

# इंडियन रेलवे फाईनेन्स कॉरपोरेशन लिमिटेड

(भारत सरकार का उपक्रम) (सी आई एन : L65910DL1986GOI026363)

पंजीकृत कार्यालय : रूम नं. 1316 & 1349, तीसरी मंजिल, दि अशोक, डिप्लोमैटिक एन्क्लेव 50-बी, चाणक्यपुरी, नई दिल्ली-110021

दूरभाष : 011-24100385

## INDIAN RAILWAY FINANCE CORPORATION LTD.

(A Government of India Enterprise) (CIN : L65910DL1986GOI026363)

Regd. Office : Room Nos. 1316 – 1349, 3rd Floor, The Ashok, Diplomatic Enclave:- 50-B, Chanakyapuri, New Delhi-110021

Phone : 011-24100385, E-mail : info@irfc.nic.in, Website : www.irfc.nic.in

No: IRFC/SE/2022-23/28

26th August 2022

<b>National Stock Exchange of India Limited</b> Listing department, Exchange Plaza, Bandra- Kurla Complex, Bandra (E) Mumbai- 400 051 Scrip Symbol: IRFC	<b>BSE Limited</b> Listing Dept / Dept of Corporate Services, PJ Towers, Dalal Street, Mumbai -400 001 Scrip Code: 543257
--	---

**Sub: Intimation regarding convening of 35<sup>th</sup> AGM, submission of 35<sup>th</sup> Annual report for the financial year 2021-22 along with Notice of AGM. Closure of Register of Members & Share Transfer Books, information regarding Remote e- voting and Record date for payment of Final Dividend**

Sir/ Madam,

This is to inform that pursuant to regulation 30 and 34 of SEBI (LODR) Regulations, 2015 the **35<sup>th</sup> Annual General Meeting (AGM)** of Indian Railway Finance Corporation Limited (IRFC) will be held on **Friday, 23rd September 2022 at 3:00 P.M. (IST)** through **Video Conferencing/Other Audio-Visual Means**. In accordance with the provisions of the Companies Act, 2013 read with circulars issued by Ministry of Corporate Affairs and SEBI, from time to time. Notice of 35th AGM and Annual Report containing the financial statements for the financial year 2021-22, Auditors' Report thereon, Board's Report and other documents, will be sent to members of the Company, holding shares either in physical form or in dematerialized form, as on Friday, 19<sup>th</sup> August 2022, at their email address registered with the Company / Depository Participants(s). Further, details about the manner of participation in the AGM and casting of votes electronically by shareholders are set out in the Notice of the AGM.

Soft copy of Annual Report of the Company for the Financial Year 2021-22 containing therein Notice of AGM is hosted on the Company's website. The website link is: <https://irfc.co.in/investors-2/#tab-1-5>

Further, Pursuant to the provisions of Companies Act, 2013, rules made thereunder and SEBI (LODR) Regulations, 2015, it is informed that the Company has fixed the following dates in connection with the 35th AGM & payment of Final Dividend: -

S. No	Particulars	Details
1.	Cut-off date for determining the eligibility of shareholders for remote e- voting or voting during the general meeting	Friday, 16 <sup>th</sup> September 2022
2.	Closure of Register of Members & Share Transfer Books	Monday, 19 <sup>th</sup> September 2022 to Thursday, 22 <sup>nd</sup> September 2022 (both days inclusive)
3.	Period of Remote e-voting Period to enable the shareholders as on the cut-off date i.e., Friday, 16 <sup>th</sup> September 2022 to cast their votes on proposed resolutions electronically	The remote e-voting period begins on Tuesday, 20 <sup>th</sup> September 2022 at 9:00 AM (IST) and ends on Thursday, 22 <sup>nd</sup> September 2022 at 5:00 PM (IST).
4.	Record Date and Dividend payment	Friday, 16 <sup>th</sup> September 2022 has been fixed as the "Record Date" for the purpose of determining the members entitle to receive final dividend for the financial year 2021-22. The final dividend, if declared at the AGM, will be paid within a period of 30 (thirty) days from the conclusion of the AGM.

This is submitted for your information and record.

Thanking You,

For Indian Railway Finance Corporation Limited

(Vijay Babulal Shirode)  
Company Secretary & Compliance Officer

Enclosure: As Above



# Resourceful Committed Sustainable



# Contents

## Corporate Overview

- 02 Corporate Information
- 03 Profile of Board of Directors
- 06 Chairman's message
- 10 About us
- 12 Business overview
- 14 Strategic priorities
- 16 Financial highlights
- 18 Corporate social responsibility

## Notice of Annual General Meeting

- 20 Notice

## Statutory Reports

- 33 Directors' Report
- 42 Management Discussion and Analysis
- 47 Report on Corporate Governance
- 68 Business Responsibility Report

## Financial Statements

- 104 Balance Sheet
- 105 Statement of Profit and Loss
- 106 Statement of Cash Flow
- 108 Statement of Changes in Equity
- 110 Notes to Financial Statements
- 219 Independent Auditor's Report
- 242 Comments of the C&AG of India

### Forward looking statement

Some information in this report may contain forward-looking statements. We have based these forward looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forward looking statements and assumed facts or bases and actual results can be material, depending on the circumstances.

## Key highlights FY 21-22

28.87%

Y-o-Y growth in revenue

15.32%

Y-o-Y growth in AUM

₹20,17,94.23 Mn

EBIDTA

₹60,898.36 Mn

PAT

₹4,09,963.40 Mn

Net worth

CRISIL AAA (Stable)

ICRA AAA (Stable)

CARE AAA

Ratings







Indian Railways has always been instrumental in driving economic growth, social progress and national integration by bringing people and places closer. At IRFC, we have played a strategic role in the expansion of Indian Railways network, funding the capital expenditure at competitive rates.

Our funding sources continue to be diversified, with the cost of borrowing among the lowest in the industry, supported by high long-term credit ratings by esteemed national and international credit rating agencies. Over the years, we have evolved a sustainable business model, characterised by low-risk, low-cost and high operational efficiency.

Our commitment is to channelise our resources prudently for the development of the railway sector over the long term. Despite pandemic-induced challenges in the operating environment, we have been able to achieve high performance benchmarks in FY 2021-22 in almost all aspects of our business, with surging net worth & profitability.

Our exciting journey continues with unwavering focus on resourcefulness, commitment and sustainability.

