**59,191.64**	-	-	-	-	**59,191.64**
Less: Impairment loss allowance	236.77	-	-	-	-	236.77
Total (C) (I)-Net	**58,954.87**	-	-	-	-	**58,954.87**
(C)(II)Loans outsideIndia						
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C)(II)- Net	-	-	-	-	-	-
TotalC(I)andC(II)	**58,954.87**	-	-	-	-	**58,954.87**

As at 31 March 2018

	Amortised cost (A)	At Fair Value: Through Other Comprehensive Income (B)	At Fair Value: Through Profit or Loss (C)	At Fair Value: Designated at Fair Value Through Profit or Loss (D)	Subtotal E= (B+C+D)	Total (A+B)
Loans						
(A) Term Loans						
-Loan to Rail Vikas Nigam Limited	20,379.55	-	-	-	-	20,379.55
-Loan to Ircon International Limitec	32,000.00	-	-	-	-	32,000.00
Total (A)-Gross	**52,379.55**	-	-	-	-	**52,379.55**
Less:Impairmentloss allowance	-	-	-	-	-	-
Total (A) - Net	**52,379.55**	-	-	-	-	**52,379.55**
(B)(i)Securedby tangibleassets	-	-	-	-	-	-
(ii)Secured by intangible assets	-	-	-	-	-	-
(iii)Coveredby Bank/Government Guarantees	-	-	-	-	-	-
(iv) Unsecured	52,379.55	-	-	-	-	52,379.55
Total (B)-Gross	**52,379.55**	-	-	-	-	**52,379.55**
Less:Impairment loss allowance	-	-	-	-	-	-
Total (B)-Net	**52,379.55**	-	-	-	-	**52,379.55**
(C) (I)LoansinIndia						
(i) PublicSector	52,379.55	-	-	-	-	52,379.55
(ii)Others (tobe specified)	-	-	-	-	-	-
Total (C)-Gross	**52,379.55**	-	-	-	-	**52,379.55**
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C) (I)-Net	**52,379.55**	-	-	-	-	**52,379.55**
(C)(II)Loans outsideIndia						
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C)(II)- Net	-	-	-	-	-	-
TotalC(I)andC(II)	**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. 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 2016for all government NBFC company. (Refer note-18)

Indian Railway Finance Corporation Limited
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Annexure VI: Notes to restated financial statement
(Allamounts inmillionsof INR, unlessstatedotherwise)

Note 8 : Investments

As at 30 September 2020

	Amortised cost	At Fair Value: Through Other Comprehensive Income	At Fair Value: Through profit or loss	At Fair Value: Designated at fair value through profit or loss	Subtotal	Total
Debt securities*	17.07	-	-	-	-	17.07
Equity instruments #	-	97.05	-	-	97.05	97.05
Total (A)	**17.07**	**97.05**	**-**	**-**	**97.05**	**114.12**
Investments Outside India	-	-	-	-	-	-
Investments in India	17.07	97.05	-	-	97.05	114.12
Total (B)	**17.07**	**97.05**	**-**	**-**	**97.05**	**114.12**
Less: Allowance for Impairment '(C)	0.07	-	-	-	-	0.07
Total (A)-(C)	**17.00**	**97.05**	**-**	**-**	**97.05**	**114.05**

As at 30 September 2019

	Amortised cost	At Fair Value: Through Other Comprehensive Income	At Fair Value: Through profit or loss	At Fair Value: Designated at fair value through profit or loss	Subtotal	Total
Debt securities*	27.63	-	-	-	-	27.63
Equity instruments #	-	91.60	-	-	91.60	91.60
Total (A)	**27.63**	**91.60**	**-**	**-**	**91.60**	**119.23**
Investments Outside India	-	-	-	-	-	-
Investments in India	27.63	91.60	-	-	91.60	119.23
Total (B)	**27.63**	**91.60**	**-**	**-**	**91.60**	**119.23**
Less: Allowance for Impairment '(C)	-	-	-	-	-	-
Total (A)-(C)	**27.63**	**91.60**	**-**	**-**	**91.60**	**119.23**

As at 31 March 2020

	Amortised cost	At Fair Value: Through Other Comprehensive Income	At Fair Value: Through profit or loss	At Fair Value: Designated at fair value through profit or loss	Subtotal	Total
Debt securities*	22.23	-	-	-	-	22.23
Equity instruments #	-	92.98	-	-	92.98	92.98
Total (A)	**22.23**	**92.98**	**-**	**-**	**92.98**	**115.21**
Investments Outside India	-	-	-	-	-	-
Investments in India	22.23	92.98	-	-	92.98	115.21
Total (B)	**22.23**	**92.98**	**-**	**-**	**92.98**	**115.21**
Less: Allowance for Impairment '(C)	0.09	-	-	-	-	0.09
Total (A)-(C)	**22.14**	**92.98**	**-**	**-**	**92.98**	**115.12**

As at 31 March 2019

	Amortised cost	At Fair Value: Through Other Comprehensive Income	At Fair Value: Through profit or loss	At Fair Value: Designated at fair value through profit or loss	Subtotal	Total
Debt securities*	33.30	-	-	-	-	33.30
Equity instruments #	-	98.15	-	-	98.15	98.15
Total (A)	**33.30**	**98.15**	**-**	**-**	**98.15**	**131.45**
Investments Outside India	-	-	-	-	-	-
Investments in India	33.30	98.15	-	-	98.15	131.45
Total (B)	**33.30**	**98.15**	**-**	**-**	**98.15**	**131.45**
Less: Allowance for Impairment '(C)	-	-	-	-	-	-
Total (A)-(C)	**33.30**	**98.15**	**-**	**-**	**98.15**	**131.45**

As at 31 March 2018

	Amortised cost	At Fair Value: Through Other Comprehensive Income	At Fair Value: Through profit or loss	At Fair Value: Designated at fair value through profit or loss	Subtotal	Total
Debt securities*	45.42	-	-	-	-	45.42
Equity instruments #	-	94.36	-	-	94.36	94.36
Total (A)	**45.42**	**94.36**	**-**	**-**	**94.36**	**139.78**
Investments Outside India	-	-	-		-	-
Investments in India	45.42	94.36	-	-	94.36	139.78
Total (B)	**45.42**	**94.36**	**-**	**-**	**94.36**	**139.78**
Less: Allowance for Impairment '(C)	-	-	-	-	-	-
Total (A)-(C)	**45.42**	**94.36**	**-**	**-**	**94.36**	**139.78**

	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Details of debt securities*					
Numbers of Senior Pass through Certificates of NOVO X Trust Locos	20	30	25	35	45
Fair value of Senior Pass through Certificates of NOVO X Trust Locos	17.07	27.63	22.23	33.30	45.42
Details of equity instruments #					
Numbers of Equity Shares of IRCON International Limited	12,20,000	2,44,000	2,44,000	2,44,000	2,44,000
Fairvalue of Equity Shares ofIRCON International Limited (Rs.in Millions)	97.05	91.60	92.98	98.15	94.36

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 30 September 2020, 30 September 2019, 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).

As on 3rd April 2020, IRCON International Limited split its one share into 5 share each by decreasing its face value to Rs. 2/- per share from Rs. 10/- per share.

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

Note 9 : Other financial assets

Particulars	As at 30 September 2020	As at 30 September 2019	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#	10,480.43	7,159.93	18,033.97	4,244.98	-
Amount recoverable from Ministry of Railways - Leased Assets	-	-	-	3,061.73	35,643.40
Advance against Railway Infrastructure Assets to be leased (Refer Note No. 45)	10,96,372.50	7,60,933.76	10,31,195.28	6,49,088.40	3,98,250.55
Advance Funding Against National Project (Refer Note No. 45)	82,554.16	52,221.28	79,884.94	50,828.17	-
Interest accrued but not due on advance for railway project to be leased	59,138.49	32,438.85	43,945.37	21,340.11	9,649.87
Infrastructure Project Assets	36,895.07	-	-	-	-
Security deposits	1.42	0.90	1.43	0.96	1.09
House building advance (secured)*	2.80	3.11	2.96	3.26	1.01
Advance to employees**	3.63	3.51	3.13	3.05	0.09
Interest accrued but not due on advance to employees***	0.91	0.62	0.77	0.51	0.83
Interest accrued but not due on loans (Refer Note No. 7)	7,900.48	6,831.21	9,669.86	9,669.11	7,183.74
Interest accrued but not due on fixed deposits with bank	-	91.43	-	-	-
Interest accrued but not due on investment (Refer Note No. 8)	23.75	32.67	28.51	36.04	40.90
Interest accrued but not due on 54 EC bond application money	18.44	2.68	13.09	1.33	1.39
Amount recoverable from others	3.79	0.70	2.02	0.46	0.23
Gross Total	**12,93,395.87**	**8,59,720.65**	**11,82,781.33**	**7,38,278.11**	**4,50,773.10**
Less: Impairment on interest accrued and due on loans & deposits****	31.70	27.32	38.79	38.67	-
Net Total	**12,93,364.17**	**8,59,693.33**	**11,82,742.54**	**7,38,239.44**	**4,50,773.10**

*Includes Rs. 2.18 million for September 2020 , Rs. 2.38 million for September 2019, 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.
**Includes Rs. 0.55 million for September 2020 , Rs. 0.70 million for September 2019, Rs. 0.63 million for 31 March 2020, Rs. NIL million for 31 March 2019, Rs. NIL million for 31 March 2018 to Key Managerial Personnel.
***Includes Rs. 0.18 million for September 2020 , Rs. 0.07 million for September 2019, 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.
**** 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 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
TDS & advance tax	34,113.30	31,728.97	31,785.86	25,892.12	23,544.95
Provision for tax (Refer Note No. 31)	(25,482.78)	(25,477.45)	(25,477.45)	(25,477.45)	(23,156.46)
Total	**8,630.52**	**6,251.52**	**6,308.41**	**414.67**	**388.49**

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

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	**115.04**
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	0.12	-	-	2.34
Disposals	-	(0.19)	-	-	-	-	(0.19)
Balance as at 31 March 2020	**112.32**	**2.31**	**2.99**	**1.35**	**0.03**	**2.50**	**121.50**
Balance as at 1 April 2019	**112.32**	**1.68**	**1.59**	**1.23**	**0.03**	**2.50**	**119.35**
Additions	-	0.41	0.60	-	-	-	1.01
Disposals	-	(0.04)	-	-	-	-	(0.04)
Balance as at 30 September 2019	**112.32**	**2.05**	**2.19**	**1.23**	**0.03**	**2.50**	**120.32**
Balance as at 1 April 2020	**112.32**	**2.31**	**2.99**	**1.35**	**0.03**	**2.50**	**121.50**
Additions	-	0.51	0.92	0.51	-	-	1.94
Disposals	-	(0.32)	(0.22)	(0.20)	-	-	(0.74)
Balance as at 30 September 2020	**112.32**	**2.50**	**3.69**	**1.66**	**0.03**	**2.50**	**122.70**
Accumulated depreciation							
Balance as at 1 April 2017	-	-	-	-	-	-	**-**
Depreciation expense	2.55	0.27	0.42	0.11	0.03	0.09	**3.47**
Adjusments	-	-	-	-	-	-	**-**
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**
Adjusments	-	-	-	-	-	-	**-**
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**
Adjusments	-	-	-	-	-	-	**-**
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**
Balance as at 1 April 2019	**5.60**	**0.38**	**0.55**	**0.24**	**0.03**	**0.30**	**7.11**
Depreciation expense	1.53	0.14	0.15	0.07	-	0.18	**2.07**
Adjusments	-	-	-	-	-	-	**-**
Elimination on disposals of assets	-	(0.02)	-	-	-	-	**(0.02)**
Balance as at 30 September 2019	**7.13**	**0.50**	**0.70**	**0.31**	**0.03**	**0.48**	**9.16**
Balance as at 1 April 2020	**8.65**	**0.65**	**1.09**	**0.38**	**0.03**	**0.66**	**11.45**
Depreciation expense	1.53	0.16	0.36	0.09	-	0.14	**2.28**
Adjusments	-	-	-	-	-	-	**-**
Elimination on disposals of assets	-	(0.13)	(0.13)	(0.05)	-	-	**(0.31)**
Balance as at 30 September 2020	**10.18**	**0.68**	**1.32**	**0.42**	**0.03**	**0.80**	**13.42**
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	-	-	-	-	**(0.15)**
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	0.12	-	-	**2.34**
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**	**0.97**	**-**	**1.84**	**110.04**
Balance as at 1 April 2019	**106.72**	**1.30**	**1.04**	**0.99**	**-**	**2.20**	**112.25**
Additions	-	0.41	0.60	-	-	-	**1.01**
Disposals	-	(0.02)	-	-	-	-	**(0.02)**
Depreciation expense	(1.53)	(0.14)	(0.15)	(0.07)	-	(0.18)	**(2.07)**
Balance as at 30 September 2019	**105.19**	**1.55**	**1.49**	**0.92**	**-**	**2.02**	**111.17**
Balance as at 1 April 2020	103.67	1.66	1.90	0.97	-	1.84	**110.04**
Additions	-	0.51	0.92	0.51	-	-	**1.94**
Disposals	-	(0.19)	(0.09)	(0.15)	-	-	**(0.43)**
Depreciation expense	(1.53)	(0.16)	(0.36)	(0.09)	-	(0.14)	**(2.28)**
Balance as at 30 September 2020	**102.14**	**1.82**	**2.37**	**1.24**	**-**	**1.70**	**109.27**

(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**
Balance as at 1 April 2019	**0.66**
Additions	0.11
Disposals	-
Balance as at 30 September 2019	**0.77**
Balance as at 1 April 2020	**0.74**
Additions	0.04
Disposals	-
Balance as at 30 September 2020	**0.78**
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**
Balance as at 1 April 2019	**0.16**
Depreciation expense	0.10
Adjusments	-
Elimination on disposals of assets	-
Balance as at 30 September 2019	**0.26**
Balance as at 1 April 2020	**0.31**
Depreciation expense	0.06
Adjusments	-
Elimination on disposals of assets	-
Balance as at 30 September 2020	**0.37**
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**
Balance as at 1 April 2019	0.50
Additions	0.11
Disposals	-
Depreciation expense	(0.10)
Balance as at 30 September 2019	**0.51**
Balance as at 1 April 2020	0.43
Additions	0.04
Disposals	-
Depreciation expense	(0.06)
Balance as at 30 September 2020	**0.41**

Note 13 : Other non-financial assets

Particulars	As at 30 September 2020	As at 30 September 2019	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	25.30	25.30
Advances other than capital advances					
Advance to others	1.62	1.67	1.67	1.67	1.67
Others					
Prepaid expenses	-	0.03	3.74	4.18	4.88
Tax refund receivable	20.10	3.66	20.10	249.71	3.66
GST recoverable	14,668.27	14,664.73	14,667.82	14,706.23	13,997.79
Input GST -Project Assets	1,068.51	-	-	-	-
Gratuity Funded Assets (Net)	6.26	-	6.78	-	-
Total	**15,790.06**	**14,695.39**	**14,725.41**	**14,987.09**	**14,033.30**

Note 14 : Payables

Particulars	As at 30 September 2020	As at 30 September 2019	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)	1.52	4.58	0.50	0.08	2.40
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	439.90	148.02	377.02	121.65	84.69
Total	**441.42**	**152.60**	**377.52**	**121.73**	**87.09**

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

Note 15 : Debt Securities

Particulars	As at 30 September 2020				As at 30 September 2019				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	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	14,38,735.23	-	-	14,38,735.23	12,57,309.65	-	-	12,57,309.65	13,62,599.36	-	-	13,62,599.36	11,36,548.03	-	-	11,36,548.03	10,35,886.91	-	-	10,35,886.91
Bonds from overseas capital market	1,48,369.85	-	-	1,48,369.85	70,996.38	-	-	70,996.38	1,51,671.11	-	-	1,51,671.11	69,571.19	-	-	69,571.19	62,579.67	-	-	62,579.67
Commercial Paper	25,481.58	-	-	25,481.58	23,589.50	-	-	23,589.50	38,634.09	-	-	38,634.09	29,859.77	-	-	29,859.77	9,975.88	-	-	9,975.88
Total (A)	**16,12,586.66**	**-**	**-**	**16,12,586.66**	**13,51,895.53**	**-**	**-**	**13,51,895.53**	**15,52,904.56**	**-**	**-**	**15,52,904.56**	**12,35,978.99**	**-**	**-**	**12,35,978.99**	**11,08,442.46**	**-**	**-**	**11,08,442.46**
Debt securities in India	14,64,216.81	-	-	14,64,216.81	12,80,899.15	-	-	12,80,899.15	14,01,233.45	-	-	14,01,233.45	11,66,407.80	-	-	11,66,407.80	10,45,862.79	-	-	10,45,862.79
Debt securities outside India	1,48,369.85	-	-	1,48,369.85	70,996.38	-	-	70,996.38	1,51,671.11	-	-	1,51,671.11	69,571.19	-	-	69,571.19	62,579.67	-	-	62,579.67
Total (B) to tally with (A)	**16,12,586.66**	**-**	**-**	**16,12,586.66**	**13,51,895.53**	**-**	**-**	**13,51,895.53**	**15,52,904.56**	**-**	**-**	**15,52,904.56**	**12,35,978.99**	**-**	**-**	**12,35,978.99**	**11,08,442.46**	**-**	**-**	**11,08,442.46**

Indian Railway Finance Corporation Limited

Secured bonds from domestic capital market

The secured 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 bonds issued in the domestic capital market and amount outstanding