# Corporate Information

## Board of Directors

**Shri Amitabh Banerjee**  
Chairman & Managing Director

**Ms. Shelly Verma**  
Director (Finance)

**Shri Baldeo Purushartha**  
Government Nominee Director

**Shri Bhaskar Choradia**  
Government Nominee Director

**Shri Vallabhbhai Maneklal Patel**  
Non- Official /Independent Director

**Smt. Sheela Pandit**  
Non- Official /Independent Director

## Chief Vigilance Officer

**Shri Sanjeev Jain**

## Company Secretary & Compliance Officer

**Shri Vijay Babulal Shirode**

## Registered Office

Room Nos. 1316 – 1349, 3rd Floor,  
The Ashok, Diplomatic Enclave,  
50-B, Chanakyapuri, New Delhi 110021

## Corporate Identification Number

L65910DL1986GOI026363

## Equity Shares listed on

National Stock Exchange of India Limited  
BSE Limited

## Scrip Code

National Stock Exchange of  
India Limited – IRFC  
BSE – 543257

## ISIN

INE053F01010

## Depositories

National Securities Depository Limited  
Central Depository Services (India)  
Limited

## Statutory Auditors

**M/s KBDS & Co.**  
Chartered Accountants

## Secretarial Auditors

**M/s Navneet K Arora & Co LLP**  
Company Secretaries

## Internal Auditors

**M/s Raj Har Gopal & Co.**  
Chartered Accountants

## Bankers

Union Bank of India  
State Bank of India  
ICICI Bank

## Registrar & Transfer Agents

### Equity Shares

M/s. Beetal Financial &  
Computer Services (P) Ltd.  
3rd Floor 99 Madangir,  
Behind Local Shopping Centre,  
Near Dada Harsukhdas Mandir,  
New Delhi- 110062  
Email id: irfc@beetalfinancial.com  
Ph. No : 91-11-2996 1281-83  
Website: www.beetalfinancial.com

### Bonds

M/s KFin Technologies Private Limited  
Selenium Tower B, Plot Nos. 31 & 32,  
Financial District Nanakramguda,  
Serilingampally Mandal,  
Hyderabad – 500032 India  
Ph. No. : +91 040 6716 1598  
Toll Free No: 1800-345-4001  
Email id: brahma.k@kfintech.com  
Website: www.kfintech.com

## Website

<https://irfc.co.in/>

## Email ID

[investors@irfc.co.in](mailto:investors@irfc.co.in)

# Profile of Board of Directors



**Shri Amitabh Banerjee**

Chairman & Managing Director  
DIN: 03315975



**Ms. Shelly Verma**

Director (Finance)  
DIN: 07935630



**Shri Baldeo Purushartha**

Government Nominee Director  
DIN: 07570116



**Shri Bhaskar Choradia**

Government Nominee Director  
DIN: 08975719



**Shri Vallabhbhai Maneklal Patel**

Non-Official / Independent Director  
DIN: 07713055



**Smt. Sheela Pandit**

Non-Official / Independent Director  
DIN: 09403193



# Profile of Board of Directors

## Shri Amitabh Banerjee

Chairman & Managing Director  
DIN: 03315975

**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. He belongs to the IRAS Cadre of 1988 Civil Service Exam Batch. He has a Masters in Commerce and is a Fellow Member of the Institute of Cost Accountants of India (ICWAI). He was a rank holder (13th position in All India Merit List) in the All India Senior School Certificate Examination (10+2). He was a recipient of National Talent Search Scholarship (NTS) for 5 years (1980 – 1985).

Prior to joining the post of Managing Director / IRFC, he has been working in the capacity of Director Finance, Konkan Railway Corporation Limited (KRCL) since October 2013. Prior to that, he worked in the capacity of Director Finance in Hindustan Paper Corporation Limited (HPC) for 3 years (September 2010 to October 2013). He also worked in the capacity of General Manager (Finance) in Delhi Metro Rail Corporation Limited (DMRC) for more than 5 years, handling inter-alia International financing (IDA Loan from JICA), Compilation and Finalization of Accounts and Preparation of Budgetary Estimates. He was the nominated representative of DMRC in the world body of various mid-sized metros, christened 'NOVA'. It was a consortium of 15 prominent Metro Rail Companies in the world.

He has held several portfolios in the Finance Department of Ministry of Railways since 1989 through 2003, handling major projects like Gauge Conversion, Laying of New Lines, Track Doubling, Construction of Railway Bridges, etc. He has also worked in the capacity of Director in the Office of Comptroller and Auditor General of India for about 2 years (2003 to 2005) as a representative of

Ministry of Railways in an Autonomous Body – “Government Accounting Standards Advisory Board” – under the aegis of CAG, involved in the formulation of Accounting Standards for Central Government and State Governments.

## Ms. Shelly Verma

Director (Finance)  
DIN: 07935630

**Ms. Shelly Verma** is the Director (Finance) and Chief Financial Officer of our Company. She holds a Bachelor's degree in Commerce from Shri Ram College of Commerce, Delhi University 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 Board of our Company, She has served in various capacities, including, most recently, as Executive Director (Finance) with the Power Finance Corporation Limited.

## Shri Baldeo Purushartha

Government Nominee Director  
DIN: 07570116

**Shri Baldeo Purushartha** has been inducted to the IRFC Board on 3rd June, 2020. He Joined the Indian Administrative Service (IAS) in 2002. Before joining as Joint Secretary, Department of Economic Affairs, Ministry of Finance, Government of India, he served as Secretary, Lokpal and Divisional Commissioner, Jalandhar, Punjab. He also served in various field and secretariat positions in the Government of Punjab and Government of India. Among the posts, he held the post of Private Secretary to Union Minister of State (Independent Charge) in the Ministry of Housing and Urban Affairs; Director, Industries and Commerce Department,

Punjab; Director, Technical Education and Industrial Training, Punjab, Commissioner, NRI, Punjab and Special Secretary, Expenditure, Punjab.

He represents the Government of India on the Board of ONGC Videsh Ltd., Indian Railway Stations Development Corporation Ltd, National Investment and Infrastructure Fund Trustee Limited and National Land Monetization Corporation.

Shri Baldeo Purushartha holds a Post Graduate degree in History from University of Delhi.

## Shri Bhaskar Choradia

Government Nominee Director  
DIN: 08975719

**Shri Bhaskar Choradia**, nominated as part-time Government Director on the Board of Indian Railway Finance Corporation is an Indian Railway Accounts Service officer, holds the charge of Executive Director Finance (Budget) in Railway Board w.e.f.28.10.2020. Earlier to this assignment, he has worked as the Director for Government eMarketplace, Government of India (GOI) since September 2017 on deputation under Central Staffing Scheme. He has headed the marketing, capacity-building and customer relationships for this marquee initiative of GOI. He was instrumental in setting up the human resource and finance verticals of the newly incorporated GeM SPV.

He graduated with a Bachelor of Engineering in Mechanical engineering from the Indian Institute of Technology, Roorkee, India (Erstwhile University of Roorkee) in 1996 and joined the Government of India in 2000.

In his career as a Railway Officer he has the experience of working in various capacities in Accounts and Finance Departments of zonal

railways i.e. West Central Railway, Southern and Northern Railways and in Railway Board. He has worked in Railway Divisions, Workshops and on Headquarters. While in Railway Board he has worked in the Budget Directorate dealing with the preparation and presentation of the Railway Budget and its execution. As Director in Stores Finance in Railway Board he was involved in preparation of Rolling Stock Programme, M&P Programme for Indian Railways.

He has also attended various training programmes on Management, Public Administration, Tendering, Public Policy etc in India and abroad at Institutes like RSC/Vadodara, NIFM/Faridabad, University of California, Berkeley/USA etc.

**Shri Vallabhbhai Maneklal Patel**

Non-Official / Independent Director  
DIN: 07713055

**Shri Vallabhbhai Maneklal Patel** holds a Bachelor's Degree of Commerce (B. Com) from Gujarat University. He has been associated with Shri Ganesh Ginning & Pressing Factory since 1998 and having a vast experience in managing the affairs of the organization and knowledge of industry. He also represents on various forums like FICCI, Cotton Ginning and Pressing Association etc. He has also been the Vice Chairman of Kadi Nagrik Sahakari Bank Limited from year 2002 to 2005. Further, he is also a Member of Advisory Board of The Kalupur Commercial Cooperative Bank Limited, Gandhinagar. He is also engaged into various educational and Philanthropic activities and is Chairman of Sarva Vidyalaya Kelvani Mandal. Presently, he is also President of Kadi Sarva Vishwavidyalaya, Gandhinagar, Chairman of Kava Patidar Kelvani Uttejak Mandal and a Director of Sarva Vidyalaya Innovation Foundation a Section 8 Company.

**Smt. Sheela Pandit**

Non-Official / Independent Director  
DIN: 09403193

**Smt. Sheela Pandit** has done Master's in Business Administration in Human Resource (MBA), also holds Bachelor's degree of Arts (History) and Bachelor's Degree of Education (B.ED). She possesses specialization in the field of Management.

Further, she has also been into the teaching profession and worked in various institutes such as Sunrise Convent School, Vishakahapatnam; ZB Zakaria English High School, Maharashtra; Ishan International School, Patna and Kendriya Vidyalaya, Danapur. She is a social activist and active in social and philanthropic activities.



**Shri Sanjeev Jain**  
Chief Vigilance Officer



**Shri Vijay Babulal Shirode**  
Company Secretary &  
Compliance Officer





# Chairman's message



We have consistently exhibited robust financial performance on the back of raising funds at competitive rates. This has helped us to keep our cost of borrowings low. Strategic relationship with the Ministry of Railways enables us to maintain a low risk profile.

## Dear Shareholders,

Financial Year 2021-22 had remained one of the most challenging years since the inception of Company on account of the impact of the Covid, Ukraine war, inflation concerns, resurging cases of Covid in China and fragile recovery of economy from the impact of Covid. Even though the financial sector remained under tremendous stress due to pandemic situation and volatility in the market arising from global macro issues, the Company continued to exhibit excellent performance which was primarily attributed to its strategic relationship with MOR, strong financials and its dedicated workforce. I want to express my gratitude

to the frontline workers who have worked dedicatedly for our wellbeing and also offer condolences to all those who lost their loved ones.

### Economic Overview

When the world was on the cusp of returning to normalcy post the third wave of the pandemic, the escalation of the geopolitical crisis, hit the world economy hard. The consequential spike in commodity prices impacted growth prospects by pushing up the already high inflation.

However, even in this backdrop, there are enough reasons to be optimistic. Notwithstanding the challenges, India's strong economic fundamentals are helping the country overcome the long-term impact of the crisis. India's GDP has grown by 8.7% in FY 2022 after contracting 6.6% during the previous fiscal.

### Indian Railways Sector

The Indian Railways has demonstrated exemplary performance over the last two years despite operational challenges. It has been able to provide a cost effective and hassle-free mode of transportation for millions of people while ensuring continuous movement of goods across the country.

The Government of India's commitment to strengthen the country's railway infrastructure is reflected through various initiatives undertaken to boost the sector such as a 16.9% increase in allocation

in the Union Budget 2022-23 to the tune of ₹ 1,40,367.13 crore. Additionally, the development of 400 new 'Vande Bharat' trains and 100 freight terminals over the next three years under the PM Gati Shakti project will provide the much needed impetus to the sector. With the sector experiencing dynamic growth with world-class advancements in both freight and passenger transportation, it is poised to emerge as an engine of economic growth of the country.

In the changing infrastructure landscape of the country, the Indian Railways in particular, we, at IRFC are determined to contribute to India's resolve in developing and expanding the infrastructure sector with a special focus on the Railways. To substantiate this, I would also like to make mention about our funding target of ₹ 66,500 crore in FY 2022- 23 from the Ministry of Railways which will be mobilised from domestic as well as overseas financial market.

### Operational Highlights

We have consistently exhibited robust financial performance on the back of raising funds at competitive rates. This has helped us keep our cost of borrowings low. Strategic relationship with the Ministry of Railways enables us to maintain a low risk profile. The FY2021-22 has been another year of strong financials. The total disbursement for FY 2021-22 was ₹ 60,683.41 Crores comprising of ₹ 28,100 Crore for funding of Rolling Stock, ₹ 31,883.41 Crore for financing of Railway



I am pleased to report that your Company has been ranked 96th in Fortune India 500 list of companies based on financials of fiscal 2020-21.

Projects under EBR-IF and ₹ 700 Crores to meet the debt financing requirements of RVNL. The cumulative funding to Railway Sector has crossed ₹ 5.04 lakh crore mark. Assets Under Management stood at ₹ 4,15,238 crore.

Borrowings during the year include Taxable Bonds worth ₹ 19,847.90 crore (Previous year ₹ 21,537.70 crore), External Commercial Borrowings (ECB) of ₹ 12,004.17 crore (previous year ₹ 29,586.95 Crore) at exchange rate prevailing on the draw down date, Rupee Term Loans of ₹ 42,900 crore (previous year ₹ 52,401.75 Crore) and 54EC bonds of ₹ 1,161.01 crore (previous year ₹ 842.60 crore). The weighted average cost of the pool of borrowings made by Company during the year 2021-22 worked out to 6.42% (semi-annual) as against 6.51% (semi-Annual) during the previous year 2020-21.