S.No	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	30 September 2020	30 September 2019	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	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	2,944.16	2,944.16
3	151th Series Taxable Non-Cum. Bonds	6.73%	Annual	Bullet Repayment	06-Jul-35	30,000.00	-	-	-	-
4	150 Series Taxable Non-Cum. Bonds	6.90%	Annual	Bullet Repayment	05-Jun-35	25,650.00	-	-	-	-
5	71st "E" Taxable Non-Cum. Bonds	8.83%	Semi Annual	Bullet Repayment	14-May-35	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00
6	70th "E" Taxable Non-Cum. Bonds	8.72%	Semi Annual	Bullet Repayment	04-May-35	150.00	150.00	150.00	150.00	150.00
7	141th Taxable Non-Cum. Bonds	7.48%	Annual	Bullet Repayment	29-Aug-34	21,070.00	21,070.00	21,070.00	-	-
8	139th Taxable Non-Cum. Bonds	7.54%	Annual	Bullet Repayment	29-Jul-34	24,556.00	24,556.00	24,556.00	-	-
9	138th Taxable Non-Cum. Bonds	7.85%	Annual	Bullet Repayment	01-Jul-34	21,200.00	21,200.00	21,200.00	-	-
10	71st "D" Taxable Non-Cum. Bonds	8.83%	Semi Annual	Bullet Repayment	14-May-34	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00
11	70th "D" Taxable Non-Cum. Bonds	8.72%	Semi Annual	Bullet Repayment	04-May-34	150.00	150.00	150.00	150.00	150.00
12	71st "C" Taxable Non-Cum. Bonds	8.83%	Semi Annual	Bullet Repayment	14-May-33	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00
13	70th "C" Taxable Non-Cum. Bonds	8.72%	Semi Annual	Bullet Repayment	04-May-33	150.00	150.00	150.00	150.00	150.00
14	71st "B" Taxable Non-Cum. Bonds	8.83%	Semi Annual	Bullet Repayment	14-May-32	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00
15	70th "B" Taxable Non-Cum. Bonds	8.72%	Semi Annual	Bullet Repayment	04-May-32	150.00	150.00	150.00	150.00	150.00
16	71st "A" Taxable Non-Cum. Bonds	8.83%	Semi Annual	Bullet Repayment	14-May-31	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00
17	76th "B" Taxable Non-Cum. Bonds	9.47%	Semi Annual	Bullet Repayment	10-May-31	9,950.00	9,950.00	9,950.00	9,950.00	9,950.00
18	70th "A" Taxable Non-Cum. Bonds	8.72%	Semi Annual	Bullet Repayment	04-May-31	150.00	150.00	150.00	150.00	150.00
19	152nd Series Taxable Non-Cum. Bonds	6.41%	Annual	Bullet Repayment	11-Apr-31	20,000.00	-	-	-	-
20	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	11,943.13	11,943.13
21	108th Series Tax Free Bonds Public Issue	7.35%	Annual	Bullet Repayment	22-Mar-31	10,163.76	10,163.76	10,163.76	10,163.76	10,163.76
22	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	10,742.17	10,742.17
23	103rd Series Tax Free Bonds Public Issue	7.28%	Annual	Bullet Repayment	21-Dec-30	20,573.10	20,573.10	20,573.10	20,573.10	20,573.10
24	70th "AA" Taxable Non-Cum. Bonds	8.79%	Semi Annual	Bullet Repayment	04-May-30	14,100.00	14,100.00	14,100.00	14,100.00	14,100.00
25	144th Series Taxable Bonds (ETF)	7.55%	Annual	Bullet Repayment	12-Apr-30	15,800.00	-	15,800.00	-	-
26	146th Series Taxable Bonds	7.08%	Annual	Bullet Repayment	28-Feb-30	30,000.00	-	30,000.00	-	-
27	67th "B" Taxable Non-Cum. Bonds	8.80%	Semi Annual	Bullet Repayment	03-Feb-30	3,850.00	3,850.00	3,850.00	3,850.00	3,850.00
28	143rd Taxable Non-Cum. Bonds	7.55%	Annual	Bullet Repayment	06-Nov-29	24549.00	-	24,549.00	-	-
29	142th Taxable Non-Cum. Bonds	7.50%	Annual	Bullet Repayment	09-Sep-29	27,070.00	27,070.00	27,070.00	-	-
30	140th Taxable Non-Cum. Bonds	7.48%	Annual	Bullet Repayment	13-Aug-29	25,920.00	25,920.00	25,920.00	-	-
31	136th Series Taxable Bonds	7.95%	Annual	Bullet Repayment	12-Jun-29	30,000.00	30,000.00	30,000.00	-	-
32	135 Series Taxable Bonds	8.23%	Annual	Bullet Repayment	29-Mar-29	25,000.00	25,000.00	25,000.00	25,000.00	-
33	96th Series Tax Free Bonds Public Issue	8.63%	Annual	Bullet Repayment	26-Mar-29	9,479.13	9,479.13	9,479.13	9,479.13	9,479.13
34	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	4,364.14	4,364.14
35	134 Series Taxable Bonds	8.30%	Annual	Bullet Repayment	25-Mar-29	30,000.00	30,000.00	30,000.00	30,000.00	-
36	133 Series Taxable Bonds	8.35%	Annual	Bullet Repayment	13-Mar-29	30,000.00	30,000.00	30,000.00	30,000.00	-
37	131St Series Taxable Bonds	8.55%	Annual	Bullet Repayment	21-Feb-29	22,365.00	22,365.00	22,365.00	22,365.00	-
38	92nd Series Tax Free Bonds Public Issue	8.40%	Annual	Bullet Repayment	18-Feb-29	10,901.87	10,901.87	10,901.87	10,901.87	10,901.87
39	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	6,883.59	6,883.59
40	94th A Series Tax Free Non-Cum Bonds	8.55%	Annual	Bullet Repayment	12-Feb-29	130.00	130.00	130.00	130.00	130.00
41	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	16,500.00	16,500.00
42	130Th Series Taxable Bonds	8.40%	Annual	Bullet Repayment	08-Jan-29	28,454.00	28,454.00	28,454.00	28,454.00	-
43	129th Series Taxable Bonds	8.45%	Annual	Bullet Repayment	04-Dec-28	30,000.00	30,000.00	30,000.00	30,000.00	-
44	90th A Series Tax Free Non-Cum Bonds	8.48%	Annual	Bullet Repayment	27-Nov-28	550.00	550.00	550.00	550.00	550.00
45	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	7,380.00	7,380.00
46	87th 'A' Series (Non-Retail), Tax Free Bonds Public Issue	7.04%	Annual	Bullet Repayment	23-Mar-28	2,220.94	2,211.40	2,220.94	2,211.40	2,203.56
47	87th 'A' Series (Retail), Tax Free Bonds Public Issue	7.54%	Annual	Bullet Repayment	23-Mar-28	417.90	427.44	417.90	427.44	435.27
48	86th 'A' Series (Non-Retail), Tax Free Bonds Public Issue	7.34%	Annual	Bullet Repayment	19-Feb-28	23,198.91	23,147.42	23,198.91	23,147.42	23,082.43
49	86th 'A' Series (Retail), Tax Free Bonds Public Issue	7.84%	Annual	Bullet Repayment	19-Feb-28	2,390.20	2,441.68	2,390.20	2,441.68	2,506.68
50	83rd 'A' Tax Free Non-Cum. Bonds	7.39%	Annual	Bullet Repayment	06-Dec-27	950.00	950.00	950.00	950.00	950.00
51	82nd 'A' Tax Free Non-Cum. Bonds	7.38%	Annual	Bullet Repayment	30-Nov-27	300.00	300.00	300.00	300.00	300.00
52	81st 'A' Tax Free Non-Cum. Bonds	7.38%	Annual	Bullet Repayment	26-Nov-27	667.00	667.00	667.00	667.00	667.00
53	124th Series Taxable Non-Cum Bonds	7.54%	Annual	Bullet Repayment	31-Oct-27	9,350.00	9,350.00	9,350.00	9,350.00	9,350.00
54	123rd Series Taxable Non-Cum Bonds	7.33%	Annual	Bullet Repayment	28-Aug-27	17,450.00	17,450.00	17,450.00	17,450.00	17,450.00
55	121st Taxable Non Cum - Bonds	7.27%	Annual	Bullet Repayment	15-Jun-27	20,500.00	20,500.00	20,500.00	20,500.00	20,500.00
56	54th "B" Taxable Non-Cum. Bonds	10.04%	Semi Annual	Bullet Repayment	07-Jun-27	3,200.00	3,200.00	3,200.00	3,200.00	3,200.00
57	120th Taxable Non Cum - Bonds	7.49%	Annual	Bullet Repayment	30-May-27	22,000.00	22,000.00	22,000.00	22,000.00	22,000.00
58	118th Taxable Non Cum - Bonds	7.83%	Annual	Bullet Repayment	21-Mar-27	29,500.00	29,500.00	29,500.00	29,500.00	29,500.00

59	80th 'A' Series (Non-Retail), Tax Free Bonds Public Issue	8.10%	Annual	Bullet Repayment	23-Feb-27	27,816.25	27,749.81	27,816.25	27,749.81	27,665.14
60	80th 'A' Series (Retail), Tax Free Bonds Public Issue	8.30%	Annual	Bullet Repayment	23-Feb-27	3,140.27	3,206.71	3,140.27	3,206.71	3,291.38
61	53rd "C" Taxable Non-Cum. Bonds	8.75%	Semi Annual	Bullet Repayment	29-Nov-26	4,100.00	4,100.00	4,100.00	4,100.00	4,100.00
62	79th "A" Tax Free Non-Cum. Bonds	7.77%	Annual	Bullet Repayment	08-Nov-26	1,915.10	1,915.10	1,915.10	1,915.10	1,915.10
63	76th "A" Taxable Non-Cum. Bonds	9.33%	Semi Annual	Bullet Repayment	10-May-26	2,550.00	2,550.00	2,550.00	2,550.00	2,550.00
64	75th Taxable Non-Cum. Bonds	9.09%	Semi Annual	Bullet Repayment	31-Mar-26	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
65	74th Taxable Non-Cum. Bonds	9.09%	Semi Annual	Bullet Repayment	29-Mar-26	10,760.00	10,760.00	10,760.00	10,760.00	10,760.00
66	107th 'A' Series Tax Free Bonds Public Issue	7.29%	Annual	Bullet Repayment	22-Mar-26	1,907.14	1,907.14	1,907.14	1,907.14	1,907.14
67	107th Series Tax Free Bonds Public Issue	7.04%	Annual	Bullet Repayment	22-Mar-26	485.97	485.97	485.97	485.97	485.97
68	106th Series Tax Free Bonds	7.04%	Annual	Bullet Repayment	03-Mar-26	10,500.00	10,500.00	10,500.00	10,500.00	10,500.00
69	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	3,689.49	3,689.49
70	102nd Series Tax Free Bonds Public Issue	7.07%	Annual	Bullet Repayment	21-Dec-25	3,674.74	3,674.74	3,674.74	3,674.74	3,674.74
71	100th Series Tax Free Non-Cum Bonds	7.15%	Annual	Bullet Repayment	21-Aug-25	3,290.00	3,290.00	3,290.00	3,290.00	3,290.00
72	99th Series Tax Free Non-Cum Bonds	7.19%	Annual	Bullet Repayment	31-Jul-25	11,390.00	11,390.00	11,390.00	11,390.00	11,390.00
73	147th Series Taxable Bonds	6.99%	Annual	Bullet Repayment	19-Mar-25	8,470.00	-	8,470.00	-	-
74	69th Taxable Non-Cum. Bonds	8.95%	Semi Annual	Bullet Repayment	10-Mar-25	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
75	67th "A" Taxable Non-Cum. Bonds	8.65%	Semi Annual	Bullet Repayment	03-Feb-25	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
76	65th "O" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-24	600.00	600.00	600.00	600.00	600.00
77	95th Series Tax Free Bonds Public Issue	8.19%	Annual	Bullet Repayment	26-Mar-24	2,311.52	2,311.52	2,311.52	2,311.52	2,311.52
78	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	1,297.38	1,297.38
79	132 Series Taxable Bonds	8.25%	Annual	Bullet Repayment	28-Feb-24	25,000.00	25,000.00	25,000.00	25,000.00	-
80	91st Series Tax Free Bonds Public Issue	8.23%	Annual	Bullet Repayment	18-Feb-24	17,783.21	17,783.21	17,783.21	17,783.21	17,783.21
81	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	5,262.55	5,262.55
82	63rd "B" Taxable Non-Cum. Bonds	8.65%	Semi Annual	Bullet Repayment	15-Jan-24	3,150.00	3,150.00	3,150.00	3,150.00	3,150.00
83	62nd "B" Taxable Non-Cum. Bonds	8.50%	Semi Annual	Bullet Repayment	26-Dec-23	2,850.00	2,850.00	2,850.00	2,850.00	2,850.00
84	90th Series Tax Free Non-Cum Bonds	8.35%	Annual	Bullet Repayment	27-Nov-23	570.00	570.00	570.00	570.00	570.00
85	89th Series Tax Free Non-Cum Bonds	8.35%	Annual	Bullet Repayment	21-Nov-23	4,870.00	4,870.00	4,870.00	4,870.00	4,870.00
86	61st "A" Taxable Non-Cum. Bonds	10.70%	Semi Annual	Bullet Repayment	11-Sep-23	6,150.00	6,150.00	6,150.00	6,150.00	6,150.00
87	149 Series Taxable Non-Cum. Bonds	6.19%	Annual	Bullet Repayment	28-Apr-23	31,900.00	-	-	-	-
88	65th "N" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-23	600.00	600.00	600.00	600.00	600.00
89	145th Series Taxable Bonds	6.59%	Annual	Bullet Repayment	14-Apr-23	30,000.00	-	30,000.00	-	-
90	88th Taxable Non-Cum. Bonds	8.83%	Annual	Bullet Repayment	25-Mar-23	11,000.00	11,000.00	11,000.00	11,000.00	11,000.00
91	87th Series (Non-Retail), Tax Free Bonds Public Issue	6.88%	Annual	Bullet Repayment	23-Mar-23	1,373.50	1,366.17	1,373.50	1,366.17	1,361.09
92	87th Series (Retail), Tax Free Bonds Public Issue	7.38%	Annual	Bullet Repayment	23-Mar-23	278.20	285.53	278.20	285.53	290.61
93	86th Series (Non-Retail), Tax Free Bonds Public Issue	7.18%	Annual	Bullet Repayment	19-Feb-23	26,667.46	26,638.41	26,667.46	26,638.41	26,609.55
94	86th Series (Retail), Tax Free Bonds Public Issue	7.68%	Annual	Bullet Repayment	19-Feb-23	1,477.34	1,506.39	1,477.34	1,506.39	1,535.26
95	126th Taxable Non-Cum. Bonds*	7.63%	Annual	Bullet Repayment	25-Jan-23	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00
96	85th Tax Free Non-Cum. Bonds	7.19%	Annual	Bullet Repayment	14-Dec-22	950.00	950.00	950.00	950.00	950.00
97	84th Tax Free Non-Cum. Bonds	7.22%	Annual	Bullet Repayment	07-Dec-22	4,999.00	4,999.00	4,999.00	4,999.00	4,999.00
98	83rd Tax Free Non-Cum. Bonds	7.22%	Annual	Bullet Repayment	06-Dec-22	300.00	300.00	300.00	300.00	300.00
99	82nd Tax Free Non-Cum. Bonds	7.22%	Annual	Bullet Repayment	30-Nov-22	410.00	410.00	410.00	410.00	410.00
100	81st Tax Free Non-Cum. Bonds	7.21%	Annual	Bullet Repayment	26-Nov-22	2,560.00	2,560.00	2,560.00	2,560.00	2,560.00
101	58th "A" Taxable Non-Cum. Bonds	9.20%	Semi Annual	Bullet Repayment	29-Oct-22	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
102	54th "A" Taxable Non-Cum. Bonds	9.95%	Semi Annual	Bullet Repayment	07-Jun-22	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
103	55th "O" Taxable Non-Cum. Bonds	9.86%	Semi Annual	Bullet Repayment	07-Jun-22	330.00	330.00	330.00	330.00	330.00
104	65th "M" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-22	600.00	600.00	600.00	600.00	600.00
105	80th Series (Non-Retail) Tax Free Bonds Public Issue	8.00%	Annual	Bullet Repayment	23-Feb-22	28,367.53	28,301.10	28,367.53	28,301.10	28,215.91
106	80th Series (Retail) Tax Free Bonds Public Issue	8.15%	Annual	Bullet Repayment	23-Feb-22	3,364.85	3,431.28	3,364.85	3,431.28	3,516.47
107	53rd "B" Taxable Non-Cum. Bonds	8.68%	Semi Annual	Bullet Repayment	29-Nov-21	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00
108	114th Taxable Non Cum - Bonds	6.70%	Annual	Bullet Repayment	24-Nov-21	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
109	113th Taxable Non Cum - Bonds	7.24%	Annual	Bullet Repayment	08-Nov-21	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00
110	79th Tax Free Non-Cum. Bonds	7.55%	Annual	Bullet Repayment	08-Nov-21	5,396.00	5,396.00	5,396.00	5,396.00	5,396.00
111	57th Taxable Non-Cum. Bonds	9.66%	Semi Annual	Redeemable in two Equal instalments commencing from 28-09-2021	28-Sep-21	4,000.00	6,000.00	6,000.00	8,000.00	10,000.00

112	78th Taxable Non-Cum. Bonds	9.41%	Semi Annual	Bullet Repayment	28-Jul-21	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
113	55th "N" Taxable Non-Cum. Bonds	9.86%	Semi Annual	Bullet Repayment	07-Jun-21	330.00	330.00	330.00	330.00	330.00
114	77th Taxable Non-Cum. Bonds	9.57%	Semi Annual	Bullet Repayment	31-May-21	12,450.00	12,450.00	12,450.00	12,450.00	12,450.00
115	52nd "B" Taxable Non-Cum. Bonds	8.64%	Semi Annual	Bullet Repayment	17-May-21	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00
116	76th Taxable Non-Cum. Bonds	9.27%	Semi Annual	Bullet Repayment	10-May-21	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00
117	65th "L" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-21	600.00	600.00	600.00	600.00	600.00
118	127th Taxable Non-Cum. Bonds	7.65%	Annual	Bullet Repayment	15-Mar-21	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00
119	51st Taxable Non-Cum. Bonds	7.74%	Semi Annual	Bullet Repayment	22-Dec-20	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00
120	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	8,359.10	8,359.10
121	49th "O" - FRB Taxable Non-Cum. Bonds	6.93%^	Semi Annual	Bullet Repayment	22-Jun-20	-	100.00	100.00	100.00	100.00
122	72nd Taxable Non-Cum. Bonds	8.50%	Semi Annual	Bullet Repayment	22-Jun-20	-	8,000.00	8,000.00	8,000.00	8,000.00
123	55th "M" Taxable Non-Cum. Bonds	9.86%	Semi Annual	Bullet Repayment	07-Jun-20	-	330.00	330.00	330.00	330.00
124	119th Taxable Non - Cum Bonds	7.20%	Annual	Bullet Repayment	31-May-20	-	23,750.00	23,750.00	23,750.00	23,750.00
125	65th "K" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-20	-	600.00	600.00	600.00	600.00
126	115th Taxable Non Cum - Bonds	6.73%	Annual	Bullet Repayment	23-Mar-20	-	8,000.00	-	8,000.00	8,000.00
127	68th "B" Tax Free Non-Cum. Bonds	6.70%	Semi Annual	Bullet Repayment	08-Mar-20	-	9,272.10	-	9,272.10	9,272.10
128	67th Taxable Non-Cum. Bonds	8.55%	Semi Annual	Bullet Repayment	03-Feb-20	-	1,750.00	-	1,750.00	1,750.00
129	112th Taxable Non - Cum Bonds	6.92%	Annual	Bullet Repayment	10-Nov-19	-	15,000.00	-	15,000.00	15,000.00
130	48th "JJ" Taxable Non-Cum. Bonds	6.85%	Semi Annual	Bullet Repayment	17-Sep-19	-	-	-	500.00	500.00
131	111th Taxable Non Cum - Bonds	7.65%	Annual	Bullet Repayment	30-Jul-19	-	-	-	10,000.00	10,000.00
132	49th "N" - FRB Taxable Non-Cum. Bonds	8.13%^^	Semi Annual	Bullet Repayment	22-Jun-19	-	-	-	100.00	100.00
133	66th Taxable Non-Cum. Bonds	8.60%	Semi Annual	Bullet Repayment	11-Jun-19	-	-	-	5,000.00	5,000.00
134	128th Taxable Non-Cum. Bonds	7.72%	Annual	Bullet Repayment	07-Jun-19	-	-	-	26,000.00	26,000.00
135	55th "L" Taxable Non-Cum. Bonds	9.86%	Semi Annual	Bullet Repayment	07-Jun-19	-	-	-	330.00	330.00
136	65th "AA" Taxable Non-Cum. Bonds	8.19%	Semi Annual	Bullet Repayment	27-Apr-19	-	-	-	5,600.00	5,600.00
137	65th "J" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-19	-	-	-	600.00	600.00
138	105th Series Taxable Non-Cum Bonds	8.33%	Annual	Bullet Repayment	26-Mar-19	-	-	-	-	15,000.00
139	47th "O" Taxable Non-Cum. Bonds	5.99%	Semi Annual	Bullet Repayment	26-Mar-19	-	-	-	-	100.00
140	63rd "A" Taxable Non-Cum. Bonds	8.55%	Semi Annual	Bullet Repayment	15-Jan-19	-	-	-	-	17,050.00
141	62nd "A" Taxable Non-Cum. Bonds	8.45%	Semi Annual	Bullet Repayment	26-Dec-18	-	-	-	-	5,000.00
142	48th "II" Taxable Non-Cum. Bonds	6.85%	Semi Annual	Bullet Repayment	17-Sep-18	-	-	-	-	500.00
143	117th Taxable Non Cum - Bonds	7.15%	Annual	Bullet Repayment	16-Sep-18	-	-	-	-	14,800.00
144	61st Taxable Non-Cum. Bonds	10.60%	Semi Annual	Bullet Repayment	11-Sep-18	-	-	-	-	8,550.00
145	116th Taxable Non Cum - Bonds	7.00%	Annual	Bullet Repayment	10-Sep-18	-	-	-	-	21,650.00
146	46th "EE" Taxable Non-Cum. Bonds	6.20%	Semi Annual	Bullet Repayment	12-Aug-18	-	-	-	-	250.00
147	46th "O" Taxable Non-Cum. Bonds	6.25%	Semi Annual	Bullet Repayment	12-Aug-18	-	-	-	-	130.00
148	49th "M" - FRB Taxable Non-Cum. Bonds	7.11%^^^	Semi Annual	Bullet Repayment	22-Jun-18	-	-	-	-	100.00
149	55th "K" Taxable Non-Cum. Bonds	9.86%	Semi Annual	Bullet Repayment	07-Jun-18	-	-	-	-	330.00
150	60th Taxable Non-Cum. Bonds	9.43%	Semi Annual	Bullet Repayment	23-May-18	-	-	-	-	6,040.00
151	45th "OO" Taxable Non-Cum. Bonds	6.39%	Semi Annual	Bullet Repayment	13-May-18	-	-	-		70.00
152	65th "I" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-18	-	-	-		600.00
	Total					**12,19,676.94**	**10,72,110.03**	**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 30 September 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 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 31 March 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