Revenue from operations of Company has increased by ₹ 45,280.47 million from ₹ 1,57,702.21 million in 2020-21 to

₹ 2,02,982.68 million in 2021-22, showing a growth of 28.71 %. Profit before Tax (PBT) of Company for the year ended 31st March 2022 was ₹ 60,901.55 million as compared to ₹ 44,161.31 million for the previous year, registering a growth of 37.91%.

During the year, the Company constantly diversified its borrowing portfolio to meet the target of borrowings mandated by MoR at the most competitive rates and terms. In its endeavor towards diversification of borrowing portfolio, Company raised funds to the extent of USD 500 Million through Green Bonds at a fixed coupon of 3.57% semi-annual rate. Company also raised JPY loan equivalent to USD 1.10 bn/INR 8,274.23 Cr comprising of two tranches of USD 700 mn and USD 400 mn having tenor of 10 years and 7 years respectively through Green Loan (Offshore loan).

Your Company based on its performance vis-à-vis the targets set out in the MOU for the year 2020-21, was awarded 'Excellent' rating from the Department of Public Enterprises.

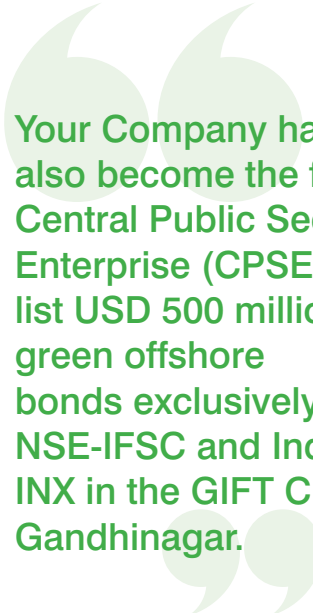
The Company continued to maintain high level of employee productivity and efficiency as reflected in its low overhead to turnover ratio of less than 0.13%.

As on 31st March 2022, 86.36% of the paid-up equity share capital of the Company comprising of 11,28,64,37,000 Equity Shares of ₹ 10/- each were held by President of India acting through administrative ministry i.e., Ministry of Railways (MoR). The balance 13.64% of paid-up equity share capital was held by public. Based on market capitalization of Company, it is in the list of top 500 listed companies as on 31st March 2022.

Company had declared the Interim Dividend @ 7.70% i.e., ₹ 0.77/- per equity share having face value of ₹ 10/- each for F.Y. 2021-22 and has also recommended a Final Dividend @ 6.30% i.e., ₹ 0.63/- per equity share, subject to approval of the shareholders at the ensuing Annual General Meeting, thus the total dividend for the financial year 2021-22 would amount to ₹ 1.40/- per equity share of ₹ 10/- each.

Company considers good corporate governance practices a sine qua non for sustainable business that aims at generating long term value for its shareholders and all other stakeholders. Accordingly, it has been laying increasing emphasis upon development of best corporate governance practices amongst Central Public Sector Enterprises (CPSEs). Pursuant to the DPE Guidelines on Corporate Governance, quarterly compliance report is being submitted to the Ministry of Railways, through DPE, within the stipulated time. Further, the Report containing Annual Score (consolidated score of four quarters) was also submitted to DPE within the prescribed timeline.

During the financial year 2021-22, the Company was required to spend under Corporate Social Responsibility (CSR) ₹ 70.06 crore, against which, the Company has disbursed a sum of ₹ 45.02 crore, including, ₹ 38.91 crore contribution to PM CARES Fund, ₹ 3 crore to Clean Ganga Fund, ₹ 2 crore to Swacch Bharat Kosh, ₹ 99.96 lakh contribution towards Armed Forces Flag Day Fund (AFFDF), ₹ 0.1128 crore towards ongoing project of skill training of 500 persons with disabilities



**Your Company has also become the first Central Public Sector Enterprise (CPSE) to list USD 500 million green offshore bonds exclusively at NSE-IFSC and India INX in the GIFT City, Gandhinagar.**

and the balance amount of ₹ 25.04 crore would be disbursed on receipt of bills/claims from the implementing agencies in future.

I am pleased to report that your Company has been ranked 96th in Fortune India 500 list of companies based on financials of fiscal 2020-21. Your Company has also become the first Central Public Sector Enterprise (CPSE) to list our USD 500 million green offshore bonds exclusively at NSE-IFSC and India INX in the GIFT City, Gandhinagar.

### **Road Ahead**

For the year 2022-23, the annual funding target for IRFC has been fixed at ₹ 66,500 crore which includes ₹ 31,000 crore for funding of Rolling Stock assets and funding of Railway projects to the extent of ₹ 35,500 crore.



As to move towards the new fiscal, in addition to funding the Indian railways, Company is looking forward to diversify into non-railway projects with a backward or a forward linkage with the Indian Railways. For this, Company is broadening its mandate and boosting capacity. Additionally, Company is also looking forward to add the World Bank, New Development Bank, National Bank for Financing Infrastructure and Development (NBFID) and a number of other European banks to Company's list of borrowers.

With India's transforming railway landscape and evolving infrastructure, I consider ourselves to be fortunate that Company is well positioned to seize the emerging opportunities. I am confident that Company will be able to achieve strategic goals while delivering sustained and compelling results in the future.

**Company has posted highest ever Profit After Tax of Rs. 6,090 Crore.**

I express my gratitude to customers, shareholders, suppliers, employees, lending institutions, stakeholders and the Government of India for reposing their confidence and trust in the Company. The Company looks forward to their continued support for sustaining its excellent performance levels.

Regards,

**Sd/-**  
**(Shri Amitabh Banerjee)**  
 Chairman & Managing Director  
 DIN: 03315975



# About us

**Indian Railway Finance Corporation (NBFC-ND-IFC by RBI) is a schedule-'A' Miniratna CPSE under the administrative control of Ministry of Railways (MoR)**

Since inception in 1986, IRFC has been mobilising funds from domestic and international markets for Indian Railways. IRFC is continually broadening its borrowing portfolio in order to appropriately support Indian Railways' year after year.

With more than 3 decades of experience, IRFC has made a huge contribution in the development and growth of Indian Railways and Railway entities including Rail Vikas Nigam Limited (RVNL) and IRCON.







## VISION

To be the pivotal and premier Financial Services Company for the development of Rail Transport Sector while maintaining its symbiotic relationship with the Ministry of Railways.



## MISSION

To make IRFC one of the leading Financial Service Companies in the country, for raising funds from the capital market at competitive cost for augmenting railway plan finances, duly ensuring that the Corporation makes optimum profits from its operations.





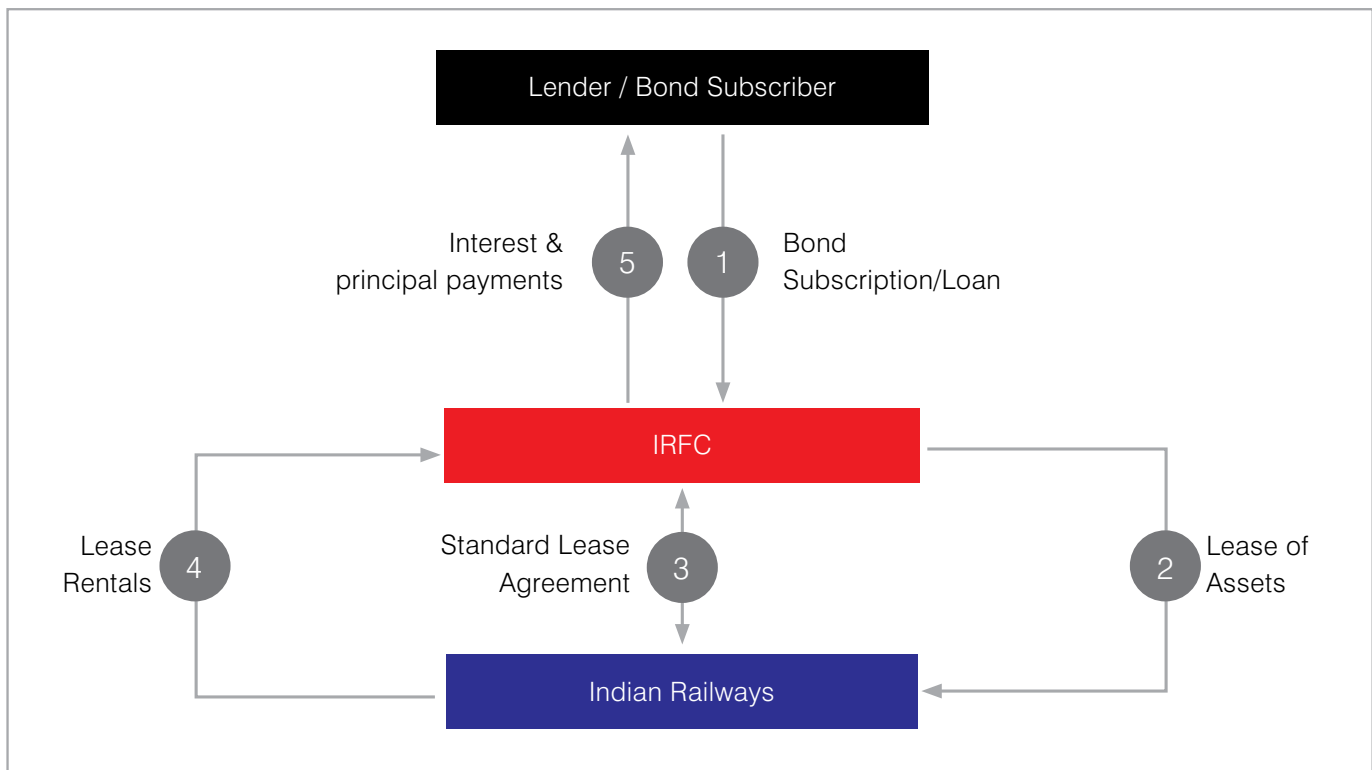
# Business overview

IRFC a statutory body under the Ministry of Railways plays a significant role in funding the Indian Railways -"the national operator of railway system". Our main business is to finance the acquisition of rolling stock assets, leasing of railway infrastructure assets, and lending to other entities under the MoR.

## Our Leasing Operations

IRFC uses a leasing approach to fund Indian Railways' Rolling stock and project assets. The normal lease term is 30 years, with a primary component of 15 years and a secondary component of 15 years. During the primary lease period, the principal component and interest are recovered as part of the lease. Secondary lease period assets are normally transferred to the MoR for a nominal sum at the conclusion of the lease. We have a cost-plus leasing agreement with the Ministry of Railways, which ensures consistent growth in our income and profitability. MoR pays half-yearly lease rentals in advance, which include both principal repayment and interest.

### Financing of Rolling Stock/ Project Assets



## Our Lending Operations

We lend funds to MoR and other Railway Entities in order to fuel their growth plan. We have provided loans to Rail Vikas Nigam Limited (RVNL) and IRCON.

## Our Borrowing Operations

We raise funds through various sources at lowest feasible market rate. Our source of funds include taxable and tax-free bonds issuances, term loans from banks and financial institutions, commercial papers, external commercial borrowings and asset securitization. Due to our strong credit ratings, we get funds at significantly low cost.

### Borrowing Profile for FY 2021-22

₹ 1,98,479 Mn

Taxable Bonds

₹ 4,29,000 Mn

Rupee Term Loans

₹ 1,20,041.70 Mn

External Commercial Borrowing

₹ 11,610.1 Mn

54 EC Bonds

## GREEN BORROWINGS

**IRFC** raised funds to the extent of **USD 500 Mn** through **Green Bonds** at a fixed coupon of **3.57% Per annum payable semi annually**. IRFC has become the **first CPSE** in the country to list its offshore bonds exclusively at Indian stock exchanges established in the GIFT City, Gandhinagar.