S.No	Description	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	30 September 2020	30 September 2019	31 March 2020	31 March 2019	31 March 2018
1	54 EC, Sep 2020 Bond Series*	5.75%	Annual	Bullet Repayment	30-Sep-25	529.70	-	-	-	-
2	54 EC, Aug 2020 Bond Series*	5.75%	Annual	Bullet Repayment	31-Aug-25	343.87	-	-	-	-
3	54 EC, July 2020 Bond Series*	5.75%	Annual	Bullet Repayment	31-Jul-25	774.33	-	-	-	-
4	54 EC, Jun 2020 Bond Series*	5.75%	Annual	Bullet Repayment	30-Jun-25	1,150.16	-	-	-	-
5	54 EC, May 2020 Bond Series*	5.75%	Annual	Bullet Repayment	31-May-25	373.92	-	-	-	-
6	54 EC, Apr 2020 Bond Series*	5.75%	Annual	Bullet Repayment	30-Apr-25	131.17	-	-	-	-
7	54 EC, Mar 2020 Bond Series	5.75%	Annual	Bullet Repayment	31-Mar-25	1,429.69	-	1,429.69	-	-
8	54 EC, Feb 2020 Bond Series	5.75%	Annual	Bullet Repayment	28-Feb-25	881.04	-	881.04	-	-
9	54 EC, Jan 2020 Bond Series	5.75%	Annual	Bullet Repayment	31-Jan-25	823.75	-	823.75	-	-
10	54 EC, Dec 2019 Bond Series	5.75%	Annual	Bullet Repayment	31-Dec-24	926.28	-	926.28	-	-
11	54 EC, Nov 2019 Bond Series	5.75%	Annual	Bullet Repayment	30-Nov-24	711.59	-	711.59	-	-
12	54 EC, Oct 2019 Bond Series	5.75%	Annual	Bullet Repayment	31-Oct-24	669.18	-	669.18	-	-
13	54 EC, Sep 2019 Bond Series	5.75%	Annual	Bullet Repayment	30-Sep-24	543.41	543.41	543.41	-	-
14	54 EC, August 2019 Bond Series	5.75%	Annual	Bullet Repayment	31-Aug-24	571.15	571.15	571.15	-	-
15	54 EC, July 2019 Bond Series	5.75%	Annual	Bullet Repayment	31-Jul-24	633.99	633.99	633.99	-	-
16	54 EC, June 2019 Bond Series	5.75%	Annual	Bullet Repayment	30-Jun-24	596.14	596.14	596.14	-	-
17	54 EC, May 2019 Bond Series	5.75%	Annual	Bullet Repayment	31-May-24	436.60	436.60	436.60	-	-
18	54 EC, Apr 2019 Bond Series	5.75%	Annual	Bullet Repayment	30-Apr-24	249.71	249.51	249.71	-	-
19	54EC Bond Mar 2019 Series	5.75%	Annual	Bullet Repayment	31-Mar-24	692.68	692.68	692.68	692.68	-
20	54EC Bond Feb 2019 Series	5.75%	Annual	Bullet Repayment	29-Feb-24	145.31	145.31	145.31	145.31	-
21	54EC Bond Jan 2019 Series	5.75%	Annual	Bullet Repayment	31-Jan-24	133.35	133.35	133.35	133.35	-
22	54 EC, Dec 2018 Bond Series	5.75%	Annual	Bullet Repayment	31-Dec-23	135.12	135.12	135.12	135.12	-
23	54 EC, Nov 2018 Bond Series	5.75%	Annual	Bullet Repayment	30-Nov-23	98.69	98.69	98.69	98.69	-
24	54 EC, Oct 2018 Bond Series	5.75%	Annual	Bullet Repayment	31-Oct-23	116.94	116.94	116.94	116.94	-
25	54 EC, Sep 2018 Bond Series	5.75%	Annual	Bullet Repayment	30-Sep-23	71.01	71.01	71.01	71.01	-
26	54 EC, Aug 2018 Bond Series	5.75%	Annual	Bullet Repayment	31-Aug-23	81.17	81.17	81.17	81.17	-
27	54 EC, July 2018 Bond Series	5.75%	Annual	Bullet Repayment	31-Jul-23	137.02	137.02	137.02	137.02	-
28	54 EC, June 2018 Bond Series	5.75%	Annual	Bullet Repayment	30-Jun-23	127.56	127.56	127.56	127.56	-
29	54 EC, May 2018 Bond Series	5.75%	Annual	Bullet Repayment	31-May-23	83.58	83.58	83.58	83.58	-
30	54 EC, Apr 2018 Bond Series	5.75%	Annual	Bullet Repayment	30-Apr-23	54.52	54.52	54.52	54.52	-
31	54 EC, Mar 2018 Bond Series	5.25%	Annual	Bullet Repayment	31-Mar-21	928.76	928.76	928.76	928.76	928.76
32	54 EC, Feb 2018 Bond Series	5.25%	Annual	Bullet Repayment	28-Feb-21	248.95	248.95	248.95	248.95	248.95
33	54 EC, Jan 2018 Bond Series	5.25%	Annual	Bullet Repayment	29-Jan-21	104.70	104.70	104.70	104.70	104.70
34	54 EC, Dec 2017 Bond Series	5.25%	Annual	Bullet Repayment	31-Dec-20	82.68	82.68	82.68	82.68	82.68
35	54 EC, Nov 2017 Bond Series	5.25%	Annual	Bullet Repayment	30-Nov-20	9.79	9.79	9.79	9.79	9.79
	Total					**15,027.51**	**6,282.63**	**11,724.36**	**3,251.83**	**1,374.88**

* Deemed Date of allotment as per resolution taken in Board Committee meeting held on 5th October 2020, 21 October 2020 , 6th November 2020 & 19th November 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	30 September 2020	30 September 2019	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	-	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	18,000.00	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	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	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	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	50,000.00	50,000.00
7	101st Series Taxable Bonds	7.87% 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	20,000.00	20,000.00
	Total					**2,05,000.00**	**1,80,000.00**	**2,05,000.00**	**1,62,000.00**	**1,62,000.00**

Reconciliation

Particulars	30 September 2020	30 September 2019	31 March 2020	31 March 2019	31 March 2018
Secured Bonds from Domestic Capital Market	12,19,676.94	10,72,110.03	11,46,906.94	9,72,424.04	8,73,775.04
54EC Bonds Secured in Market	15,027.51	6,282.63	11,724.36	3,251.83	1,374.88
Unsecured Bonds from Domestic Capital Market	2,05,000.00	1,80,000.00	2,05,000.00	1,62,000.00	1,62,000.00
Bonds in Domestic Market as per IGAAP	**14,39,704.45**	**12,58,392.66**	**13,63,631.30**	**11,37,675.87**	**10,37,149.92**
Less: Unamortised transaction cost	(969.22)	(1,083.01)	(1,031.94)	(1,127.84)	(1,263.01)
Bonds in Domestic Market as per Ind AS	**14,38,735.23**	**12,57,309.65**	**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**	**30 September 2020**	**30 September 2019**	**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	22,275.00	-	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	51,975.00	-	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	37,125.00	35,525.00	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	37,125.00	35,525.00	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						**1,48,500.00**	**71,050.00**	**1,51,800.00**	**69,630.00**	**65,500.00**
Less: Unamortised transaction cost						(130.15)	(53.62)	(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						**1,48,369.85**	**70,996.38**	**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	**Particulars**	**Discount Rate**	**Date of Maturity of Bond**	**30 September 2020**	**30 September 2019**	**31 March 2020**	**31 March 2019**	**31 March 2018**
1	Commercial Paper Series XIX	3.32%	09-Oct-20	25,500.00	-	-	-	-
2	Commercial Paper Series- XVIII	5.50%	21-Apr-20	-	-	38,750.00	-	-
3	Commercial Paper Series XVI	5.44%	04-Oct-19	-	23,600.00	-	-	-
4	Commercial Paper Series- XIII	7.23%	25-Apr-19	-	-	-	30,000.00	-
5	Commercial Paper Series-X	7.40%	13-Apr-18	-	-	-	-	10,000.00
Less: Unexpired discount				(18.42)	(10.50)	(115.91)	(140.23)	(24.12)
Total				**25,481.58**	**23,589.50**	**38,634.09**	**29,859.77**	**9,975.88**

Total Indian Bonds	14,38,735.23	12,57,309.65	13,62,599.36	11,36,548.03	10,35,886.91
Total Overseas Bonds	1,48,369.85	70,996.38	1,51,671.11	69,571.19	62,579.67
Commercial Paper	25,481.58	23,589.50	38,634.09	29,859.77	9,975.88
Total Debt Borrowings	**16,12,586.66**	**13,51,895.53**	**15,52,904.56**	**12,35,978.99**	**11,08,442.46**

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363
Annexure VI: Notes to restated financial statement
(All amounts in millions of INR, unless stated otherwise)

Note 16: Borrowings (other than debt securities)

Particulars	As at 30 September 2020				As at 30 September 2019				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	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	5,53,500.00	-	-	5,53,500.00	2,22,250.00	-	-	2,22,250.00	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	333.72	-	-	333.72	531.85	-	-	531.85	454.58	-	-	454.58	625.44	-	-	625.44	784.36	-	-	784.36
(ii)from other parties- National small saving fund	1,75,000.00	-	-	1,75,000.00	1,75,000.00	-	-	1,75,000.00	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)	15,710.00	-	-	15,710.00	-	-	-	-	22,619.00	-	-	22,619.00	24,198.97	-	-	24,198.97	39,692.00	-	-	39,692.00
(ii) from banks (foreign)	96,362.80	-	-	96,362.80	48,319.16	-	-	48,319.16	96,539.07	-	-	96,539.07	25,618.35	-	-	25,618.35	49,136.46	-	-	49,136.46
Other Loans																				
Loan against Term Deposits	-			-	48,320.00	-	-	48,320.00	-	-	-	-	-	-	-	-	-	-	-	-
Total (A)	**8,40,906.52**	**-**	**-**	**8,40,906.52**	**4,94,421.01**	**-**	**-**	**4,94,421.01**	**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	7,44,210.00	-	-	7,44,210.00	4,45,570.00	-	-	4,45,570.00	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	96,696.52	-	-	96,696.52	48,851.01	-	-	48,851.01	96,993.65	-	-	96,993.65	26,243.79	-	-	26,243.79	49,920.82	-	-	49,920.82
Total (B) to tally with (A)	**8,40,906.52**	**-**	**-**	**8,40,906.52**	**4,94,421.01**	**-**	**-**	**4,94,421.01**	**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 paripassu 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**	**30 September 2020**	**30 September 2019**	**31 March 2020**	**31 March 2019**	31 March 2018
1	Punjab Natioanl Bank (V)	5.95%	3Y G-Sec + SPREAD	10 Equal Yearly installements of Rs.2500 Million each) commencing from 30th September 2026	30-Sep-26	25,000.00	-	-	-	-
2	Axis Bank	6.15%	Repo Rate +	20 Equal Half Yearly installements of Rs.2000 Million each) commencing from 31th January 2026	31-Jan-26	40,000.00	-	-	-	-
3	ICICI Bank	6.09%	3M TBILL+SPREAD	20 Equal Half Yearly installements of Rs.2500 Million each) commencing from 19th January 2026	19-Jan-26	50,000.00	-	-	-	-
4	HDFC Bank LTD (VI)-T I	5.99%	Repo Rate +	20 Half yearly equal instalments of Rs. 817.50 million commencing from 23rd September 2025	23-Sep-25	16,350.00	-	-	-	-
5	HDFC Bank LTD (VI)-T II	5.95%	Repo Rate +	20 Half yearly equal instalments after five years of moratorium of Rs. 182.50 million commencing from 11th September 2025	11-Sep-25	3,650.00	-	-	-	-
6	HDFC-V	6.20%	Repo Rate +	20 Half yearly equal instalments Rs. 3500 million commencing from 30th June 2025	30-Jun-25	70,000.00	-	-	-	-
7	HDFC-IV	6.20%	Repo Rate +	16 Equal Half Yearly instalments of Rs. 3,125 Millions commencing from 26th September 2024	26-Sep-24	50,000.00	-	50,000.00	-	-
8	Oriental bank of commerce	6.15%	Linked to 3 Year G Sec	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	-	15,000.00	-	-
9	State bank of India (V) Tranch I & II	6.65%	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	-	70,000.00	-	-
10	Punjab National Bank(IV)	6.15%	Linked to 3 Year G Sec	10 Equal yearly instalments of Rs. 1,000 Millions commencing from 30th March 2021	30-Mar-21	10,000.00	-	10,000.00	-	-
11	HDFC-I	5.46%	3M TBILL+SPREAD	18 Equal Half Yearly instalments of Rs. 500 Million each commencing from 30 March 2021	30-Mar-21	9,000.00	10,000.00	9,500.00	-	-
12	Punjab National Bank(III)	6.15%	Linked to 3 Year G Sec	10 Equal yearly instalments of Rs. 3,000 Millions commencing from 17th February 2021	17-Feb-21	30,000.00	-	30,000.00	-	-
13	State Bank of India (III)	6.65%	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:** 17 Equal Half Yearly instalments Rs. 4500 Million commencing from 3rd January 2021	03-Jan-21	76,500.00	75,500.00	81,000.00	80,000.00	-
14	HDFC-III	5.58%	3M TBILL+SPREAD	19 Equal Half Yearly instalments of Rs. 1000 Million each commencing from 24 December 2020	24-Dec-20	19,000.00	-	20,000.00	-	-
15	HDFC-II	5.61%	3M TBILL+SPREAD	19 Equal Half Yearly instalments of Rs. 1000 Million each commencing from 4 November 2020	04-Nov-20	19,000.00	-	20,000.00	-	-
16	Bank of India-II	6.75%	Linked to MCLR	18 Equal Half Yearly instalments of Rs.1000 Million each commencing from 15 October 2020	15-Oct-20	18,000.00	20,000.00	19,000.00	20,000.00	-
17	Bank of India-I	6.75%	Linked to MCLR	16 Equal Half Yearly instalments of Rs.500 Million each commencing from 15 October 2020	15-Oct-20	8,000.00	9,000.00	8,500.00	9,500.00	-
18	State Bank of India (II)	6.65%	Linked to MCLR	16 Equal Half Yearly instalments of Rs.1500 Million each commencing from 15 October 2020	15-Oct-20	24,000.00	27,000.00	25,500.00	28,500.00	-
19	Punjab National Bank (II)	6.15%	Linked to MCLR	Bullet Repayment	29-Apr-20	-	10,000.00	10,000.00	10,000.00	-
20	Allahabad Bank*	7.85%	Linked to MCLR	Bullet Repayment	28-Apr-20	-	13,000.00		13,000.00	-
21	Corporation Bank	7.55%	Linked to MCLR	Bullet Repayment	26-Apr-20	-	11,500.00	11,500.00	11,500.00	-
22	Corporation Bank	7.55%	Linked to MCLR	Bullet Repayment	19-Apr-20	-	6,250.00	6,250.00	7,500.00	-
23	State Bank of India (IV) **	7.85%	Linked to MCLR	Bullet Repayment	02-Feb-20	-	10,000.00		10,000.00	-
24	State Bank of India (IV) **	7.85%	Linked to MCLR	Bullet Repayment	29-Jan-20	-	20,000.00		20,000.00	-
25	J&K Bank	7.95%	Linked to MCLR	Bullet Repayment	01-Dec-19	-	5,000.00		5,000.00	-
26	J&K Bank	7.95%	Linked to MCLR	Bullet Repayment	29-Nov-19	-	5,000.00		5,000.00	-
27	Andhra Bank	8.20%	Linked to MCLR	Bullet Repayment	10-Sep-19	-	-		14,905.00	-
28	Punjab National Bank	8.10%	Linked to MCLR	Bullet Repayment	10-Sep-19	-	-		10,000.00	-
29	State Bank of India	8.20%	Linked to MCLR	Bullet Repayment	22-Apr-19	-	-		28,000.00	30,000.00
30	Canara Bank***	8.35%	Linked to MCLR	Bullet Repayment	29-Apr-20	-	-		5,000.00	12,000.00

31	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	-	-
32	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. 2,142.30 Millions	21-Jul-23		-	30,000.00	-	
33	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	-	
34	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	-	
	Total					**5,53,500.00**	**2,22,250.00**	**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 11th April 2019

Secured foreign currency term loan

Foreign Currency Loan are secured by first paripassu 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	Terms of Repayment	Date of Maturity of Loan	30 September 2020	30 September 2019	31 March 2020	31 March 2019	31 March 2018
1	Bank of India	6M USD LIBOR+1.25%	Semi Annual	31-Oct-20	334.13	-	455.40	-	-
2	Bank of India	6M USD LIBOR+1.25%	Semi Annual	31-Oct-19	-	532.88	-	-	-
3	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					**334.13**	**532.88**	**455.40**	**626.67**	**786.00**
Unamortised transaction cost					(0.41)	(1.03)	(0.82)	(1.23)	(1.64)
Secured Foreign Currency Term Loan as per Ind AS					**333.72**	**531.85**	**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	30 September 2020	30 September 2019	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	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	1,00,000.00	1,00,000.00
	Total					**1,75,000.00**	**1,75,000.00**	**1,75,000.00**	**1,75,000.00**	**1,00,000.00**

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	30 September 2020	30 September 2019	31 March 2020	31 March 2019	31 March 2018
1	ICICI Bank *	4.01%	Fixed Rate	Bullet Repayment	27-Nov-20	11,467.00	-	-	-	-
2	ICICI Bank *	4.01%	Fixed Rate	Bullet Repayment	28-Nov-20	743.00	-	-	-	-
3	ICICI Bank *	4.01%	Fixed Rate	Bullet Repayment	29-Nov-20	500.00	-	-	-	-
4	RBL *	3.95%	Fixed Rate	Bullet Repayment	28-Oct-20	3,000.00	-	-	-	-
5	HDFC Bank	6.10%	Fixed Rate	Bullet Repayment	29-Apr-20	-	-	3160.00	-	-
6	HDFC Bank	6.10%	Fixed Rate	Bullet Repayment	26-Apr-20	-	-	4080.00	-	-
7	HDFC Bank	6.10%	Fixed Rate	Bullet Repayment	22-Apr-20	-	-	2009.00	-	-
8	Corporation Bank	6.10%	Fixed Rate	Bullet Repayment	15-Apr-20	-	-	40.00	-	-
9	Axis Bank	6.05%	Fixed Rate	Bullet Repayment	10-Apr-20	-	-	150.00	-	-
10	Corporation Bank	6.10%	Fixed Rate	Bullet Repayment	08-Apr-20	-	-	150.00	-	-
11	Corporation Bank	6.10%	Fixed Rate	Bullet Repayment	05-Apr-20	-	-	10.00	-	-
12	Corporation Bank	6.10%	Fixed Rate	Bullet Repayment	04-Apr-20	-	-	5520.00	-	-
13	Karnataka Bank	5.90%	Fixed Rate	Bullet Repayment	04-Apr-20	-	-	7500.00	-	-
14	State Bank of India	8.25%	Linked to MCLR	Bullet Repayment	12-Apr-19	-	-	-	9,198.97	-
15	Karnataka Bank	8.14%	T-bill plus spread	Bullet Repayment	12-Apr-19	-	-	-	2,500.00	-
16	Karnataka Bank	8.19%	T-bill plus spread	Bullet Repayment	12-Apr-19	-	-	-	2,500.00	-
17	United Bank of India	8.15%	Linked to MCLR	Bullet Repayment	12-Apr-19	-	-	-	10,000.00	-
18	Allahabad Bank	7.85%	Linked to MCLR	Bullet Repayment	02-May-18	-	-	-	-	12,984.00
19	Vijaya Bank	7.90%	Linked to MCLR	Bullet Repayment	13-Apr-18	-	-	-	-	708.00
20	Bank of Baroda	7.85%	Linked to MCLR	Bullet Repayment	11-Apr-18	-	-	-	-	20,000.00
21	J&K Bank	7.60%	Linked to MCLR	Bullet Repayment	01-Apr-18	-	-	-	-	6,000.00
	Total					**15,710.00**	**-**	**22,619.00**	**24,198.97**	**39,692.00**

Note-1 Date of Maturity indicates the date of payment of next instalment.
* Prepaid on 9th October 2020.

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	30 September 2020	30 September 2019	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	23,514.41	-	23,414.84	-	-
2	Foreign Currency Loan-USD 300M-SBI BAHRAIN	6M USD LIBOR + 1.30% pa	Semi Annual	Bullet Repayment	26-Mar-30	22,275.00	-	22,770.00	-	-
3	Syndicated Foreign Currency Loan-JPY 26231.25 Mio (Equivalent to USD 250M)	6M JPY LIBOR+0.80%	Semi Annual	Bullet Repayment	28-Mar-28	18,584.84	17,401.81	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	04-Jun-26	23,278.48	21,796.67	23,179.91	-	-
5	Loan From AFLAC-2 (Equivalent to JPY 3 Bn)	2.90%	Semi Annual	Bullet Repayment	30-Mar-26	2,750.00	2,631.48	2,811.11	2,578.89	2,425.93
6	Loan From AFLAC-1 (Equivalent to JPY 12 Bn)	2.85%	Semi Annual	Bullet Repayment	10-Mar-26	10,832.83	10,365.96	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						**1,01,235.56**	**52,195.92**	**1,01,755.57**	**29,342.05**	**54,421.93**
Less: Unamortised transaction cost						(1,999.13)	(956.89)	(2,126.28)	(617.75)	(688.83)
Less: Fair value hedge adjustment- recoverable from Ministry of Railways						(2,873.63)	(2,919.87)	(3,090.22)	(3,105.95)	(4,596.64)
Unsecured Foreign Currency Term Loan as per Ind AS						**96,362.80**	**48,319.16**	**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.