**IRFC** raised **Green/JPY Loan** equivalent to **USD 1.10 Bn/INR 8,274.23 Cr** comprising of two tranches of **USD 700 Mn** and **USD 400 Mn** having tenor of 10 years and 7 years respectively through **Green Loan (Offshore loan)**





# Strategic priorities

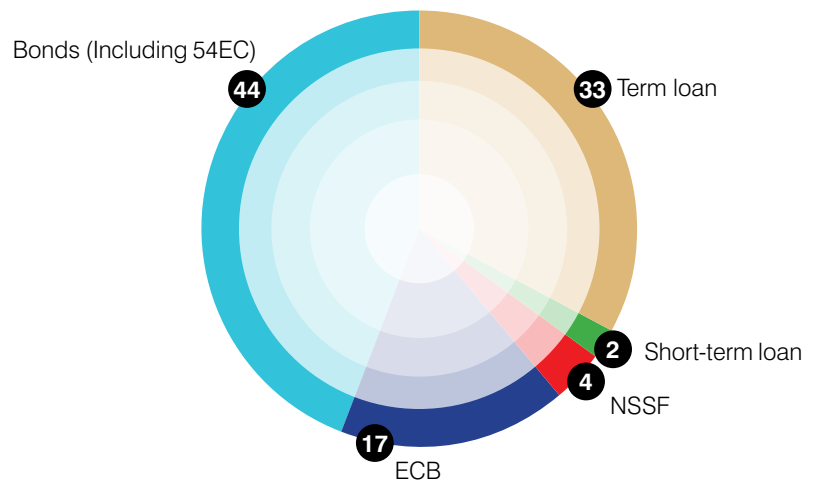
## Maintaining competitive cost of borrowings

At IRFC, we focus on getting borrowings at minimum cost which in turn enables us to provide funds to Indian Railways at competitive rate. We raise funds from various sources including term loans and bonds from domestic and international market. We raise funds at low cost as we have strong credit ratings and strategic relationship with the MoR.

## Prudent financial management

Our robust business model and optimum funding mix enables us to maintain healthy balance sheet and liquidity position. Additionally, our cost plus strategic approach enables us to register sustained growth in income year on year and maintain profitability.

**Borrowing mix as on 31st March, 2022 (%)**





### Diversifying Borrowing Portfolio

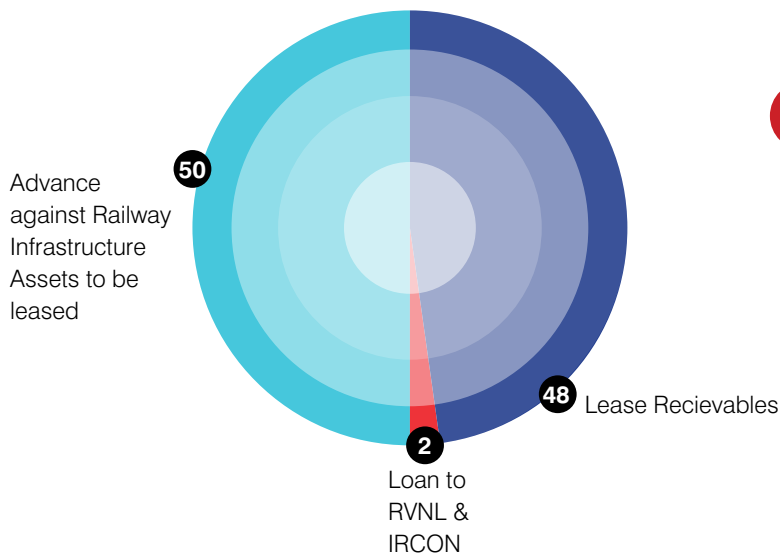
Since inception, we have focused on diversifying our borrowing portfolio by including different financial instruments at cost competitive rates and pioneering newer markets and investors. Different financial instruments such as green bonds / loans forms a part of our borrowing portfolio. We are also eyeing on opportunities on getting funds from sovereign wealth funds and pension funds as well as multilateral agencies such as the World Bank and the Asian Development Bank. Diverse source of funding and issuance of varied financial instrument enable us to raise and offer funds at lowest possible cost.

### Asset-liability management

We have formed an asset-liability management framework that enable us to minimise the risks associated with liquidity and interest rate. We undertake periodic analysis of long-term liquidity profile of assets, liabilities, receipts and debt-service obligations. This enables us to take timely decision regarding the time, volume and maturity profile of borrowings and a creation of a mix of assets and liabilities in terms of tenure and interest rate (fixed or floating). We also emphasis on maintaining a sharp focus on locating funding sources with long term repayment schedules and matching them with the lease terms of Rolling Stock Assets and Project Assets that we fund.



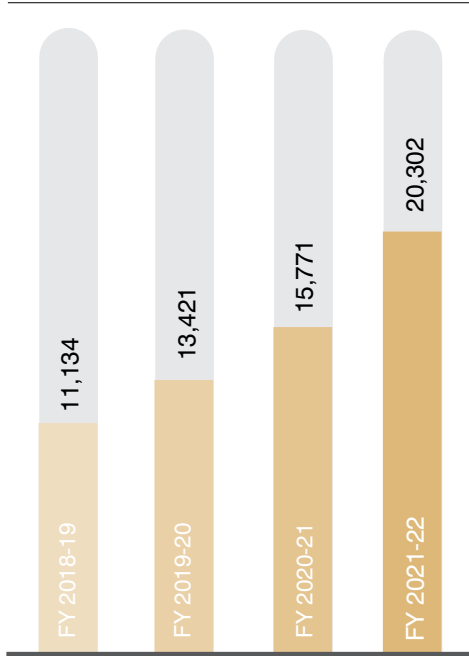
AUM break-up (%)



# Financial highlights

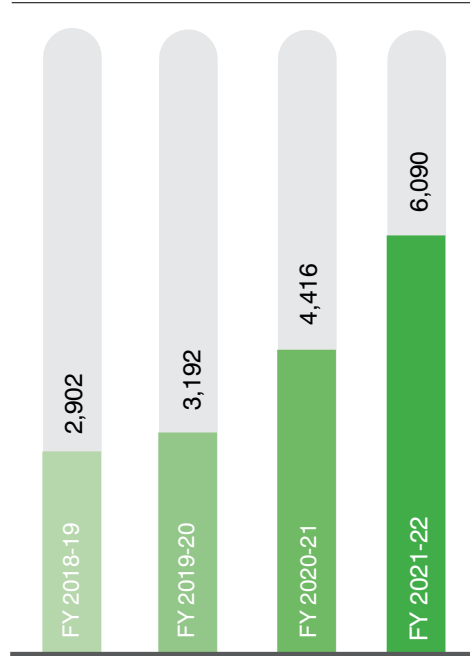
## Total Income

(₹ In Crore)



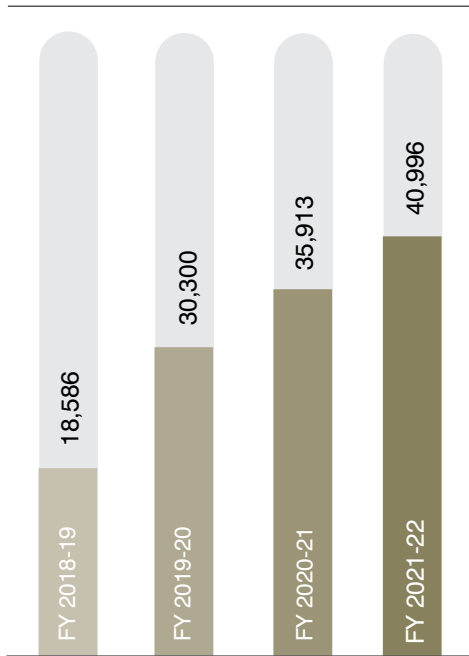
## PAT

(₹ In Crore)



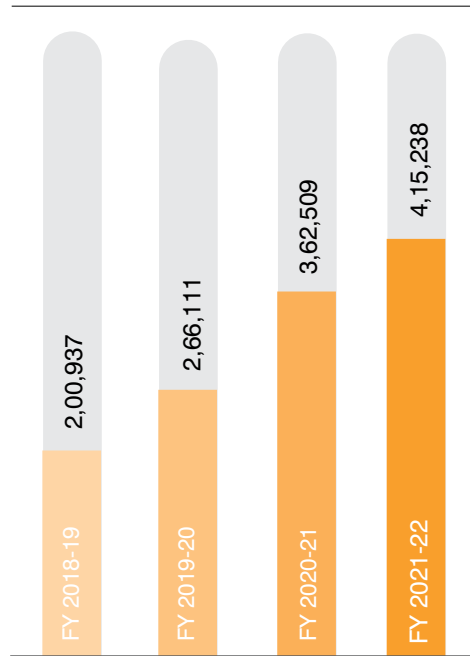
## Net Worth

(₹ In Crore)

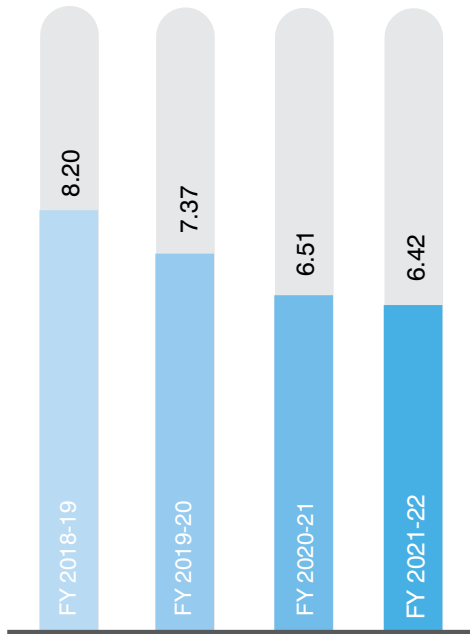


## AUM

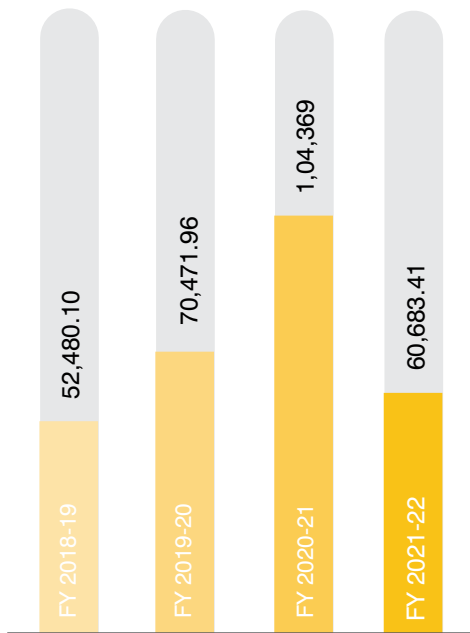
(₹ In Crore)



**Weighted average cost of borrowing**  
(%)



**Funds provided to MOR**  
(₹ In Crore)





# Corporate social responsibility

We aim to empower and aid underserved sections of society, as well as address their needs and problems. Our efforts are focused on making a positive impact on communities, and we seek to achieve this through our corporate social responsibility activities. We collaborate with government agencies and other organisations to impact people's lives in tangible ways.

## ₹ 70.06 Crore

Required Spending in FY 21-22

## ₹ 70.06 Crore

Total Approved Projects

## ₹ 45.02 Crore

Disbursed in FY 21-22

## ₹ 38.91 Crore

Contribution to PM Cares Fund

## ₹ 3 Crore

Clean Ganga Fund

## ₹ 2 Crore

Swach Bharat Kosh

## ₹ 0.996 Crore

Contribution towards Armed Forces Flag Day Fund (AFFDF)

## ₹ 0.1128 Crore

Skill training of 500 persons with disabilities

## ₹ 25.04 Crore

Disbursement will be made on receipt of bills /claims from the implementing agencies in future





CSR - Handing over of Computer Navigation System



CSR - Handing over of Ambulance



CSR - Flagging off Ambulance



CSR - Inauguration of Computer Navigation System



**Indian Railway Finance Corporation of India Limited**

(A Government of India Enterprise)

CIN: L65910DL1986GOI026363

**Regd. Office:** Room Nos 1316 - 1349, 3rd Floor, The Ashok, Diplomatic Enclave, 50-B, Chanakyapuri, South West, New Delhi - 110021**Phone No.:** 011-24100385**Website:** <https://irfc.co.in/>, **Email Id:** [investors@irfc.co.in](mailto:investors@irfc.co.in)

## NOTICE

Notice is hereby given that the **Thirty Fifth Annual General Meeting (35th AGM) of Indian Railway Finance Corporation Limited (IRFC)** will be held on **Friday, 23rd September, 2022 at 3.00 p.m. (IST)** through Video Conferencing/Other Audio-Visual Means (VC/OAVM) at registered office of the Company at Room Nos. 1316 - 1349, 3rd Floor, The Ashok, Diplomatic Enclave, 50-B, Chanakyapuri, New Delhi – 110021 to transact the following businesses: -

### ORDINARY BUSINESS

#### Item No. 1

To receive, consider, approve and adopt the audited financial statements of the Company for the financial year ended 31st March, 2022, along with the Reports of the Board of Directors and Auditors thereon and Comments of the Comptroller and Auditor General of India (CAG) by passing the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended on 31st, March, 2022 together with the Board’s Report and the Auditors’ Report thereon and Comments of the Comptroller and Auditor General of India, be and are hereby received, considered and adopted.”

#### Item No. 2

Confirmation of payment of interim dividend and declaration of final dividend on equity shares by passing the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** the interim dividend @ 7.7% i.e., ₹ 0.77/- per share on 1306,85,06,000 Equity Shares of ₹10/- each fully paid up, paid to the shareholders for the financial year 2021-22, as per the resolution passed by the Board of Directors at their meeting held on 1st November, 2021 be and is hereby noted and confirmed.