Loan against Term Deposits										
S.No	Description	Interest rate (p.a.)	Interest payment frequency	Terms of Repayment	Date of Maturity of Loan	30 September 2020	30 September 2019	31 March 2020	31 March 2019	31 March 2018
1	Corporation Bank	5.30%	Linked to MCLR	Bullet Repayment	14-Oct-19	-	2,385.00	-	-	
2	Corporation Bank	5.30%	Linked to MCLR	Bullet Repayment	04-Oct-19	-	15,615.00	-	-	
3	Punjab National Bank	4.65%	Linked to MCLR	Bullet Repayment	01-Oct-19	-	16,460.00	-	-	
4	Canara Bank	5.50%	Linked to MCLR	Bullet Repayment	01-Oct-19	-	5,540.00	-	-	
5	Canara Bank	5.50%	Linked to MCLR	Bullet Repayment	01-Oct-19	-	4,410.00	-	-	
6	Canara Bank	5.50%	Linked to MCLR	Bullet Repayment	01-Oct-19	-	2,750.00	-	-	
7	Punjab National Bank	4.65%	Linked to MCLR	Bullet Repayment	01-Oct-19	-	1,160.00	-	-	
	Total					-	**48,320.00**	-	-	-

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 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Amount Payable to Ministry of Railways on account of exchange rate variation / derivatives#	-	-	-	-	302.52
Interest accrued but not due	1,30,125.21	97,776.48	1,01,319.74	72,918.18	56,567.31
Liability for matured and unclaimed bonds and interest accrued thereon	101.24	76.90	96.82	80.91	58.16
Dividend payable	5,000.00	2,000.00	-	-	-
Dividend tax payable	-	411.11	-	-	-
Amount payable to Ministry of Railways - Leased Assets	9,802.47	1,70,239.18	1,956.62	-	-
Earnest money deposit	0.52	0.34	0.49	0.33	0.33
Total	**1,45,029.44**	**2,70,504.01**	**1,03,373.67**	**72,999.42**	**56,928.32**

Amount payable to 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 18 : Provisions

Particulars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits	14.03	21.38	18.52	19.36	16.61
Provision for corporate social responsibility	78.94	78.94	78.94	78.94	78.94
Provision on interest payable on income tax	-	40.57	40.57	19.66	12.82
Total	**92.97**	**140.89**	**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	250.72	226.89	257.97	236.77	-
- Note 8 - Investments	0.07	-	0.09	-	-
- Note 9 - Other financial assets	31.70	27.32	38.79	38.67	-
Total	**282.49**	**254.21**	**296.85**	**275.44**	**-**

Note 19 : Deferred tax liabilities (net)

Particulars	As at 30 September 2020	As at 30 September 2019	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 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Statutory dues	0.86	0.40	176.86	1.05	6,477.59
Tax deducted at source payable	54.80	107.98	145.33	47.10	115.14
Total	**55.66**	**108.38**	**322.19**	**48.15**	**6,592.73**

Note 21: Share capital

Particulars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Authorised share capital**					
No. of shares	25,00,00,00,000	15,00,00,00,000	15,00,00,00,000	15,00,00,00,000	15,00,00,00,000
Par value per share (Rs.)	10.00	10.00	10.00	10.00	10.00*
Amount	**2,50,000.00**	**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.
**The authorised share capital of the company was enhanced from Rs. 150000 millions comprising 15,000 millions share of Rs. 10 each to Rs. 250000 millions comprising 25,000 millions share of Rs. 10 each in the annual general meeting held on 30th September 2020.

Particulars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Issued, subscribed and fully paid-up					
No of Shares	11,88,04,60,000	9,38,04,60,000	9,38,04,60,000	6,52,64,60,000	6,52,64,600
Issued during the year	-	-	2,50,00,00,000	2,85,40,00,000	-
Total no of shares	11,88,04,60,000	9,38,04,60,000	11,88,04,60,000	9,38,04,60,000	6,52,64,600
Par value per share (Rs.)	10.00	10.00	10.00	10.00	1,000.00
Amount (in millions)	**1,18,804.60**	**93,804.60**	**1,18,804.60**	**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	-	-	-	-	6,52,64,60,000
Par value per share (Rs.)	-	-	-	-	10.00
Amount (in millions)	-	-	-	-	**65,264.60**
Total	**1,18,804.60**	**93,804.60**	**1,18,804.60**	**93,804.60**	**65,264.60**

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

Particulars	As at 30 September 2020		As at 30 September 2019		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)	Number of shares*	Amount (in millions)	Number of shares*	Amount (in millions)
Shares outstanding at the beginning of the year	11,88,04,60,000	1,18,804.60	9,38,04,60,000	93,804.60	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**	**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 30 September 2020		As at 30 September 2019		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	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%	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 preceeding the balance sheet date:- issued equity share without paymnet 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

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

Note 22 : Other Equity

Particulars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Share issue expenses	(170.30)	(93.80)	(169.80)	-	-
Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	11,894.35	4,509.50	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	1,74,032.28	30,327.36	17,397.90
Retained earnings	12,241.76	1,33,845.69	(1,626.82)	62,807.86	67,568.55
Equity instruments through other comprehensive income	66.98	61.53	62.91	68.08	64.29
Total	**1,98,065.07**	**1,68,650.28**	**1,84,192.92**	**1,54,858.39**	**1,37,978.23**

Note 22.1: Share issue expenses*

Particulars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the period	(169.80)	-	-	-	-
Addition during the period	(0.50)	(93.80)	(169.80)	-	-
Balance at the end of the period	**(170.30)**	**(93.80)**	**(169.80)**	**-**	**-**

* Share issue expenses includes stamp duty fees and listing fees for the amount of Rs.119.30 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 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of year	11,894.35	4,509.50	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**	**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 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of year	-	57,145.59	57,145.59	52,947.49	48,749.39
Addition/(deletion) during the period	-	(57,145.59)	(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 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of year	1,74,032.28	30,327.36	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**	**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 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of year	(1,626.82)	62,807.86	62,807.86	67,568.55	1,488.63
Less: Adjusted in retained earning due to change in accounting policy (Refer Accounting policy note no. 2.7)*	-	-	-	-	64,431.40
	(1,626.82)	**62,807.86**	**62,807.86**	**67,568.55**	**65,920.03**
Profit for the year	18,868.58	16,303.35	31,920.61	21,397.20	20,015.29
Transfer from (to) bond redemption reserve.	-	57,145.59	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	(5,000.00)	(2,000.00)	(2,000.00)	(3,750.00)	(2,335.24)
Dividend tax	-	(411.11)	(411.11)	(770.83)	(475.40)
Balance at the end of year	**12,241.76**	**1,33,845.69**	**(1,626.82)**	**62,807.86**	**67,568.55**

* 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 March2018: 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 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of year	62.91	68.08	68.08	64.29	56.95
Total comprehensive income for the year	4.07	(6.55)	(5.17)	3.79	7.34
Balance at the end of year	**66.98**	**61.53**	**62.91**	**68.08**	**64.29**

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Note 23 : Interest income

Particulars	Half Year ended 30 September 2020	Half Year ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
On financial assets measured at amortised cost :					
- Interest on loans	2,863.95	2,709.92	5,548.60	5,251.05	2,343.28
- Interest income from deposits	71.03	237.88	282.16	202.55	139.20
- Interest income from investments	1.90	2.79	5.05	6.67	8.15
- Pre commencement lease - Interest Income	14,213.82	11,065.08	21,599.06	11,757.72	7,391.46
- Interest income on application money	17.06	19.23	45.11	12.72	3.63
Total	**17,167.76**	**14,034.90**	**27,479.98**	**17,230.71**	**9,885.72**

Note 24 : Lease income

Particulars	Half Year ended 30 September 2020	Half Year ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Lease income	56,661.12	51,712.78	1,06,724.27	92,637.69	82,179.06
Total	**56,661.12**	**51,712.78**	**1,06,724.27**	**92,637.69**	**82,179.06**

Note 25 : Other income

Particulars	Half Year ended 30 September 2020	Half Year ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Profit on sale of fixed assets	0.01	-	-	0.01	-
Impairment provison written back (Refer Note no. 27)	14.36	21.23	-	-	-
Miscellaneous income	2.72	-	0.73	-	8.74
Total	**17.09**	**21.23**	**0.73**	**0.01**	**8.74**

Note 26: Finance cost

Particulars	Half Year ended 30 September 2020	Half Year ended 30 September 2019	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	59,668.90	49,322.11	1,03,631.72	85,514.61	76,157.12
Interest on borrowings	24,581.12	18,479.11	38,307.45	19,276.35	2,639.88
Discount on commercial paper	281.70	678.57	1,358.05	1,237.25	2,020.12
Interest on delayed payments to Ministry of Railways	503.00	1,465.64	4,971.55	2,993.49	786.99
Interest to Income Tax Authorities	5.33	20.91	20.91	19.66	12.82
Other borrowing cost	116.26	129.37	100.58	114.29	132.70
Sub-Total	**85,156.31**	**70,095.71**	**1,48,390.26**	**1,09,155.65**	**81,749.63**
Less: Borrowing costs capitalized on Railway Infrastructure Assets & National Projects	30,746.51	20,722.47	46,763.64	27,325.03	15,373.78
Total	**54,409.80**	**49,373.24**	**1,01,626.62**	**81,830.62**	**66,375.85**

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

Particulars	Half Year ended 30 September 2020	Half Year ended 30 September 2019	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	Half Year ended 30 September 2020	Half Year ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Loan to IRCON International Limited	18,459.20	24,612.30	24,612.27	30,765.34	-
Loan to Rail Vikas Nigam Limited	44,221.96	32,109.80	39,879.41	28,426.30	-
Debt securities	17.07	-	22.23	-	
Interest accrued on above	7,924.23	6,831.21	9,698.37	9,669.11	-
Total	**70,622.46**	**63,553.31**	**74,212.28**	**68,860.75**	**-**
Provision @ 0.4%	282.49	254.21	296.85	275.44	-
Less: ECL already created	296.85	275.44	275.44	-	-
Change in impairment	**(14.36)**	**(21.23)**	**21.41**	**275.44**	**-**

The Company apart from the above is of the view that no furthur impairement 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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Note 28 : Employee benefit expense

Particulars	Half Year ended 30 September 2020	Half Year ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Salaries and wages	22.45	16.74	52.08	54.78	44.18
Contribution to provident and others funds	3.89	5.19	9.88	7.32	10.67
Staff welfare expenses	0.20	0.59	0.69	0.41	0.35
Total	**26.54**	**22.52**	**62.65**	**62.51**	**55.20**

Note 29: Depreciation, amortisation and impairment

Particulars	Half Year ended 30 September 2020	Half Year ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of property, plant and equipment	2.28	2.06	4.43	4.09	3.47
Amortisation of intangible assets	0.06	0.10	0.15	0.09	0.07
Total	**2.34**	**2.16**	**4.58**	**4.18**	**3.54**

Note 30 : Other expenses

Particulars	Half Year ended 30 September 2020	Half Year ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Bank charges	0.39	0.14	0.34	0.37	0.18
Fee & subscription	1.32	1.47	2.66	2.01	2.36
Filing fees	-	-	-	0.02	0.05
Travelling	0.30	2.61	14.65	4.86	4.92
Conveyance	0.02	0.51	0.95	0.74	0.71
Ground rent	0.07	0.06	0.14	0.14	0.13
Printing & stationery	0.55	0.66	1.93	1.77	1.65
Postage, telegram & telephone	0.13	0.17	0.50	0.29	0.29
Director’s fees, allowances and expenses	0.56	1.03	2.31	2.24	0.71
Transport hire charges	2.60	0.90	3.25	2.70	3.72
Insurance	0.04	0.04	0.06	0.02	0.02
Manpower Services	8.09	6.54	15.12	9.49	7.46
Vehicle expenses	0.03	0.08	0.12	0.09	0.21
Legal & professional charge	3.65	5.38	8.53	8.08	34.97
Loss on sale of fixed assets	0.16	0.01	0.07	0.16	0.07
Payment to auditors (refer note (i) below)	1.14	0.43	4.44	4.28	2.05
Property tax	0.28	0.28	0.28	0.28	0.26
Office maintenance charges	1.04	0.59	2.20	3.72	4.21
Office equipment maintenance	1.88	1.44	3.43	2.54	2.50
Advertisement & publicity	1.26	1.99	3.08	5.47	3.75
Sponsorship/Donation	0.12	0.60	0.20	0.62	3.12
Newspaper, books and periodicals	0.11	0.11	0.18	0.23	0.15
Electricity charges	1.54	1.34	2.58	2.19	2.37
Exchange rate variation	0.07	1.75	3.30	0.23	1.66
Miscellaneous expenses	2.83	3.11	9.87	10.05	9.05
Corporate social responsibility expenses (refer note 49)	513.02	35.82	494.49	84.78	237.80
Total	**541.20**	**67.06**	**574.68**	**147.37**	**324.37**
(i) Payment to the Auditors Comprises net of GST/service tax input credit, where applicable)					
(a) Annual Audit fees	-	-	1.00	1.00	0.75
(b) Half yearly Audit fees	-	0.10	-	-	-
(c) Tax audit fees	-	-	0.38	0.33	0.25
(d) Quarterly Review fees	0.86	0.27	0.88	0.69	0.63
(e) Certification fees	0.18	0.06	1.92	1.88	0.42
(f) GST Audit Fees	-	-	0.03	0.15	-
(g) Internal Audit Fees	0.10	-	0.23	0.23	-
Total	**1.14**	**0.43**	**4.44**	**4.28**	**2.05**

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Note 31: Income taxes

Particulars	Half Year ended 30 September 2020	Half Year ended 30 September 2019	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	-	-	-	6,154.10	5,304.83
Adjustments for prior periods	-	-		-	-
	-	**-**	**-**	**6,154.10**	**5,304.83**
Deferred tax					
In respect of the current year	-			-	-
	-	**-**	**-**	**6,154.10**	**5,304.83**
Total income tax expense recognised in the current year	**-**	**-**	**-**	**6,154.10**	**5,304.83**

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 half year ended 30th September 2020, 30th September 2019 and the year ended 31st March 2020.

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

Particulars	Half Year ended 30 September 2020	Half Year ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Profit before tax	18,868.41	16,303.93	31,920.96	27,553.43	25,319.43
Tax rate	25.168%	25.168%	25.168%	34.944%	34.608%
Tax thereon	4,748.80	4,103.37	8,033.87	9,628.27	8,762.55
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'	(4,748.80)	(4,103.37)	(8,033.87)	(9,628.27)	(8,762.55)
Minimum alternate tax on book profits as per section 115JB(1) of Income Tax Act, 1961 (see note 1 below)	-	-	-	5,999.64	5,305.01
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 recogonised in other comprehensive income	-	-	-	0.58	(0.18)
Total tax expense	**-**	**-**	**-**	**6,154.10**	**5,304.83**

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Note -1

Particulars	Half Year ended 30 September 2020	Half Year ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Profit for the period as per Ind AS				**27,553.43**	**25,319.43**
Less: Ind AS adjustments				2.71	473.39
Total (A)				**27,550.72**	**24,846.04**
Add:-					
Expenses u/s 14A of Income Tax Act	As the Company has opted for section 115BAA of the Income - tax Act, 1961, the MAT provisions of section 115JB of the Income - tax Act, 1961 are no longer applicable to the Company	As the Company has opted for section 115BAA of the Income - tax Act, 1961, the MAT provisions of section 115JB of the Income - tax Act, 1961 are no longer applicable to the Company	As the Company has opted for section 115BAA of the Income - tax Act, 1961, the MAT provisions of section 115JB of the Income - tax Act, 1961 are no longer applicable to the Company	0.20	0.20
Interest u/s 234 B & C				19.66	12.82
Provision for post retirement employee benefits				1.24	3.43
Standard asset provision				275.44	-
Total (B)				296.54	16.45
Total (A+B)				**27,847.26**	**24,862.49**
Less:-					
Dividend income				5.14	4.87
Total (C)				**5.14**	**4.87**
Book Profit((A+B)-C)				**27,842.12**	**24,857.62**
Tax rate				**21.5488%**	**21.3416%**
Tax thereon				**5,999.64**	**5,305.01**

Note -2

Particulars	Half Year ended 30 September 2020	Half Year ended 30 September 2019	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	-	-	-	1,37,978.23	-
Adjustment on account of fair value change in the value of investments measured at FVTOCI	-	-	-	64.29	-
Adjustment of written back of Deferred tax Liability	-	-	-	64,431.40	-
Total	**-**	**-**	**-**	**73,482.54**	**-**
Other equity as per AS on date of conversion i.e, 01 April 2018	-	-	-	69,912.07	-
Difference	**-**	**-**	**-**	**3,570.47**	**-**
Tax rate	**-**	**-**	**-**	**21.5488%**	**-**
Tax thereon	-	-	-	769.39	-
Proportionate amount for the year ended 31 March 2019	**-**	**-**	**-**	**153.88**	**-**

Income tax recognised in other comprehensive income

Particulars	Half Year ended 30 September 2020	Half Year ended 30 September 2019	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	Half Year ended 30 September 2020	Half Year ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Net Profit	18,868.41	16,303.93	31,920.96	21,399.33	20,014.60
Weighted average number of equity shares outstanding					
Opening balance at the beginning of the year	11,88,04,60,000	9,38,04,60,000	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	11,88,04,60,000	9,38,04,60,000	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.)	1.59	1.74	3.40	3.26	3.07
Earnings per share- Diluted [Face value of Rs. 10/- per share] (in Rs.)	1.59	1.74	3.40	3.26	3.07

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 occured on 31 March 2017.

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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. 23,46,271.68 millions (30 September 2019: Rs. 20,49,184.00 millions, 31 march 2020: 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 30 September 2020	As at 30 September 2019	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	22,38,107.84	19,02,666.75	19,02,666.75	16,62,115.90	14,75,417.30
Less: Capital recovery provided upto last Year	(7,52,309.85)	(6,52,401.63)	(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	**14,85,797.99**	**12,50,265.12**	**12,50,265.12**	**10,94,716.56**	**9,82,061.90**
Add: Gross value of assets acquired and leased during the period	1,08,163.84	1,46,517.25	3,35,441.09	2,40,550.85	1,86,698.60
	15,93,961.83	**13,96,782.37**	**15,85,706.21**	**13,35,267.41**	**11,68,760.50**
Less: Capital recovery for the period	(55,493.73)	(47,557.02)	(99,908.21)	(85,002.29)	(74,043.94)
Net investment in Lease Receivables	**15,38,468.10**	**13,49,225.35**	**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 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Gross investment in lease	22,37,798.92	19,86,911.78	21,85,188.13	18,42,569.01	16,09,327.00
Unearned finance income	6,99,330.82	6,37,686.43	6,99,390.13	5,92,303.89	5,14,610.44
Present value of minimum lease payment (MLP)	15,38,468.10	13,49,225.35	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 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Not later than one year	2,27,812.29	1,98,684.94	2,23,394.28	1,90,228.01	1,65,821.30
Later than one year and not later than two years	2,27,422.54	2,00,365.56	2,18,765.03	1,86,567.68	1,62,738.26
Later than two years and not later than three years	2,21,452.51	1,95,673.57	2,14,010.29	1,81,938.43	1,59,077.93
Later than three years and not later than four years	2,12,793.91	1,89,703.54	2,06,824.99	1,77,183.69	1,54,448.68
Later than four years and not later than five years	2,02,650.49	1,81,044.94	1,96,693.09	1,69,998.39	1,49,693.93
Later than five years	11,45,667.18	10,21,439.23	11,25,500.45	9,36,652.81	8,17,546.90
Total	**22,37,798.92**	**19,86,911.78**	**21,85,188.13**	**18,42,569.01**	**16,09,327.00**

Present value of MLP

Particulars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Not later than one year	1,17,425.69	1,00,561.03	1,12,525.68	95,104.40	82,368.50
Later than one year and not later than two years	1,23,318.70	1,07,401.69	1,17,498.21	99,676.79	86,272.27
Later than two years and not later than three years	1,27,594.71	1,11,641.30	1,22,194.13	1,03,622.03	90,088.10
Later than three years and not later than four years	1,29,808.18	1,14,994.32	1,25,419.42	1,07,208.40	93,211.97
Later than four years and not later than five years	1,30,125.25	1,16,211.83	1,26,008.98	1,09,235.28	95,906.66
Later than five years	9,10,195.57	7,98,415.18	8,82,151.58	7,35,418.22	6,46,869.06
Total	**15,38,468.10**	**13,49,225.35**	**14,85,798.00**	**12,50,265.12**	**10,94,716.56**

Unearned Finance Income & Unguaranteed Residual Income

Particulars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Unearned finance income	6,99,330.82	6,37,686.43	6,99,390.13	5,92,303.89	5,14,610.44
Unguaranteed residual income	NIL	NIL	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.

Note 34: Contingent liabilities and Commitments

Contigent liabilities

a.

Particulars	As at 30 September 2020	As at 30 September 2019	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	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. Director General of GST Intelligence (DGGI), Chennai Zonal unit has served a show cause notice dated 16th April 2019 on the company alleging contravention of provision of Sec 67, 68 and 70 of the Finance Act, 1994 by the company and as to why service tax of Rs. 26,537.65 million 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 provision of any of the above stated section of the Finance Act, 1994. Against the reply given by the company, vide letter dated 21st October 2020, Commissioner, CGST, Delhi East, seeking comments given by the DGGI, Chennai Zonal unit and the company is in the process of filing the counter comments to the department and the company is not liable to pay the tax. However, if any liability arises that would be recoverable from the Ministry of Railways,Government of India.

e. The income tax assessments of the Company have been completed upto the Assessment Year 2017-18. The disputed demand of tax including interest thereon amounts to Rs. 9.48 million. The Company has already filed a rectification application u/s 154 against the said tax demands. Based on the decisions of the Appellate Authority in 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. However, the said demand of Rs.9.48 million has been adjusted by the department, out of the refund to IRFC for the AY 2016-17.

Note 35: Expenditure in Foreign Currency

Particulars	Period ended 30 September 2020	Period ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
a) Interest/Swap Cost on foreign currency borrowings	3,908.82	2,001.43	3,958.38	4,641.21	3,232.57
b) Processing agent/ fiscal Agent/ admin fees	4.45	3.48	966.29	8.55	2.90
c) Underwriting/ arranger fees	-	-	-	-	486.21
d) International credit rating agencies fees	59.32	25.14	32.83	11.38	28.90
e) Others	16.01	0.26	5.47	4.46	14.67
Total	**3,988.60**	**2,030.31**	**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	Period ended 30 September 2020	Period ended 30 September 2019	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	56,661.12	51,712.78	1,06,724.27	92,637.69	82,179.06
- Interest Income	2,863.95	2,709.92	5,548.60	5,251.05	2,343.28
- Pre Commencement lease interest income	14,213.82	11,065.08	21,599.06	11,757.72	7,391.46
Total	**73,738.89**	**65,487.78**	**1,33,871.93**	**1,09,646.46**	**91,913.80**

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

Note 37: Employee benefits

37.1 Particulars	**Period ended 30 September 2020**	**Period ended 30 September 2019**	**Year ended 31 March 2020**	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Contribution to provident fund	1.69	1.29	3.13	2.41	2.50
Contribution to gratuity	0.16	0.46	0.93	0.66	2.13
Contribution to leave enchasement	(0.32)	2.07	3.93	3.01	2.61
Contribution to post retirement medical and pension	1.60	1.37	1.89	1.24	3.43

37.2 The Company operates a funded gratuity benefit plan.

A) Actuarial Assumptions

Particulars	**As at 30 September 2020**	**As at 30 September 2019**	**As at 31 March 2020**	**As at 31 March 2019**	**As at 31 March 2018**
Economic Assumptions					
Discount rate	6.30% p.a.	6.85% p.a.	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	6.00% p.a	6.00% p.a
Demographic Assumptions					
Retirement age	60	60	60	60	60
Attrition rate	0.00%	0.00%	0.00%	0.00%	0.00%
Mortality table used	100% of IALM (2012-14)	100% of IALM (2006-08)	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 30 September 2020**	**As at 30 September 2019**	**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	10.26	9.57	9.57	7.65	5.90
Acquisition adjustment out	1.88	-	-	-	-
Interest cost	0.31	0.36	0.73	0.58	0.42
Past service cost	-	-	-	-	1.73
Current service cost	0.40	0.41	0.83	0.65	0.46
Benefit paid	(1.35)	-	(1.14)	(2.00)	-
Components of actuarial gain/losses on obligations:					
Due to change in financial assumptions	0.22	0.48	0.73	0.07	(0.28)
Due to change in demographic assumption	-	(0.01)	(0.01)	-	-
Due to experience adjustments	(0.39)	0.10	(0.45)	2.62	(0.58)
Liability at the end of the year	**11.33**	**10.91**	**10.26**	**9.57**	**7.65**

C) Movements in the fair value of plan assets

Particulars	**As at 30 September 2020**	**As at 30 September 2019**	**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	17.04	7.77	7.78	7.21	6.41
Contribution from the employer	-	0.35	8.72	-	0.32
Interest income	0.55	0.31	0.61	0.57	0.48
Return on plan assets excluding amounts included in interest income	-	(0.01)	(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	**17.59**	**8.42**	**17.04**	**7.77**	**7.22**

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

D) Amount recognised in the Balance Sheet

Particulars	As at 30 September 2020	As at 30 September 2019	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	11.33	10.91	10.26	9.57	7.65
Fair value of plan assets	(17.59)	(8.42)	(17.04)	(7.77)	(7.22)
Net liability recognised in the Balance Sheet	**(6.26)**	**2.49**	**(6.78)**	**1.80**	**0.43**

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

Particulars	Period ended 30 September 2020	Period ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Current service cost	0.40	0.41	0.83	0.65	0.46
Past service cost	-	-	-	-	1.72
Net interest cost (Income)	(0.24)	0.05	0.10	0.01	(0.05)
Expected return on plan assets	-	-	-	-	-
Expense recognised in the Statement of Profit and Loss	**0.16**	**0.46**	**0.93**	**0.66**	**2.13**

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

Particulars	Period ended 30 September 2020	Period ended 30 September 2019	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	(0.17)	0.57	0.27	2.70	(0.86)
Actuarial (gain) / loss for the year on Asset	-	0.01	0.07	0.01	(0.01)
Unrecognised actuarial gain / (loss) for the period ending	**(0.17)**	**0.58**	**0.34**	**2.71**	**(0.87)**

G) Composition of the plan assets:

Particulars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Policy of insurance	100%	100%	100%	100%	100%

H) Change in Net benefit obligations

Particulars	As at 30 September 2020	As at 30 September 2019	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	(6.78)	1.80	1.80	0.43	(0.51)
Acquisition adjustment	1.88	-		-	-
Total service cost	0.16	0.46	0.93	0.66	2.18
Net interest cost (income)	-	-	-	-	(0.05)
Re-measurements	(0.17)	0.58	0.34	2.71	(0.87)
Reimbursement paid by the insurer	-	-	-	-	-
Contribution paid to the fund	-	(0.35)	(8.71)	-	(0.32)
Benefit paid directly by the enterprise	(1.35)	-	(1.14)	(2.00)	-
Net defined benefit liability for the period ending	**(6.26)**	**2.49**	**(6.78)**	**1.80**	**0.43**

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

Particluars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Current liability (Amount due within one year)	(1.29)	0.91	(1.36)	0.83	0.41
Non-Current liability (Amount due over one year)	(4.97)	1.58	(5.42)	0.97	0.02
Total PBO at the end of year	**(6.26)**	**2.49**	**(6.78)**	**1.80**	**0.43**

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

J) Bifurcation of defined benefit obligation

Particluars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Vested	10.35	9.89	9.67	8.83	7.47
Non- Vested	0.98	1.02	0.59	0.74	0.18
	11.33	**10.91**	**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 30 September 2020	As at 30 September 2019	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 %	10.89	10.54	9.86	9.23	7.36
-Impact due to decrease of 0.50 %	11.80	11.31	10.67	9.94	7.95
b) Impact of the change in salary increase					
-Impact due to increase of 0.50 %	11.61	11.19	10.51	9.73	7.88
-Impact due to decrease of 0.50 %	11.02	10.67	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 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Expected contribution of the next year	1.29	0.91	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.
Inves tment 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.

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

37.3 Actuarial Assumptions for unfunded Post Retirement Medical Benefits:

Particulars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Compensated absences					
Discount rate	6.30% p.a	6.85%	6.55% p.a	7.50% p.a	7.60% p.a
Future salary increase	N/A	N/A	N/A	N/A	N/A
Medical inflation Rate	8.90%p.a	8.90%p.a	8.90%p.a	8.90%p.a	8.90%p.a
Retirement age	60 years	60 years	60 years	60 years	60 years
Mortality table	100% of IALM (2012-14)	100% of IALM (2006-08)	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	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 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. **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.
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 treatment costs and long durations of treatments, accumulate significant level of benefits. Such benefits can lead to 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.

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

37.4 The Company operates a funded leave benefit plan.

A) Actuarial Assumptions

Particulars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Economic Assumptions					
Discount rate	6.30% p.a.	6.85% p.a.	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.	6.00% p.a.	6.00% p.a.
Demographic Assumptions					
Retirement age	60 Years	60 Years	60 Years	60 Years	60 Years
Attrition rate	0.00% p.a.	0.00% p.a.	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 (2012-14)	100% of IALM (2006-08)	100% of IALM (2006-08)
Leave Availment and Encashment Rate					
Leave Availment Rate	10% p.a.	10% p.a.	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.	0.00% p.a.	0.00% p.a.

B) Movements in present value of the defined benefit obligation

Particulars	As at 30 September 2020	As at 30 September 2019	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	12.21	9.86	9.86	9.17	7.16
Acquisition adjustment out	6.22	-		-	-
Interest cost	0.34	0.35	0.70	0.70	0.51
Past service cost	-	-		-	1.38
Current service cost	0.80	0.61	1.22	1.12	1.47
Benefit paid	(5.19)	(1.42)	(2.10)	(2.75)	(0.97)
Actuarial (gain)/loss on obligations-due to change in financial assumptions	0.16	0.31	0.51	0.04	(0.19)
Actuarial (gain)/loss on obligations-due to change in demographic assumptions	-	-	-	-	-
Actuarial (gain)/loss on obligations- due to experience	(1.33)	1.02	2.02	1.58	(0.19)
Liability at the end of the year	**13.21**	**10.73**	**12.21**	**9.86**	**9.17**

C) Movements in the fair value of plan assets

Particulars	As at 30 September 2020	As at 30 September 2019	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	9.29	6.19	6.19	5.76	3.41
Contribution from the employer	-	0.63	2.66	-	1.98
Interest income	0.32	0.23	0.47	0.48	0.30
Return on plan assets excluding amounts included in interest income	(0.01)	-	(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	**9.60**	**7.05**	**9.29**	**6.19**	**5.76**

D) Amount recognised in the Balance Sheet

Particulars	As at 30 September 2020	As at 30 September 2019	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	13.21	10.73	12.21	9.86	9.17
Fair value of plan assets at the end of the year	9.60	7.05	9.29	6.19	5.76
Net liability recognised in the Balance Sheet	**3.61**	**3.68**	**2.92**	**3.67**	**3.41**

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

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

Particulars	Period ended 30 September 2020	Period ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Current service cost	0.80	0.61	1.22	1.12	1.47
Past service cost	-	-		-	1.38
Net interest cost (Income)	0.04	0.12	0.22	0.22	0.22
Net value of re measurements on the obligation and planned assets	(1.16)	1.34	2.56	1.67	(0.46)
Expense recognised in the Statement of Profit and Loss	**(0.32)**	**2.07**	**4.00**	**3.01**	**2.61**

F) Components of actuarial gain/loss on obligation

Particulars	Period ended 30 September 2020	Period ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Due to change in financial assumptions	0.16	0.31	0.51	0.04	(0.19)
Due to change in demographic assumption	-	-	-	-	-
Due to experience adjustments	(1.33)	1.02	2.02	1.58	(0.19)
Return on plan assets excluding amounts included in interest income	0.01	0.01	0.03	0.05	(0.07)
	(1.16)	**1.34**	**2.56**	**1.67**	**(0.45)**

G) Composition of the plan assets:

Particulars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Policy of insurance	100%	100%	100%	100%	100%

H) Change in Net benefit obligations

Particulars	As at 30 September 2020	As at 30 September 2019	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	2.92	3.67	3.67	3.41	3.75
Acquisition adjustment	6.22	-			
Total service cost	0.80	0.61	1.22	1.12	2.85
Net interest cost (Income)	0.30	0.11	0.48	0.22	0.22
Re-measurements	(1.43)	1.34	2.30	1.67	(0.45)
Contribution paid to the fund	-	(0.63)	(2.65)	-	(1.99)
Benefit paid directly by the enterprise	(5.20)	(1.42)	(2.10)	(2.75)	(0.97)
Net defined benefit liability at the end of the year	**3.61**	**3.68**	**2.92**	**3.67**	**3.41**

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

Particulars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Current liability (Amount due within one year)	1.88	1.26	1.61	1.22	1.12
Non-Current liability (Amount due over one year)	1.73	2.42	1.31	2.45	2.29
Total PBO at the end of year	**3.61**	**3.68**	**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 30 September 2020	As at 30 September 2019	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 %	12.90	10.49	11.93	9.64	8.97
-Impact due to decrease of 0.50 %	13.56	10.98	12.49	10.09	9.38
b) Impact of the change in salary increase					
-Impact due to increase of 0.50 %	13.56	10.98	12.49	10.09	9.39
-Impact due to decrease of 0.50 %	12.90	10.48	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	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 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. **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 growth and discount rate. **Variability in availment rates**: If actual availment rates are higher than assumed availment rate assumption then leave balances will be utilised earlier than expected. This will result in reduction in leave balances and Obligation.
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.

(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 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Debt (See note 'i' below)	24,53,493.18	18,46,316.54	23,43,767.21	17,39,326.75	13,40,055.28
Cash and cash equivalents	16.61	13.03	13.80	37.07	11.28
Net debt	24,53,476.57	18,46,303.51	23,43,753.41	17,39,289.68	13,40,044.00
Total equity	3,16,869.67	2,62,454.88	3,02,997.52	2,48,662.99	2,03,242.83
Net debt to equity ratio (in times)	**7.74**	**7.03**	**7.74**	**6.99**	**6.59**

38.1.2 Net Worth

Particulars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Total Assets	29,19,865.81	23,82,779.79	27,55,041.29	20,64,382.95	16,14,510.41
Total Liabilities	26,02,996.14	21,20,324.91	24,52,043.77	18,15,719.96	14,11,267.58
Net Worth	**3,16,869.67**	**2,62,454.88**	**3,02,997.52**	**2,48,662.99**	**2,03,242.83**

38.1.3 Debt Equity Ratio

Particulars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Debt	24,53,493.18	18,46,316.54	23,43,767.21	17,39,326.75	13,40,055.28
Equity	3,16,869.67	2,62,454.88	3,02,997.52	2,48,662.99	2,03,242.83
	7.74	**7.03**	**7.74**	**6.99**	**6.59**

Note:
i) Debt computed as under:

Particulars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Debt Securities (Note 15)	16,12,586.66	13,51,895.53	15,52,904.56	12,35,978.99	11,08,442.46
Borrowing(other than debt securities) (Note 16)	8,40,906.52	4,94,421.01	7,90,862.65	5,03,347.76	2,31,612.82
Total Debt	**24,53,493.18**	**18,46,316.54**	**23,43,767.21**	**17,39,326.75**	**13,40,055.28**

(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 30 September 2020	As at 30 September 2019	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	16.61	13.03	13.80	37.07	11.28
Bank balance other than above	942.18	96,175.05	993.83	773.59	986.92
Investments (Pass through certificates)	17.00	27.63	22.14	33.30	45.42
Loans	62,430.44	56,495.21	64,233.71	58,954.87	52,379.55
Other financial assets	12,93,364.17	8,59,693.33	11,82,742.54	7,38,239.44	4,50,773.10
Receivables (Lease Receivables)	15,38,468.10	13,49,225.35	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)	97.05	91.60	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	1.52	4.58	0.50	0.08	2.40
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	439.90	148.02	377.02	121.65	84.69
Debt securities	16,12,586.66	13,51,895.53	15,52,904.56	12,35,978.99	11,08,442.46
Borrowings (Other than debt securities)	8,40,906.52	4,94,421.01	7,90,862.65	5,03,347.76	2,31,612.82
Other financial liabilities (Interest accrued but not due, amount payable to MOR)	1,45,029.44	2,70,504.01	1,03,373.67	72,999.42	56,928.32
Measured at fair value through Profit and Loss					
Derivative financial instruments	3,883.47	3,102.49	4,065.15	3,105.95	7,495.79

(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 30 September 2020:

Particular	As at 30 September 2020	Fair Value measurement at end of the reporting period/ year using		
		Level 1	Level 2	Level 3
Investment in IRCON International Limited	97.05	97.05	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 30 September 2019:

Particular	As at 30 September 2019	Fair Value measurement at end of the reporting period/ year using		
		Level 1	Level 2	Level 3
Investment in IRCON International Limited	91.60	91.60	-	-

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	As at 31 March 2020	Fair Value measurement at end of the reporting period/ year using		
		Level 1	Level 2	Level 3
Investment in IRCON International Limited	92.98	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	As at 31 March 2019	Fair Value measurement at end of the reporting period/ year using		
		Level 1	Level 2	Level 3
Investment in IRCON International Limited	98.15	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	As at 31 March 2018	Fair Value measurement at end of the reporting period/ year using		
		Level 1	Level 2	Level 3
Investment in IRCON International Limited	94.36		-	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 30 September 2020 , 30 September 2019, 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	Period ended 30 September 2020	Period ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Dividend received (IRCON International Limited)	2.32	-	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.

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

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 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Secured foreign currency term loan	333.72	531.85	454.58	625.44	784.36	-	-	-	-	-
Unsecured bonds from overseas capital market	1,48,369.85	70,996.38	1,51,671.11	69,571.19	62,579.67	-	-	-	-	-
Unsecured foreign currency term loans	96,362.80	48,319.16	96,539.07	25,618.35	49,136.46	-	-	-	-	-
Total	**2,45,066.37**	**1,19,847.39**	**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 where the Rupee depreciates 10% against the relevant currency.

Particulars	As at 30 September 2020		As at 30 September 2019		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%	INR strengthens by 10%	INR weakening by 10%	INR strengthens by 10%	INR weakening by 10%
Profit or (loss)	24,506.64	(24,506.64)	11,984.74	(11,984.74)	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 not reflect the exposure during the year.

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 30 September 2020 would decrease/increase by Rs. 7,913.73 million (30 September 2019 : decrease/increase Rs. 6,469.69 millions, 31 March 2020: decrease/increase Rs. 6,972.21 millions, 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 30 September 2020 would decrease/increase by Rs. 4,079.42 millions (30 September 2019 : decrease/increase Rs. 2,494.42 millions, 31 March 2020: decrease/increase Rs. 3,253.53 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.

Interest Rate Benchmark Reform:

Following the request received by the Financial Stability Board from the G20, a fundamental review and reform of the major interest rate benchmarks is underway across the world's largest financial market, This reform was not contemplated when Ind AS 107 & Ind AS 109 were notified and consequently the Ministry of Corporate Affairs, Government of India has notified a set of temporary exceptions from applying specific hedge accounting requirements to provide clarifications on how the standard should be applied in these circumstances.

Following are the temporary exceptions provided from applying specific hedge accounting requirements:

(i) For assessing highly probable requirement for cash flow hedges: For the purpose of determining whether a forecast transaction (or a component thereof) is highly probable, an entity shall assume that the interest rate benchmark on which the hedged cash flows (contractually or non-contractually specified) are based is not altered as a result of interest rate benchmark reform.

(ii) Reclassifying the amount accumulated in the cash flow hedge reserve: For the purpose of determining whether the hedged future cash flows are expected to occur, an entity shall assume that the interest rate benchmark on which the hedged cash flows (contractually or non-contractually specified) are based is not altered as a result of interest rate benchmark reform.

(iii) Assessing the economic relationship between the hedged item and the hedging instrument: An entity shall assume that the interest rate benchmark on which the hedged cash flows and/or the hedged risk (contractually or non-contractually specified) are based, or the interest rate benchmark on which the cash flows of the hedging instrument are based, is not altered as a result of interest rate benchmark reform.

(iv) Designating a component of an item as a hedged item: Subject to certain exemptions, for a hedge of a non-contractually specified benchmark component of interest rate risk, an entity shall apply the requirement – that the risk component shall be separately identifiable – only at the inception of the hedging relationship.

Under these temporary exceptions, interbank offered rates (IBORs) are assumed to continue unaltered for the purposes of hedge accounting until such time as the uncertainty is resolved. The application of this set of temporary exceptions is mandatory for accounting periods starting on after 1st April 2020. Significant judgements will be required in determining when uncertainty is expected to be resolved and therefore when the temporary exceptions will cease to apply. However, as at 30th September 2020, the uncertainty continued to exist and so the temporary exceptions apply to the Company's hedge accounting relationships that reference benchmarks subject to reform or replacement.

The Company has cash flow and fair value hedge accounting relationships that are exposed to different IBORs, predominantly US dollar Libor and JPY Libor. The existing derivatives and some of the loans, bonds and other financial instruments designated in relationships referencing these benchmarks will transition to new risk – free rates (RFRs) in different ways and at different types. External progress on the transition to RFRs is being monitored, with the objective of ensuring a smooth transition for the Company's hedge accounting relationship. The specific issues arising will vary with the details of each hedging relationship, but may arise due to the transition of existing products included in the designation, a change in expected volumes of products to be issued, a change in contractual terms of new products issued, or a combination of these factors. Some hedges may need to be de – designated and new relationships entered into, while others may survive the market – wide benchmark reforms.

The hedge accounting relationships that are affected by the adoption of the temporary exceptions are presented in the balance sheet in note 5, 'Derivatives Financial Instruments'.

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 peroid. 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.

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

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 MOR 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)
30 September 2020								
-Trade Payables-Other Payables	441.42				**441.42**			**441.42**
Other Financial Liabilities								
-Interest accrued but not due	70,711.06	-	-	59,414.15	**1,30,125.21**			**1,30,125.21**
-Liability for matured and unclaimed bonds and interest accrued thereon	101.24	-	-	-	**101.24**			**101.24**
-Dividend payable	5,000.00	-	-	-	**5,000.00**			**5,000.00**
-Dividend tax payable	-	-	-	-	**-**			**-**
-Amount Payable to MOR	9,802.47	-	-	-	**9,802.47**			**9,802.47**
-Earnest Money Deposit	0.52	-	-	-	**0.52**			**0.52**
Debt Securities								
-Bonds in Domestic Market	80,513.98	2,24,528.74	1,07,942.42	10,26,719.31	**14,39,704.45**	(969.22)	-	**14,38,735.23**
-Commercial Paper	25,481.58	-	-	-	**25,481.58**	-	-	**25,481.58**
-Bonds in Overseas Market	-	-	37,125.00	1,11,375.00	**1,48,500.00**	(130.15)	-	**1,48,369.85**
Borrowing (Other than Debt Securities)								
Borrowings in India	43,600.00	64,631.40	81,720.60	5,54,258.00	**7,44,210.00**	-	-	**7,44,210.00**
Borrowings outside India	222.75	111.38	-	1,01,235.56	**1,01,569.69**	(1,999.54)	(2,873.63)	**96,696.52**
30 September 2019								
- Trade Payables-Other Payables	152.60	-	-	-	**152.60**	-	-	**152.60**
Other Financial Liabilities								**-**
-Interest accrued but not due	56,321.33	-	-	41,455.15	**97,776.48**	-	-	**97,776.48**
-Liability for matured and unclaimed bonds and interest accrued thereon	76.90	-	-	-	**76.90**	-	-	**76.90**
-Dividend payable	2,000.00	-	-	-	**2,000.00**			**2,000.00**
-Dividend tax payable	411.11	-	-	-	**411.11**			**411.11**
-Amount Payable to MOR	1,70,239.18		-		**1,70,239.18**	-	-	**1,70,239.18**
-Earnest Money Deposit	0.34	-	-	-	**0.34**	-	-	**0.34**
Debt Securities								
-Bonds in Domestic Market	58,802.10	1,58,822.36	1,62,367.91	8,78,400.30	**12,58,392.67**	(1,083.01)	-	**12,57,309.66**
-Commercial Paper	23,589.50	-	-	-	**23,589.50**	-	-	**23,589.50**
-Bonds in Overseas Market	-	-	35,525.00	35,525.00	**71,050.00**	(53.62)	-	**70,996.38**
Borrowing (Other than Debt Securities)								
Borrowings in India	1,44,320.00	28,000.00	35,200.00	2,38,050.00	**4,45,570.00**	-	-	**4,45,570.00**
Borrowings outside India	213.15	319.73	-	52,195.92	**52,728.80**	(957.92)	(2,919.87)	**48,851.01**
31 March 2020								
-Trade Payables-Other Payables	377.52	-	-	-	**377.52**	-	-	**377.52**
Other Financial Liabilities								
-Interest accrued but not due	51,454.31	-	-	49,865.43	**1,01,319.74**	-	-	**1,01,319.74**
-Liability for matured and unclaimed bonds and interest accrued thereon	96.82	-	-	-	**96.82**	-	-	**96.82**
-Amount Payable to MOR	1,956.62	-	-	-	**1,956.62**	-	-	**1,956.62**
-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	121.73	-	-	-	**121.73**	-	-	**121.73**
Other Financial Liabilities								
-Interest accrued but not due	39,266.31	26,497.39	7,154.47	-	**72,918.17**	-	-	**72,918.17**
-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	87.09	-	-	-	**87.09**	-	-	**87.09**
Other Financial Liabilities								
-Interest accrued but not due	38,422.96	-	-	18,144.35	**56,567.31**	-	-	**56,567.31**
-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)	(2,899.15)	**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	28,221.93	**55,207.93**	(690.47)	(4,596.64)	**49,920.82**

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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 at 30 September 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
	No. of Outstanding Contracts	Amount				USD
Forward Contract						
1. Sell	-	-	-	-	-	-
2. Buy	-	-	-	-	-	-
Swap Contracts						
1. Buy	2	291.79	3,070.89	10-03-2026	1:1	N/A
2. Buy	2	74.07	812.57	30-03-2026	1:1	N/A

As at 30 September 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
	No. of Outstanding Contracts	Amount				USD
Forward Contract						
1. Sell	-	-	-	-	-	-
2. Buy	-	-	-	-	-	-
Swap Contracts						
1. Buy	2	291.79	2,447.96	10-03-2026	1:1	N/A
2. Buy	2	74.07	654.53	30-03-2026	1:1	N/A

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
	No. of Outstanding Contracts	Amount				USD
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
	No. of Outstanding Contracts	Amount				USD
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
	No. of Outstanding Contracts	Amount				USD
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
30 September 2020	(974.93)	(34.91)	(1,009.84)	34.91	-
30 September 2019	466.90	(649.52)	(182.62)	649.52	-
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 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Capital Fund-Tier I	3,16,869.26	2,62,454.34	3,02,993.35	2,48,658.31	2,03,237.68
Capital Fund-Tier II					
Risk weighted assets along-with adjusted value of off balance sheet items	73,025.63	66,017.79	76,631.72	71,629.96	63,396.43
CRAR					
CRAR-Tier I Capital	433.92%	397.55%	395.39%	347.14%	320.58%
CRAR-Tier II Capital	433.92%	397.55%	395.39%	347.14%	320.58%
Amount of subordinated debt raised as Tier-II capital					
Amount raised by issue of Perpetual Debt Instruments					

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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 30 September 2020			
		Amount of loan outstanding	Loan Given during the year	Terms	Purpose of Utilization by Recipient
1	Rail Vikas Nigam Limited (RVNL) -I	34,561.96	7,000.00	3 + 12 years	Regular Project Work
2	IRCON International Limited	18,459.20	-	5 years	Station Development
3	RailVikas Nigam Limited (RVNL) -II	9,660.00	-	3 + 12 years	Regular Project Work
	Total	62,681.16	7,000.00		

S.No.	Name of Party	As at 30 September 2019			
		Amount of loan outstanding	Loan Given during the year	Terms	Purpose of Utilization by Recipient
1	Rail Vikas Nigam Limited (RVNL) -I	22,449.80	6,310.00	3 + 12 years	Regular Project Work
2	IRCON International Limited	24.612.30	-	5 years	Station Development
3	RailVikas Nigam Limited (RVNL) -II	9 660.00	-	3 + 12 years	Regular Project Work
	Total	56,722.10	6,310.00		

S.No.	Name of Party	As at 31 March 2020			
		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
2	IRCON International Limited	24,612.27	-	5 years	Station Development
3	RailVikas Nigam Limited (RVNL) -II	9,660.00	-	3 + 12 years	Regular Project Work
	Total	64,491.68	14,079.60		

S.No.	Name of Party	As at 31 March 2019			
		Amount of loan outstanding	Loan Given during the year	Terms	Purpose of Utilization by Recipient
1	Rail Vikas Nigam Limited (RVNL) -I	18,766.30	800.00	3 + 12 years	Regular Project Work
2	IRCON International Limited	30,765.34	-	5 years	Station Development
3	RailVikas Nigam Limited (RVNL) -II	9,660.00	9,660.00	3 + 12 years	Regular Project Work
	Total	59,191.64	10,460.00		

S.No.	Name of Party	As at 31 March 2018			
		Amount of loan outstanding	Loan Given during the year	Terms	Purpose of Utilization by Recipient
1	Rail Vikas Nigam Limited (RVNL) -I	20,379.55	925.00	3 + 12 years	Regular Project Work
2	IRCON International Limited	32,000.00	32,000.00	5 years	Station Development
3	RailVikas Nigam Limited (RVNL) -II				
	Total	52,379.55	32,925.00		

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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/ pre-commencement lease income in terms of the variation clauses in the lease agreements for Rolling Stock/ memorandum of understanding (MoU) for funding of Infrastructure assets executed with the Ministry of Railways. During the Half year ended 30 September 2020, such differential has resulted in an amount of Rs. 1,412.38 millions refundable by the Company (30 September 2019: Rs. 246.40 millions,31 March 2020: Rs. 583.35 millions; 31 March 2019: Rs. 707.98; 31 March 2018: Rs. 477.42 millions accruing to the Company) which has been accounted for in the lease income/pre-commencement 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 half year ended 30 september 2020 in respect of these foreign currency borrowings, the Company has recovered a sum of Rs.3,706.31 millions (30 September 2019: Rs. 929.21 millions, 31 March 2020: Rs. 4,344.84 millions; 31 March 2019: Rs. 2,269.78 millions; 31 March 2018: Rs. 2,028.63 millions) on this account from MOR against a sum of Rs. Nil millions (30 September 2019 :Rs. NIL millions, 31 March 2020: 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. 3706.31 millions (30 September 2019: Rs. 929.21 millions, 31 March 2020 : Rs. 4,344.84 millions, 31 March 2019: Rs. 537.35 millions, 31 March 2018: Rs. 68.04 millions(Recoverable)) is refundable to MOR.

(d) For computing the Lease Rental in respect of the rolling stock assets acquired and leased to the Ministry of Railways amounting to Rs. 1,08,163.84 millions during the month year ended 30 September 2020 (previous year: Rs. 1,46,517.25 millions), the Lease Rental Rate and the Internal Rate of Return have been worked out with reference to the average cost of incremental borrowings made during the current period plus the margin equivalent to the previous year. The lease agreement in respect of these assets will be executed at the year end based on the lease rentals and IRR with reference to average cost of annual incremental borrowings during the year plus margin decided at that time. Any variation in the lease rental rate or the internal rate of return for the year will be accordingly adjusted at the year end.

(e) 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 neccessary 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 a of Rs. 7,384.85 millions & Rs. 4,509.50 as on 31 March 2020 & 31st March 2019 u/s 45IC.The reserve for the half year 2020-21 will be created as on 31st March 2021 when the profit for the year is determined.

(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/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 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, it was decided to refer the aforesaid matter to the Expert Advisory Committee(EAC) of the Institute of Chartered Accountants of India(ICAI) for an expert opinion. The EAC, ICAI has since furnished its opinion and upheld the accounting classification of 'Advance against the Railway infrastructure Assets to be leased.' as other financial assets currently being shown by the Company in the financial statements

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Note 43:

i The Finance Act, 2001 provides for levy of service tax on the finance and interest charges recovered through lease rental installments 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 The Company had deposited a sum of Rs.14,664.47 million towards GST under reverse charge mechanism for funds transferred to MoR for making payments on behalf of Company to contractors for construction of projects for the period November 2017 to June 2018. As opined by the tax consultant, the above transaction did not involve any supply from MoR to the company and accordingly, no GST under RCM was payable by the Company and hence, refund applications were filed with the GST department for the refund of said deposit of Rs 14,664.47 millions. However, vide orders dated 25-09-2020 and 30-09-2020, the said refund applications have been rejected by the additional commissioner (Department of Trade and Taxes), GNCT of Delhi. The Company is in the process of filing appeals before the First Appellate Authority against the said orders of lower tax authorities for not accepting the refund applications of the Company.

In the ultimate event of non-admissibility of refund claims by the GST department, the amount would be adjusted by the Company against the GST liability on lease rentals from infrastructure assets to be lease to MoR or other GST liability in future.

Further, an amount of Rs. 6,32,384.00 million was transferred to MoR between July 2018 and April 2020 for making payments on behalf of Company to the contractors for construction of projects. GST under RCM of Rs. 75,886.08 million thereon has not been deposited as the funds transfer does not involve any supply from MOR as per the opinion of GST consultant.

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Note 44:

Increase/(Decrease) in liability due to exchange rate variation on foreign currency loans for purchase of leased assets/creation of Infrastructure assets amounting to (Rs. 3,826.93 millions) (30 September 2019 : Rs. 3,240.59 million, 31 March 2020: Rs. 16,784.85 millions, Rs. 31 March 2019: Rs. 2,670.04 millions, 31 March 2018 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 in respect of rolling stock assets/memorandum of understanding (MoU) for funding of Infrastructure assets to be leased. The notional hedging cost on external commercial borrowings inbuilt into the Lease Rentals amounting to Rs. 3,706.31 millions (30 September 2019 : Rs. 929.21 millions, 31 March 2020: Rs. 4,344.84 millions, 31 March 2019: Rs. 537.35 millions, 31 March 2018: Rs.68.04 millions(Recoverable)) is refundable to Ministry of Railways for the half year ended 30 Sep 2020(Refer Note 41 C (ii)). Further, a sum of Rs. 55.20 Millions (30 September 2019 : Rs. 45.95 million, 31 March 2020 : Rs. 92.86 millions, 31 March 2019: Rs. 2,664.02 million, 31 March 2018: Rs. 4,017.58 millions) has been recovered towards crystallised exchange rate variation on foreign currency loans repaid during the half year ended 30th September 2020. The amount recoverable from MoR on account of exchange rate variation net of notional hedging cost and crystallised exchange rate variation is Rs. 9,470.59 million (30th September 2019: Rs. 6,977.31 million 31 March 2020: Rs. 17,059.04 millions, 31 March 2019: Rs. 4,711.88 million, 31 March 2018: Rs. Rs. 5,243.19 millions).

Effective portion of (loss)/gain on account of decrease/increase in the fair value of the derivative assets (hedging instruments) amounting to (Rs. 34.91 millions) as on 30 September 2020 (30 September 2019 (649.52 millions) 31 March 2020, (1441.83 millions) , 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.10,11,552.90 millions disbursed to MOR till the end of 30 September 2020 (30 September 2019 : Rs. 6,89,668.90 millions, Rs. 9,36,552.90 millions, 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 half year ended 30 September 2020 a sum of Rs. 1,22,740.31 millions (30 September 2019: Rs. 71,264.86 millions, 31 March 2020: 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 30 September 2020 (30 September 2019: Rs. 50,787.00 millions, 31 March 2020: Rs. 75,787.00, 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. 6,767.16 millions (30 September 2019: Rs. 1,434.28 millions , 31 March 2020: 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 30 September 2020**	**As at 30 September 2019**	**As at 31 March 2020**	**As at 31 March 2019**	**As at 31 March 2018**
Advance paid against infrastructure assets to be leased	10,11,552.90	6,89,668.90	9,36,552.90	5,97,152.90	3,73,598.90
-Add: Borrowing cost capitalised on borrowed funds	1,22,740.31	71,264.86	94,642.38	51,935.50	24,651.65
Total	**11,34,293.21**	**7,60,933.76**	**10,31,195.28**	**6,49,088.40**	**3,98,250.55**
Less: Advance adjusted for payment by MoR to project contractors	(37,920.71)	-	-	-	-
	10,96,372.50	**7,60,933.76**	**10,31,195.28**	**6,49,088.40**	**3,98,250.55**

Particulars	**As at 30 September 2020**	**As at 30 September 2019**	**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	75,787.00	50,787.00	-
-Add: Borrowing cost capitalised on borrowed funds	6,767.16	1,434.28	4,097.94	41.17	-
Total	**82,554.16**	**52,221.28**	**79,884.94**	**50,828.17**	**-**

Capitalisation rate used to determine the borrowing cost

Particulars	**As at 30 September 2020**	**As at 30 September 2019**	**As at 31 March 2020**	**As at 31 March 2019**	**As at 31 March 2018**
Capitalisation rate	6.35%	7.49%	7.47%	8.01%	7.47%

It may be noted that till 30th April 2020 all activities pertaining to development of infrastructure assets were carried out by MOR where IRFC was the undisclosed principal as per the development agency agreement entered between MOR & IRFC. Pursuant to modification in GST Act, 2017 wherein lease rentals on infrastructure assets are now taxable and in terms of the understanding with MoR, IRFC is now the disclosed principal with effect from 1st May 2020. Accordingly, the project contractor are raising invoices in company name from 1st May 2020 in respect of this supply of Goods/ Services rendered on railway infrastruture assets to be leased to MoR. During the period from 1st May 2020 to 30th September 2020, the total amount of such invoices received from MoR arrives at Rs. 36,895.07 millions on which the Company is entiled to get GST input tax credit of Rs. 1,068.51 millions.

Further, the Company is now in receipt of certain information and details of the utilization of advance to MoR for creation of infrastruture assets to be leased for which advance funding has been made to MoR as mentioned above. As per these details certain infrastructure projects have been completed and already commissioned by MOR. Further information / details are being sought from MOR. These are still awaited.

As per MOU referred above, the payments in respect of lease are to commence in October, 2020. However, the requisite Lease Agreement(s) between MOR and the Company with respect to aforesaid infrastructure assets is (are) yet to be executed as the key terms and conditions of the lease structure are being finanlised. The accounting as per Ind AS 116, Leases and other applicable Ind AS can be proceeded with only on execution of lease agreement(s). On application of Ind AS 116 / other applicable standards, there will be accounting and disclosure implications in the financial statements. In the absence of information / details as mentioned above, the impact whereof on these financial statements presently cannot be ascertained.The Company expects to execute necessary agreements / documents within the current financial year.

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

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) (30 September 2019: Rs.9.15; 31 March 2020 : Rs. 9.15 millions; 31 March 2019: Rs. 9.15 millions; 31 March 2018: Rs. 9.15 millions), which will be accounted for on registration.

(b) 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 Financial Year ended 31st March 2020.

(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)(i) 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 30 September 2020**	**As at 30 September 2019**	**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	64,431.40
-Less: Adjusted in retained earnings due to change in accounting poicy	-	(64,431.40)	(64,431.40)	(64,431.40)	(64,431.40)
Deferred tax liability (net) after change in accounting policy	-	-	-	-	-

2) Retained Earnings

Particulars	**As at 30 September 2020**	**As at 30 September 2019**	**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	-	(1,623.54)	(1,623.54)	3,137.15	1,488.63
-Add: Deferred tax liabilty due to change in accounting policy	-	64,431.40	64,431.40	64,431.40	64,431.40
Balance of retained earning at the beginning of the period after change in accounting policy	-	**62,807.86**	**62,807.86**	**67,568.55**	**65,920.03**

(ii) **Impact of material prior period adjustments**

The Company during the current financial year initiated a detailed reconciliation of various ledgers of Ministry of Railways, Government of India (MoR) maintained in its books of accounts. The reconciliation could not be completed earlier owing to unprecedented situation arising out of Covid 19 and for want of additional information from MoR. The Company noted certain items that required adjustments in financial statements / information of earlier years as per Ind AS 8, Accounting Policies, Changes in Accounting Estimates & Errors as under:

Particular	**Impact on Profit Before Tax being Decrease in Profits**	**Impact u/s 115JB of the Income – tax Act, 1961**	**Impact on Other Equity as on 31st March 2020**
For the financial Year ended 31 March 2018	(605.49)	129.22	(476.27)
For the financial Year ended 31 March 2019	(1,462.42)	315.13	(1,147.29)
For the financial Year ended 31 March 2020	(5,003.27)	NIL*	(5,003.27)
For the Half Year Ended 30th September 2019	(844.02)	Nil*	(844.02)

*IRFC has opted for taxation under section 115BAA of the Income – tax Act, 1961 for financial year 2019 – 20 & onwards. Hence, the provisions of minimum alternate tax under section 115JB of the Income – tax Act, 1961 are no longer applicable to the Company.

e) Estimation of uncertainty relating to the Global Health Pandemic COVID-I9

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.

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

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 30 September 2020 is Rs. 101.24 millions (30 September 2019: Rs. 76.90 millions; 31 March 2020: Rs. 96.82 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 half year ended 30 September 2020, a sum of NIL millions was deposited in IEPF (31 September 2019 : Rs. NIL ; 31 March 2020: Rs. NIL; 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. 152.70 millions have matured till 30 September 2020 (30 September 2019: Rs. 142.14 millions; 31 March 2020: Rs. 147.54 millions; 31 March 2019 is Rs. 136.48 millions; 31 March, 2018: Rs.124.35 millions), leaving a balance of Rs. 17.07 millions as on 30 September 2020 (30 September 2019: 27.63 millions; 31 March 2020: Rs. 22.23 millions; 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 at 30 September 2020

Series	Date of Maturity	Nos of PTC	Face value per PTC	Total amount
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		**20**		**17.07**

As at 30 September 2019

Series	Date of Maturity	Nos of PTC	Face value per PTC	Total amount
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		**30**		**27.63**

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**

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363
Annexure VI: Notes to restated financial statement
(All amounts in millions of INR, unless stated otherwise)

Note 49: Corporate Social Responsibility

As per Section 135 of Companies Act 2013 a Corporate Social responsibiltiy 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 spent by the company for the half year ended 30 September 2020 is Rs 344.06 million (30 September 2019: Rs.35.82 million; 31 March 2020: Rs. 454.44 million; 31 March 2019 : Rs.71.98 million; 31 March 2018: Rs. 207.29 million). Gross amount required to be spent for the year ended 31 March 2020 Rs. 505.24 million (31 March 2019 Rs. 441.80 million ; 31 March 2018: Rs. 399.74 million)

ii) Amount spent during the year on:

As at 30 September 2020

Sl. No	Particulars	In cash	Yet to be paid in cash	Total
i)	**Construction/Acquisitionof any assets**	**-**	**-**	**-**
ii)	**On Purpose other than (i) above**	**344.06**	**168.96**	**513.02**
iia)	Sanitation and safe drinking water (Item No. (i) of Schedule - VII)	1.76	-	**1.76**
iib)	Promoting Education (Item No. (ii) of Schedule – VII)			**-**
iic)	Social Welfare (Item No.(iii) of Schedule-VII)	-	-	**-**
iid)	Forest & Environment,animal welfare etc. (Item No. (iv) of Schedule-VII)	42.30	168.96	**211.26**
iie)	Contribution to'Clean Ganga Fund' (Item No.(iv) of Schedule-VII)	-	-	**-**
iif)	Ensuring environment sustainability item No. (iv) of Schedule - (VII)	-	-	**-**
iig)	Measures for armed forces veterans,(Item No. (vi) of ScheduleVII)	-	-	**-**
iih)	Contribution to the prime minister's national relief fund (Item No (viii) of Schedule-VII)	300.00	-	**300.00**
	Grand Total (i+ii)	**344.06**	**168.96**	**513.02**

As at 30 September 2019

Sl. No	Particulars	In cash	Yet to be paid in cash	Total
i)	**Construction/Acquisitionof any assets**			**-**
ii)	**On Purpose other than (i) above**	**35.82**	**-**	**35.82**
iia)	Sanitation and safe drinking water (Item No. (i) of Schedule - VII)	18.45	-	**18.45**
iib)	Promoting Education (Item No. (ii) of Schedule – VII)	7.50	-	**7.50**
iic)	Social Welfare (Item No.(iii) of Schedule-VII)	-	-	**-**
iid)	Forest & Environment,animal welfare etc. (Item No. (iv) of Schedule-VII)	-	-	**-**
iie)	Contribution to'Clean Ganga Fund' (Item No.(iv) of Schedule-VII)	-	-	**-**
iif)	Ensuring environment sustainability item No. (iv) of Schedule - (VII)	9.87	-	**9.87**
iig)	Measures for armed forces veterans,(Item No. (vi) of ScheduleVII)	-	-	**-**
iih)	Contribution to the prime minister's national relief fund (Item No (viii) of Schedule-VII)	-	-	**-**
	Grand Total (i+ii)	**35.82**	**-**	**35.82**

As at 31 March 2020

Sl. No	Particulars	In cash	Yet to be paid in cash	Total
i)	**Construction/Acquisitionof any assets**	**-**	**-**	**-**
ii)	**On Purpose other than (i) above**	**454.44**	**40.05**	**494.49**
iia)	Sanitation and safe drinking water (Item No. (i) of Schedule - VII)	389.51	22.97	**412.48**
iib)	Promoting Education (Item No. (ii) of Schedule – VII	51.19	4.88	**56.07**
iic)	Social Welfare (Item No.(iii) of Schedule-VII)	-	-	**-**
iid)	Forest & Environment,animal welfare etc. (Item No. (iv) of Schedule-VII)	-	-	**-**
iie)	Contribution to'Clean Ganga Fund' (Item No.(iv) of Schedule-VII)	-	-	**-**
iif)	Ensuring environment sustainability item No. (iv) of Schedule - (VII)	13.74	12.20	**25.94**
iig)	Measures for armed forces veterans,(Item No. (vi) of ScheduleVII)	-	-	**-**
iih)	Contribution to the prime minister's national relief fund (Item No (viii) of Schedule-VII)	-	-	**-**
	Grand Total (i+ii)	**454.44**	**40.05**	**494.49**

As at 31 March 2019

Sl. No	Particulars	In cash	Yet to be paid in cash	Total
i)	**Construction/Acquisitionof any assets**	**-**	**-**	**-**
ii)	**On Purpose other than (i) above**	**71.98**	**12.80**	**84.78**
iia)	Sanitation and safe drinking water (Item No. (i) of Schedule - VII)	29.54	-	**29.54**
iib)	Social Welfare (Item No.(iii) of Schedule-VII)	-	-	**-**
iic)	Forest & Environment,animal welfare etc. (Item No. (iv) of Schedule-VII)	-	-	**-**
iid)	Contribution to'Clean Ganga Fund' (Item No.(iv) of Schedule-VII)	-	-	**-**
iie)	Ensuring environment sustainability item No. (iv) of Schedule - (VII)	32.44	12.80	**45.24**
iif)	Measures for armed forces veterans,(Item No. (vi) of ScheduleVII)	10.00	-	**10.00**
iih)	Contribution to the prime minister's national relief fund (Item No (viii) of Schedule-VII)	-	-	**-**
	Grand Total (i+ii)	**71.98**	**12.80**	**84.78**

As at 31 March 2018

Sl. No	Particulars	In cash	Yet to be paid in cash	Total
i)	**Construction/Acquisitionof any assets**	**-**	**-**	**-**
ii)	**On Purpose other than (i) above**	**207.29**	**30.51**	**237.80**
iia)	Contribution to 'Swachh bharat Kosh' (Item No. I of Schedule-VII)	-	-	**-**
iib)	Health Care (Item No.(i) of Schedule-VII)	-	-	**-**
iic)	Social Welfare (Item No.(iii) of Schedule-VII)	24.78	-	**24.78**
iid)	Forest & Environment,animal welfare etc. (Item No. (iv) of Schedule-VII)	73.64	30.51	**104.15**
iie)	Contribution to'Clean Ganga Fund' (Item No.(iv) of Schedule-VII)	108.87	-	**108.87**
iif)	Art & Culture, Public Libraries (Item No (v) of Schedule-VII)	-	-	**-**
iih)	Contribution to the prime minister's national relief fund (Item No (viii) of Schedule-VII)	-	-	**-**
	Grand Total (i+ii)	**207.29**	**30.51**	**237.80**

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

Note 50: Interest on deposit & Investment include Tax Deducted at Source amounting to Rs. 2.00 millions for the year ended 30 September 2020 (30 September 2019: Rs.1.85 millions ; 31 March 2020: Rs. 3.78 millions; 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. 2,366.00 millions (30 September 2019: Rs. 4,001.30 millions; 31 March 2020: Rs. 4,051.72; 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 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Principal amount remaining unpaid as at year end	1.52	4.58	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.

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

53.1 Related party disclosures

Related parties and their relationships

i. Transactions with Key Management Personnel

Key Management Personnel
Relationship:

As on 30.09.2020

Designation	Name	Period
Chairman & Managing Director	Sh. Amitabh Banerjee	(From 12 October 2019)
Director - Finance	Sh. Niraj Kumar	(Upto 31st july 2020)*
Director - Finance	Mrs. Shelly Verma	(From 1 September 2020)**
Company Secretary	Sh. Vijay Babulal Shirode	(From 9 March 2018)

*Shri Niraj Kumar has superannuated as on 31st July 2020.
** Mrs. Shelly Verma has been appointed as Director Finance from 1st September 2020

As on 30.09.2019

Designation	Name	Period
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 31.03.2020

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.

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	Period ended 30 September 2020	Period ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Salary/Allowances	5.97	3.27	9.39	6.46	12.71
Reimbursements	0.24	0.01	0.26	0.30	3.86
Incentives	0.76	3.45	6.55	1.44	1.58
Total	**6.97**	**6.73**	**16.20**	**8.20**	**18.15**

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

Particulars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
- Lease Receivables	15,38,468.10	13,49,225.35	14,85,798.00	12,50,265.12	10,94,716.56
- Advance for Railways Infrastructure Assets	10,96,372.50	7,60,933.76	10,31,195.28	6,49,088.40	3,98,250.55
- Advance for National Project	82,554.16	52,221.28	79,884.94	50,828.17	-
- Interest accrued but not due on advance for railway project to be leased	59,138.49	32,438.85	43,945.37	21,340.11	9,649.87
- Other Payables	(9,802.47)	(1,70,239.18)	(1,956.62)	-	-
- Other Receivables	10,480.43	7,159.93	18,033.97	7,306.71	35,340.88

Particulars	Period ended 30 September 2020	Period ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
- Lease Income	56,661.12	51,712.78	1,06,724.27	92,637.69	82,179.06
- Pre-commencement Lease-interest income	14,213.82	11,065.08	21,599.06	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 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
- Closing Balances of Loan to Rail Vikas Nigam Ltd	44,221.96	32,109.80	39,879.41	28,426.30	20,379.55
- Closing Balances of Loan to IRCON International Ltd.	18,459.20	24,612.30	24,612.27	30,765.34	32,000.00
- Interest Income received thereon	2,863.95	2,709.92	5,548.60	5,251.05	2,343.28
- Interest Receivables	7,900.48	6,831.21	9,669.86	9,669.11	7,183.74

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

Note 54: Additional disclosures in accordance with RBI directions on Corporate Governance

54.1: Investments

Particulars				As at 30 September 2020	As at 30 September 2019	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	114.12	119.23	115.21	131.45	139.78
		(b)	Outside India	-	-	-	-	-
	ii	Provisions for depriciation						
		(a)	In India	0.07	-	0.09	-	-
		(b)	Outside India	-	-	-	-	-
	iii	Net value of investments						
		(a)	In India	114.05	119.23	115.12	131.45	139.78
		(b)	Outside India	-	-	-	-	-
2	Movement of provisions held towards depriciation on investments							
	i	Opening balance		0.09	-	-	-	-
	ii	Add/(Less): Provisions made/(Written Back) during the year		(0.02)	-	0.09	-	-
	iii	Less: Write-off/ write-back of excess provisions during the year		-	-	-	-	-
	iv	Closing balance		0.07	-	0.09	-	-

54.2: Derivatives
54.2.1: Forward rate agreement/ Interest rate swap

Particulars		As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
i	The notional principal of swap agreements	27,165.65	25,994.88	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	Concentrationof credit risk arising from the swaps	-	-	-	-	-
v	The fair value of the swap book	(3,883.47)	(3,102.49)	(4,065.16)	(2,639.05)	(1,385.72)

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

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 30 September, 2020

Particulars			**Currency derivatives**	**Cross Currency & Interest Rate Derivatives**	**Interest rate derivatives**
i	Derivatives (notional principal amount)		-	13,582.83	13,582.83
	For hedging				
ii	Marked to market positions			-	-
	a)	Asset	-	-	-
	b)	Liability	-	2,873.63	1,009.84
iii	Credit exposure		-	2,037.42	407.48
iv	Unhedged exposure		-	-	2,36,486.85

As at 30 September, 2019

Particulars			**Currency derivatives**	**Cross Currency & Interest Rate Derivatives**	**Interest rate derivatives**
i	Derivatives (notional principal amount)		-	12,997.44	12,997.44
	For hedging				-
ii	Marked to market positions				-
	a)	Asset	-	-	-
	b)	Liability	-	2,919.87	182.62
iii	Credit exposure			1,949.62	389.92
iv	Unhedged exposure		-	-	1,10,781.36

As at 31 March, 2020

Particulars			**Currency derivatives**	**Cross Currency & Interest Rate Derivatives**	**Interest rate derivatives**
i	Derivatives (notional principal amount)		-	13,884.67	13,884.67
	For hedging				
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		-	-	2,40,126.29

As at 31 March 2019

Particulars			**Currency derivatives**	**Cross Currency & Interest Rate Derivatives**	**Interest rate derivatives**
i	Derivatives (notional principal amount)		-	12,737.67	12,737.67
	For hedging				
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		-	-	86,861.05

As at 31 March 2018

Particulars			**Currency derivatives**	**Cross Currency & Interest Rate Derivatives**	**Interest rate derivatives**
i	Derivatives (notional principal amount)		42,284.86	11,982.16	25,082.16
	For hedging				
ii	Marked to market positions				
	a)	Asset	-	-	968.47
	b)	Liability	5,150.91	2,354.19	-
iii	Credit exposure		1,009.37	1,797.32	1,229.76
iv	Unhedged exposure		84,682.92	-	30,125.77

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

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 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):

As at 30 September 2020			As at 30 September 2019			As at 31 March 2020			As at 31 March 2019			As at 31 March 2018		
No. of Contracts	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	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	Borrowing outstanding in foreign Currency (USD Million)	INR equivalent (millions)
-	-	-	-	-	-	-	-	-	-	-	-	9	550	42,284.86

(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:

As at 30 September 2020			As at 30 September 2019			As at 31 March 2020			As at 31 March 2019			As at 31 March 2018			
No. of Contracts	Borrowing outstanding in foreign Currency	Notional USD equivalent	No. of Contracts	Borrowing outstanding in foreign Currency	Notional USD equivalent	No. of Contracts	Borrowing outstanding in foreign Currency	Notional USD equivalent	No. of Contracts	Borrowing outstanding in foreign Currency	Notional USD equivalent	No. of Contracts	Borrowing outstanding in foreign Currency	Notional USD equivalent	Remarks
1	JPY 12000 Million	145.90 Million	1	JPY 12000 Million	145.90 Million	1	JPY 12000 Million	145.90 Million	1	JPY 12000 Million	145.90 Million	JPY 12 Billion	145.90 Million	1	Back to back recovery of INR /USD exchanges rate variation from MOR.
1	JPY 3000 Million	37.04 Million	1	JPY 3000 Million	37.04 Million	1	JPY 3000 Million	37.04 Million	1	JPY 3000 Million	37.04 Million	JPY 3 Billion	37.04 Million	1	Back to back recovery of INR /USD exchange rate variation from MOR.

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

As at 30 September 2020		As at 30 September 2019		As at 31 March 2020		As at 31 March 2019		As at 31 March 2018		Remarks
No. of Contracts	Borrowing outstanding in foreign Currency	No. of Contracts	Borrowing outstanding in foreign Currency	No. of Contracts	Borrowing outstanding in foreign Currency	No. of Contracts	Borrowing outstanding in foreign Currency	No. of Contracts	Borrowing outstanding in foreign Currency	
1	USD 4.50 Million	1	USD 7.50 Million	1	USD 6.00 Million	1	USD 9.00 Million	1	USD 12.00 Million	Back to back recovery of exchange rate variation from MOR.
1	USD 500 Million	1	USD 500 Million	1	USD 500 Million	2	USD 200 Million	1	USD 500 Million	
1	USD 500 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)	1	JPY 26,231.25 Million (Equivalent to USD 250 Million)	1	JPY 26,231.25 Million (Equivalent to USD 250 Million)	
1	JPY 32,856 Million (Equivalent to USD 300 Million)	1	JPY 32,856 Million (Equivalent to USD 300 Million)	1	JPY 32,856 Millions (Equivalent to USD 250 Million)					
1	USD 300 Million			1	USD 300 Million					
1	USD 700 Million			1	USD 700 Million					
1	USD 300 Million			1	USD 300 Million					
1	JPY 33,189 million (Equivalent to USD 300 Million)			1	JPY 33,189 million (Equivalent to USD 300 Million)	-	-			

(c) Other than currency forward contracts, the Company also resorts to interest rate derivatives like Cross Currency Interest Rate Swap and 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) As at 30 September 2020	Fair Value Asset / (liability) As at 30 September 2019	Fair Value Asset / (liability) As at 31 March 2020	Fair Value Asset / (liability) As at 31 March 2019	Fair Value Asset / (liability) 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 Mio37.04	(2,873.63)	(2,919.87)	(3,090.22)	(3,105.95)	(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 Mio37.04	(1,009.84)	(182.62)	(974.93)	466.90	870.30
1	Foreign Currency Interest Rate Swap (Floating Rate USD Libor to Fixed Rate)	USD 200.00 Mio	-	-	-	-	98.17

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

54.3: Disclosures relating to securitisation

The Company has not entered into any securitization transaction during the year. However, the Company had entered into two securitization 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 securitization transaction executed in 2011. The present exposure on account of securitization transaction at 30 September 2020 is Rs. 17.07 millions (30 September 2019: Rs.27.63 millions; 31 March 2020: 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 30 September 2020**	**As at 30 September 2019**	**As at 31 March 2020**	**As at 31 March 2019**	**As at 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 SPVs sponsored			747.41	1245.84	991.25	1,511.66	2,078.89
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet			17.07	27.63	22.23	33.30	45.42
		a)	Off-balance sheet exposures				-	
			First loss	-	-	-	-	-
			Others	17.07	27.63	22.23	33.30	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

*** Impairement loss as per Ind AS 109 has been made for an amount of Rs. (0.02 million) for the half year ended 30 September 2020 (30 September 2019 : Rs. NIL; 31 March 2020: Rs. 0.09 millions; 31 March 2019: Rs. NIL; 31 March 2018: Rs. NIL)**

54.3.2: Company has not sold any financial assets to Securitization / Reconstruction Company for asset construction during the half year ended on 30 September 2020 (30 September 2019: NIL; 31 March 2020 : Nil; 31 March 2019: Nil; 31 March 2018: NIL).

54.3.3 : Company has not undertaken any assignment transaction during the half year ended on 30 September 2020 (30 September 2019: NIL; 31 March 2020 : Nil; 31 March 2019: Nil; 31 March 2018: NIL).

54.3.4 : Company has neither purchased nor sold any non-performing financial assets during the half year ended on 30 September 2020 (30 September 2019: NIL; 31 March 2020 : Nil; 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 38.9

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

54.5: Exposures

54.5.1: Exposure to real Estate sector

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

54.5.2: Exposure to capital market

	Particulars	As at 30 September 2020	As at 30 September 2019	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					
	- At Cost	19.99	19.99	19.99	19.99	19.99
	- At Fair Value	97.05	91.60	92.98	98.15	94.36
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 guarantees 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	**97.05**	**91.60**	**92.98**	**98.15**	**94.36**

54.5.4: Details of Single Borrower Limit (SGL) / 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.

54.5.5: Unsecured advances

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

Particulars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Ministry of Railways, Government of India					
- Lease receivables	15,38,468.10	13,49,225.35	14,85,798.00	12,50,265.12	10,94,716.56
- Other receivables /(payables)	-	-	-	-	-
Rail Vikas Nigam Limited, a wholly owned entity of Ministry of Railways, Govt. of India	44,221.96	32,109.80	39,879.41	28,426.30	20,379.55
IRCON International Limited	18,459.20	24,612.30	24,612.27	30,765.34	32,000.00
Interest accrued thereon(Rail Vikas Nigam Limited & IRCON International Limited)	7,900.48	6,831.21	9,669.86	9,669.11	7,183.74
Total	**16,09,049.74**	**14,12,778.66**	**15,59,959.54**	**13,19,125.87**	**11,54,279.85**

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

54.6: Miscellaneous

Particulars	As at 30 September 2020	As at 30 September 2019	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	NIL	NIL

Particulars	As at 30 September 2020	As at 30 September 2019	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	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 30 September 2020	As at 30 September 2019	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 / Stable	CRISIL AAA	CRISIL AAA
2	ICRA	ICRAAAA	ICRAAAA	ICRA AAA / Stable	ICRAAAA	ICRAAAA
3	CARE	CARE AAA/ Stable	CARE AAA	CARE AAA / Stable	CARE AAA	CARE AAA
	Short Term Rating					
1	CRISIL	CRISIL A1+	CRISIL A1+	CRISIL A1+	CRISIL A1+	CRISIL A1+
2	ICRA	ICRA A1+	ICRA A1+	ICRA A1+	ICRA A1+	ICRA A1+
3	CARE	CARE A1+	CARE A1+	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 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
	Long Term Rating					
1	Fitch Rating	BBB-/ Negative	BBB-/Stable	BBB-/Stable	BBB-/Stable	BBB-/Stable
2	Standard & Poor	BBB-/ Stable	BBB-/Stable	BBB-/Stable	BBB-/Stable	BBB-/Stable
3	Moody's	Baa3/Negative	Baa2/Stable	Baa3/Stable	Baa2/Stable	Baa2/Stable
4	Japanese Credit Rating Agency	BBB+/Stable	BBB+/Stable	BBB+/Stable	BBB+/Stable	BBB+/Stable

Particulars	Period ended 30 September 2020	Period ended 30 September 2019	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	-	(844.02)	(5,003.27)	(1,147.29)	5.33
54.6.4 (b) : Prior period items (Refer note no. 45(d)(ii))	-	(844.02)	(5,003.27)	(1,147.29)	(476.27)
54.6.4 (c): Changes in accounting policies (Refer note no.46 (d)(i))	-	64,431.40	64,431.40	64,431.40	64,431.40

Note 54.7

Particulars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
54.7.1: Provisions and Contigencies	Refer Note 34	Refer Note 34	Refer Note 34	Refer Note 34	Refer Note 34
54.7.2: Drawn down from reserves	NIL	NIL	NIL	NIL	NIL

Particulars	As at 30 September 2020	As at 30 September 2019	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	Company is a non deposit accepting NBFC	Company is a non deposit accepting NBFC

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

54.7.3.2: Concentration of advances

Particulars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Total advances to twenty largest borrowers	27,79,825.20	22,18,875.60	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%	100%	100%

54.7.3.3: Concentration of exposures

Particulars	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Total exposure to twenty largest borrowers/ customers	27,79,922.25	22,18,967.20	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%	100%	100%

54.7.3.4: Concentration of NPAs	NIL	NIL	NIL	NIL	NIL
54.7.3.5: Sector-wise NPAs	NIL	NIL	NIL	NIL	NIL
54.7.4: Movement of NPAs	NIL	NIL	NIL	NIL	NIL
54.7.5: Overseas Assets	NIL	NIL	NIL	NIL	NIL
54.7.6: Off-balance sheet SPVs sponsored	NIL	NIL	NIL	NIL	NIL

54.8: Disclosure of complaints

54.8.1: Investor complaints

Particulars	As at 30 September 2020	As at 30 September 2019	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	327	303	1,345	1,073	603
(c) No. of complaints redressed during the year	327	303	1,345	1,073	603
(d) No. of complaints pending at the end of the year	-	-	-	-	-

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

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 30 September 2020

	As at 30 September 2020		
Line Item	**Amount**	**Current**	**Non-current**
Assets			
Financial Assets			
Cash and cash equivalents	16.61	16.61	-
Bank balance other than above	942.18	942.18	-
Derivative financial instruments	-		-
Receivables	-		
- Lease receivables	15,38,468.10	1,17,425.69	14,21,042.41
Loans	62,430.44	8,455.93	53,974.51
Investments	114.05	9.60	104.45
Other financial assets	12,93,364.17	2,222.57	12,91,141.60
Total financial assets	**28,95,335.55**	**1,29,072.58**	**27,66,262.97**
Non-financial assets			
Current tax assets (net)	8,630.52	8,630.52	-
Property, plant and equipment	109.27	-	109.27
Other Intangible assets	0.41	-	0.41
Other non-financial assets	15,790.06	15,759.79	30.27
Total non-financial assets	**24,530.26**	**24,390.31**	**139.95**
Total Assets	**29,19,865.81**	**1,53,462.89**	**27,66,402.92**
Liabilities			
Financial liabilities			
Derivative financial instruments	3,883.47	-	3,883.47
Trade payable	441.42	441.42	-
Debt securities	16,12,586.66	1,05,991.06	15,06,595.60
Borrowings (other than debt securities)	8,40,906.52	43,822.48	7,97,084.04
Other financial liabilities	1,45,029.44	85,615.29	59,414.15
Total financial liabilities	**26,02,847.51**	**2,35,870.25**	**23,66,977.26**
Non-financial liabilities			
Provisions	92.97	80.83	12.14
Deferred tax liabilities (net)	-	-	-
Other non-financial liabilities	55.66	55.66	-
Total non-financial liabilities	**148.63**	**136.49**	**12.14**
Total liabilities	**26,02,996.14**	**2,36,006.74**	**23,66,989.40**
Equity			
Equity share capital	1,18,804.60	-	1,18,804.60
Other equity	1,98,065.07	-	1,98,065.07
Total equity	**3,16,869.67**	**-**	**3,16,869.67**
Total Liabilities and Equity	**29,19,865.81**	**2,36,006.74**	**26,83,859.07**

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

b) Classification of balance sheet as at 30 September 2019

	As at 30 September 2019		
Line Item	**Amount**	**Current**	**Non-current**
Assets			
Financial Assets			
Cash and cash equivalents	13.03	13.03	-
Bank balance other than above	96,175.05	96,175.05	-
Derivative financial instruments	-	-	-
Receivables			
- Lease receivables	13,49,225.35	1,00,561.03	12,48,664.32
Loans	56,495.21	8,810.51	47,684.70
Investments	119.23	10.56	108.67
Other financial assets	8,59,693.33	2,741.92	8,56,951.41
Total financial assets	**23,61,721.20**	**2,08,312.10**	**21,53,409.10**
Non-financial assets			
Current tax assets (net)	6,251.52	6,251.52	-
Deferred tax assets (net)	-	-	-
Property, plant and equipment	111.17	-	111.17
Other Intangible assets	0.51	-	0.51
Other non-financial assets	14,695.39	14,670.09	25.30
Total non-financial assets	**21,058.59**	**20,921.61**	**136.98**
Total Assets	**23,82,779.79**	**2,29,233.71**	**21,53,546.08**
Liabilities			
Financial liabilities			
Derivative financial instruments	3,102.49	-	3,102.49
Trade payable	152.60	152.60	-
Debt securities	13,51,895.53	92,390.26	12,59,505.27
Borrowings (other than debt securities)	4,94,421.01	1,37,282.74	3,57,138.27
Other financial liabilities	2,70,504.01	2,29,026.88	41,477.13
Total financial liabilities	**21,20,075.64**	**4,58,852.48**	**16,61,223.16**
Non-financial liabilities			
Current tax liabilities (net)	-	-	-
Provisions	140.89	42.74	98.15
Deferred tax liabilities (net)	-	-	-
Other non-financial liabilities	108.38	108.38	-
Total non-financial liabilities	**249.27**	**151.12**	**98.15**
Total liabilities	**21,20,324.91**	**4,59,003.60**	**16,61,321.31**
Equity			
Equity share capital	93,804.60	-	93,804.60
Other equity	1,68,650.28	-	1,68,650.28
Total equity	**2,62,454.88**	**-**	**2,62,454.88**
Total Liabilities and Equity	**23,82,779.79**	**4,59,003.60**	**19,23,776.19**

a) Classification of balance sheet as at 31 March 2020

	As at 31 March 2020		
Line Item	**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	8,810.51	55,423.20
Investments	115.12	10.05	105.07
Other financial assets	11,82,742.54	4,599.95	11,78,142.59
Total financial assets	**27,33,897.00**	**1,26,953.82**	**26,06,943.18**
Non-financial assets			
Current tax assets (net)	6,308.41	6,308.41	-
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	14,700.11	25.30
Total non-financial assets	**21,144.29**	**21,008.52**	**135.77**
Total Assets	**27,55,041.29**	**1,47,962.34**	**26,07,078.95**
Liabilities			
Financial liabilities			
Derivative financial instruments	4,065.15	-	4,065.15
Trade payable	377.52	377.52	-
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	1,03,373.67	53,519.21	49,854.46
Total financial liabilities	**24,51,583.55**	**3,20,535.01**	**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	**24,52,043.77**	**3,20,978.34**	**21,31,065.43**
Equity			
Equity share capital	1,18,804.60	-	1,18,804.60
Other equity	1,84,192.92	-	1,84,192.92
Total equity	**3,02,997.52**	**-**	**3,02,997.52**
Total Liabilities and Equity	**27,55,041.29**	**3,20,978.34**	**24,34,062.95**

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

b) Classification of balance sheet as at 31 March 2019

	As at 31 March 2019		
Line Item	**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	7,38,239.44	8,599.99	7,29,639.45
Total financial assets	**20,48,868.44**	**1,13,305.68**	**19,35,562.76**
Non-financial assets			
Current tax assets (net)	414.67	414.67	-
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	**15,514.51**	**15,376.46**	**138.05**
Total Assets	**20,64,382.95**	**1,28,682.14**	**19,35,700.81**
Liabilities			
Financial liabilities			
Derivative financial instruments	3,105.95	-	3,105.95
Trade payable	121.73	121.73	-
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	72,999.42	38,511.05	34,488.37
Total financial liabilities	**18,15,553.85**	**2,68,956.59**	**15,46,597.26**
Non-financial liabilities			
Current tax liabilities (net)	-	-	-
Provisions	117.96	80.98	36.98
Deferred tax liabilities (net)	-	-	-
Other non-financial liabilities	48.15	48.15	-
Total non-financial liabilities	**166.11**	**129.13**	**36.98**
Total liabilities	**18,15,719.96**	**2,69,085.72**	**15,46,634.24**
Equity			
Equity share capital	93,804.60	-	93,804.60
Other equity	1,54,858.39	-	1,54,858.39
Total equity	**2,48,662.99**	**-**	**2,48,662.99**
Total Liabilities and Equity	**20,64,382.95**	**2,69,085.72**	**17,95,297.23**

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

c) Classification of balance sheet as at 31st March 2018

	As at 31 March 2018		
Line Item	**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	-	968.47
Receivables			
- Lease receivables	10,94,716.56	82,368.50	10,12,348.06
Loans	52,379.55	2,413.25	49,966.30
Investments	139.78	12.12	127.66
Other financial assets	4,50,773.10	41,853.91	4,08,919.19
Total financial assets	**15,99,975.66**	**1,27,645.98**	**14,72,329.68**
Non-financial assets			
Current tax assets (net)	388.49	388.49	-
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	**14,534.75**	**14,396.49**	**138.26**
Total Assets	**16,14,510.41**	**1,42,042.47**	**14,72,467.94**
Liabilities			
Financial liabilities			
Derivative financial instruments	7,495.79	5,141.60	2,354.19
Trade payable	87.09	87.09	-
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	56,928.32	37,322.92	19,605.40
Total financial liabilities	**14,04,566.48**	**2,38,377.79**	**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	**14,11,267.58**	**2,45,063.81**	**11,66,203.77**
Equity			
Equity share capital	65,264.60	-	65,264.60
Other equity	1,37,978.23	-	1,37,978.23
Total equity	**2,03,242.83**	**-**	**2,03,242.83**
Total Liabilities and Equity	**16,14,510.41**	**2,45,063.81**	**13,69,446.60**

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 .

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

Note 56 SCHEDULE TO THE BALANCE SHEET OF A NON-BANKING FINANCIAL COMPANY AS REQUIRED UNDER MASTER DIRECTION - NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016

S. No.	Particulars	As at 30 September 2020		As at 30 September 2019		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	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	12,33,875.18	-	10,77,455.18	-	11,57,742.13	-	9,74,691.31	-	8,74,035.51	-
	- Unsecured	3,53,229.90	-	2,50,850.85	-	3,56,528.34	-	2,31,427.91	-	2,24,431.07	-
	(b) Deferred Credits	-	-	-	-	-	-	-	-	-	-
	(c) Term Loans	8,40,906.52	-	4,94,421.01	-	7,90,862.65	-	5,03,347.76	-	2,31,612.82	-
	(d) Inter-corporate loans and Other Borrowings	-	-	-	-	-	-	-	-	-	-
	(e) Commercial Paper	25,481.58	-	23,589.50	-	38,634.09	-	29,859.77	-	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	13,18,844.90	-	9,16,052.92	-	12,46,924.45	-	7,97,148.70	-	5,02,804.59	-
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	15,38,468.10	-	13,49,225.35	-	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	97.05	-	91.60	-	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	17.07	-	27.63	-	22.23	-	33.30	-	45.42	-

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 2020			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			Amount of Net provision			Amount of Net provision		
		Secured	Unsecured	Total	Secured	Unsecured	Total	Secured	Unsecured	Total	Secured	Unsecured	Total	Secured	Unsecured	Total
1	**Related Parties**															
	(a) Subsidiaries															
	(b) Companies in the same group	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(c) Other related parties	-	28,57,313.00	**28,57,313.00**	-	22,65,278.27	**22,65,278.27**	-	27,32,722.45	**27,32,722.45**	-	20,47,413.82	**20,47,413.82**	-	15,97,521.15	**15,97,521.15**
2	**Other than related parties**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**-**	**28,57,313.00**	**28,57,313.00**	**-**	**22,65,278.27**	**22,65,278.27**	**-**	**27,32,722.45**	**27,32,722.45**	**-**	**20,47,413.82**	**20,47,413.82**	**-**	**15,97,521.15**	**15,97,521.15**

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 30 September 2020		As at 30 September 2019		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)	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	97.05	97.05	91.60	91.60	92.98	92.98	98.15	98.15	94.36	94.36
2	**Other than related parties**	**17.07**	17.00	27.63	27.63	22.23	22.14	33.30	33.30	45.42	45.42
	Total	**114.12**	**114.05**	**119.23**	**119.23**	**115.21**	**115.12**	**131.45**	**131.45**	**139.78**	**139.78**

8) Other information:

S.no	Particulars	As at 30 September 2020	As at 30 September 2019	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 :**	-	-	-	-	-

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

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 half year
ended 30 September 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	16,09,187.61	282.48	16,08,905.13	282.48	-
	Stage 2	-	-	-	-	-
Subtotal for standard		**16,09,187.61**	**282.48**	**16,08,905.13**	**282.48**	**-**
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,	Stage 1	-	-	-	-	-
	Stage 2					
	Stage 3					
Subtotal		**-**	**-**	**-**	**-**	**-**
Total	**Stage 1**	**16,09,187.61**	**282.48**	**16,08,905.13**	**282.48**	**-**
	Stage 2	-	-	-	-	
	Stage 3	-	-	-	-	-
Total		**16,09,187.61**	**282.48**	**16,08,905.13**	**282.48**	**-**

* 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))

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 half year
ended 30 September 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	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	14,12,930.56	254.21	14,12,676.35	254.21	-
	Stage 2	-	-	-	-	-
Subtotal for standard		**14,12,930.56**	**254.21**	**14,12,676.35**	**254.21**	**-**
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,	Stage 1	-	-	-	-	-
	Stage 2					
	Stage 3					
Subtotal		**-**	**-**	**-**	**-**	**-**
Total	**Stage 1**	**14,12,930.56**	**254.21**	**14,12,676.35**	**254.21**	**-**
	Stage 2	-	-	-	-	
	Stage 3	-	-	-	-	-
Total		**14,12,930.56**	**254.21**	**14,12,676.35**	**254.21**	**-**

* 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))

(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		**-**	**-**	**-**	**-**	**-**
	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**	**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))

(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	275.44	13,19,017.92	275.44	-
	Stage 2	-	-	-	-	-
Subtotal for standard		**13,19,293.36**	**275.44**	**13,19,017.92**	**275.44**	**-**
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**	**13,19,293.36**	**275.44**	**13,19,017.92**	**275.44**	**-**
	Stage 2	-	-	-	-	
	Stage 3	-	-	-	-	-
Total		**13,19,293.36**	**275.44**	**13,19,017.92**	**275.44**	**-**

* 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))

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

(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**	**-**	**-**

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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(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	Pariculars	Amount
i	Respective amounts in SMA / overdue categories, where the moratoriun / deferment was extended in terms of pararaph 2 & 3 of the aforesaid notification	Nil
ii	Respective amount where asset classfication 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

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

Note 59 DISCLOSURES AS REQUIRED UNDER GUIDELINES ON LIQUIDITY RISK MANAGEMENT FRAMEWORK FOR NBFCS ISSUED BY RBI VIDE NOTIFICATION NO. RBI/2019-20/88 DOR.NBFC (PD) CC. NO. 102 /03.10.001/2019-20 DATED 4 NOVEMBER 2019

Public Disclosures on Liquidity Risk:

A. Funding Concentration based on significant counterparty

Particular	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Number of Significant Counterparties*	-	-	-	-	-
Amount in (Millions)	-	-	-	-	-
Percentage of Funding Concentrartion of Total Deposites	NA	NA	NA	NA	NA
Percentage of Funding Concentrartion of Total Liabilities	NA	NA	NA	NA	NA
Total Liabilities	**26,02,996.14**	**21,20,324.91**	**24,52,043.77**	**18,15,719.96**	**14,11,267.58**

As per RBI Notification No. RBI/2019-20/88 DOR.NBFC (PD) CC. NO. 102 /03.10.001/2019-20 DATED 4 November 2019 A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs

B. Top 10 Borrowings

Particular	As at 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Total Amount of Top 10 Borrowings	6,34,317.53	5,29,396.52	6,08,608.43	5,61,965.15	3,98,954.92
Percentage of Amount of Top 10 Borrowings to total borrowings (%)	25.85%	28.67%	25.97%	32.31%	29.77%
Total Borrowings	**24,53,493.18**	**18,46,316.54**	**23,43,767.21**	**17,39,326.75**	**13,40,055.28**

C. Funding Concentration based on significant instrument/product

Particular	As at 30 September 2020	Percentage(%) of Total Liabilities	As at 30 September 2019	Percentage(%) of Total Liabilities	As at 31 March 2020	Percentage(%) of Total Liabilities	As at 31 March 2019	Percentage(%) of Total Liabilities	As at 31 March 2018	Percentage(%) of Total Liabilities
Significant instrument/Product										
Non-convertible debentures	14,38,735.23	55.27%	12,57,309.65	59.30%	13,62,599.36	55.57%	11,36,548.03	62.59%	10,35,886.91	73.40%
Term loan from Banks (including FCNR loans)	5,53,500.00	21.26%	2,22,250.00	10.48%	4,96,250.00	20.24%	2,77,905.00	15.31%	42,000.00	2.98%
External Commercial Borrowings	2,45,066.37	9.41%	1,19,847.39	5.65%	2,48,664.76	10.14%	95,814.98	5.28%	1,12,500.49	7.97%
Associated liabilities in respect of securitization transactions	-	-	-	-	-	-	-	-	-	
Public deposits	-	-	-	-	-	-	-	-	-	
Subordinated redeemable non-convertible debentures	-	-	-	-	-	-	-	-	-	

As per RBI Notification No. RBI/2019-20/88 DOR.NBFC (PD) CC. NO. 102 /03.10.001/2019-20 DATED 4 November 2019 A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs

D. Stock ratios

Particular	As at 30 September 2020	Percentage(%) of Total Public Funds	Percentage(%) of Total Assets	Percentage(%) of Total Liabilities
Commercial Papers (CPs)	25,481.58	NA	0.87%	0.98%
Non-convertible debentures (NCDs) with original maturity of less than one year	NA	NA	NA	NA
Other short-term liabilities	15,710.00	NA	0.54%	0.60%

Particular	As at 30 September 2019	Percentage(%) of Total Public Funds	Percentage(%) of Total Assets	Percentage(%) of Total Liabilities
Commercial Papers (CPs)	23,589.50	NA	0.99%	1.11%
Non-convertible debentures (NCDs) with original maturity of less than one year	NA	NA	NA	NA
Other short-term liabilities	48,320.00	NA	2.03%	2.28%

Particular	As at 31 March 2020	Percentage(%) of Total Public Funds	Percentage(%) of Total Assets	Percentage(%) of Total Liabilities
Commercial Papers (CPs)	38,634.09	NA	1.40%	1.58%
Non-convertible debentures (NCDs) with original maturity of less than one year	NA	NA	NA	NA
Other short-term liabilities	22,619.00	NA	0.82%	0.92%

Particular	As at 31 March 2019	Percentage(%) of Total Public Funds	Percentage(%) of Total Assets	Percentage(%) of Total Liabilities
Commercial Papers (CPs)	29,859.77	NA	1.45%	1.64%
Non-convertible debentures (NCDs) with original maturity of less than one year	NA	NA	NA	NA
Other short-term liabilities	24,198.97	NA	1.17%	1.33%

Particular	As at 31 March 2018	Percentage(%) of Total Public Funds	Percentage(%) of Total Assets	Percentage(%) of Total Liabilities
Commercial Papers (CPs)	9,975.88	NA	0.62%	0.71%
Non-convertible debentures (NCDs) with original maturity of less than one year	NA	NA	NA	NA
Other short-term liabilities	39,692.00	NA	2.46%	2.81%

As per RBI Notification No. RBI/2019-20/88 DOR.NBFC (PD) CC. NO. 102 /03.10.001/2019-20 DATED 4 November 2019 A "Other short-term liabilities" is defined as a all short-term borrowings other than CPs and NCDs with original maturity less than 12 months.

E. Institutional set-up for liquidity risk management
Refer Note no. 38.9

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

Note 60:

a) Previous year figures have been regrouped/ rearranged, whenever necessary, in order to make them comparable with those of the current year.

Note 61: Approval of financial statements

a) The audited financial statements were approved by the Board of Directors as under:

Particulars	Date
For the Half year ended 30 September 2020	2 December 2020
For the Half year ended 30 September 2019	11 November 2019
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 2nd December 2020.

For M/s. KBDS & Co.
Chartered Accountants
(FRN 323288E)

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

(Dashrath Kumar Singh)
(Partner)

M.No. 060030
UDIN:

(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: 2nd December 2020

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363
Annexure VII: Statement on adjusted to audited financial statement
(All amounts in millions of INR, unless stated otherwise)

Summarized below are the restatement adjustments made to the audited financial statements and their impact on the profit of the Company:

A. Reconciliation from previous GAAP to Ind AS

Particulars	Year ended 31 March 2018
Net profit after tax as per Previous GAAP	**20,073.07**
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 Deffered 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	0.87
Remesurement of Equity instruments - Ircon International Limited	7.34
Tax impact on remesurement of defined benefit plans	(0.19)
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 31 March 2018	As at 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 30 September 2020	As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Total equity as per audited Ind AS accounts as per Note A above	**3,16,869.67**	**2,00,491.04**	**3,09,624.34**	**1,85,855.13**	**1,39,286.86**
Adjustment of subsequent event	-	-	-	-	-
Write back of deferred tax liabilty 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	64,431.40
Adjustment of income tax	-	444.36	444.36	444.36	130.05
Adjustments of prior Periods	-	(2,911.92)	(7,071.18)	(2,067.90)	(605.48)
Total equity as per restated accounts	**3,16,869.67**	**2,62,454.88**	**3,02,997.52**	**2,48,662.99**	**2,03,242.83**
Total comprehensive income as per audited Ind AS accounts as per Note A above	**18,872.65**	**17,140.82**	**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	-	-	-	314.26	73.44
Less/add- income tax for earlier years adjusted in the year to which it relates			-	-	-
Adjustments of prior Periods	-	(844.02)	(5,003.28)	(1,462.42)	(605.48)
Total comprehensive income as per restated accounts	**18,872.65**	**16,296.80**	**31,915.44**	**21,400.99**	**20,022.63**

For M/s. KBDS & Co.
Chartered Accountants
(FRN 323288E)

(Dashrath Kumar Singh)

(Partner)
M.No. 060030
UDIN:

Place: New Delhi
Date: 2nd December 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

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