**RESOLVED FURTHER THAT** in terms of the recommendation of the Board of Directors of the Company at their meeting held on 20th May 2022, the approval of the Members of the Company be and is hereby accorded for payment of final dividend @ 6.3% (i.e., ₹ 0.63/- per share) on 1306,85,60,000 Equity Shares of ₹ 10/- each fully paid up for the financial year ended 31st March 2022.”

#### Item No. 3

Re-appointment of Ms. Shelly Verma as a Director (Finance) by passing the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** Ms. Shelly Verma (DIN: 07935630), who retires by rotation and being eligible, be and is hereby re-appointed as a Director (Finance) of the Company.”

### SPECIAL BUSINESS

#### Item No. 4

Appointment of Shri Vallabhbbhai Maneklal Patel (DIN: 07713055) as Non- Official / Independent Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution(s) as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 149,152, and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”), Companies (Appointment and Qualification of Directors) Rules, 2014, relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company, Shri Vallabhbbhai Maneklal Patel (DIN: 07713055) was appointed as an Additional Director (Non-Official/Independent Director) of the Company as per Ministry of Railways (MoR) order no. 2019/PL/57/22 dated 9th November 2021 with effect from 10th November, 2021, holds office upto the date of ensuing Annual General Meeting under Section 161 of the Act and who has submitted a declaration that he meets criteria of Independence as provided under the Act and the Listing Regulations be and is hereby appointed as Non- Official/Independent Director of the Company, as per MoR order dated 9th November, 2021, not liable to retire by rotation.

**RESOLVED FURTHER THAT** any Director or Company Secretary be and is hereby authorized to sign and file required e-forms with Registrar of Companies, NCT of Delhi & Haryana, Ministry of Corporate Affairs and to do all acts, deeds, matters and things may be deemed necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”



**Item No. 5**

Appointment of Smt. Sheela Pandit (DIN: 09403193) as Non-Official/Independent Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution(s) as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 149,152, and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), Companies (Appointment and Qualification of Directors) Rules, 2014, relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company, Smt. Sheela Pandit (DIN: 09403193) was appointed as an Additional Director

(Non- Official/ Independent Director) of the Company as per Ministry of Railways (MoR) order no. 2019/PL/57/22 dated 9th November 2021 with effect from 22nd November, 2021, holds office upto the date of ensuing Annual General Meeting under Section 161 of the Act and who has submitted a declaration that she meets criteria of Independence as provided under the Act and the Listing Regulations be and is hereby appointed as Non-Official/ Independent Director of the Company, as per MoR order dated 9th November, 2021, not liable to retire by rotation.

**RESOLVED FURTHER THAT** any Director or Company Secretary be and is hereby authorized to sign and file required e-forms with Registrar of Companies, NCT of Delhi & Haryana, Ministry of Corporate Affairs and to do all acts, deeds, matters and things may be deemed necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

By order of the Board of Directors

Sd/-  
**(Vijay Babulal Shirode)**  
Company Secretary

Place: New Delhi  
Date: 11<sup>th</sup> August, 2022

## NOTES: -

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts concerning the business under Item Nos. 4 & 5 of the accompanying Notice, is annexed hereto.
2. Pursuant to Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021 dated 8th April 2020, 13th April 2020, 5th May, 2020, 13th January, 2021, 8th December, 2021 and 14th December, 2021 followed by Circular No. 2/2022 dated 5th May, 2022 issued by the Ministry of Corporate Affairs (hereinafter collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars the 35th AGM of the Company is being conducted through VC/OAVM Facility, without physical presence of members at a common venue. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM The deemed venue for the 35th AGM shall be the Registered Office of the Company.
3. Pursuant to the provisions of the Companies Act, 2013 ("Act") a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since the 35th AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with.

Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members such as the President of India or the Governor of a State or body corporate may be appointed for the purpose of casting vote through remote e-Voting prior to the AGM, participation in the 35th AGM through VC/OAVM Facility and for electronic voting during the AGM.

4. Attendance of the Members participating in the 35th AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. In line with the MCA Circulars and SEBI Circular referred above, the Notice of the 35th AGM along with Annual Report is being sent by e-mail to all members, whose e-mail IDs are registered with the Company. However, the Shareholders of the Company may request physical copy of the Notice and Annual Report from the Company by sending a request at

investors@irfc.co.in, in case they wish to obtain the same. The said documents are available on the website of the Company at <https://irfc.co.in/> and on the website of National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and BSE Limited at [www.bseindia.com](http://www.bseindia.com) and also on the website of Central Depository Securities Limited ("CDSL") at [www.evotingindia.com](http://www.evotingindia.com).

The Company had published advertisements in newspapers to encourage shareholders, holding shares in physical and electronic form, to register/update their email IDs for receiving the Annual Report for the financial year 2021-22.

Those shareholders who have still not been able to update their e-mail IDs, may follow the below process for registration of e-mail IDs with the Company:

- In case shares are held in Demat mode, please send an e-mail to [irfc@beetalfinancial.com](mailto:irfc@beetalfinancial.com) or [investors@irfc.co.in](mailto:investors@irfc.co.in) quoting DP ID Client ID (16-digit DP ID + Client ID or 16-digit beneficiary ID), Name of holder(s), scanned copy of client master list/demat account statement, PAN Card and Aadhaar Card.
  - In case shares are held in physical mode, please send an e-mail to [irfc@beetalfinancial.com](mailto:irfc@beetalfinancial.com) or [investors@irfc.co.in](mailto:investors@irfc.co.in) quoting Folio No., Name, scanned copy of Share certificate (front & back), PAN Card and Aadhaar Card.
6. All Members of the Company including Institutional/ Corporate Investors are encouraged to attend the AGM and vote on items to be transacted at the AGM. All Institutional / Corporate shareholders (i.e., other than individuals, HUF, NRI, etc.) are requested to send a certified copy of the Board or governing body resolution / authorization letter authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-Voting. The said resolution/ authorization shall be sent to the Scrutinizer through e-mail at [csdelhi84@gmail.com](mailto:csdelhi84@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  7. The Company has fixed **Friday, 16th September, 2022** as the Cut-off date for determining the eligibility to vote in respect of items of business to be transacted at the 35th AGM.

Any person holding shares in physical form and non-individual shareholders who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and is holding shares as on the cut-off date, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if he / she is already registered with CDSL for remote e-voting, then he / she can use his / her existing user ID and password for casting the vote. Any shareholder who disposes off his

shareholding such that he/she is not a member as on the cut-off date should treat this Notice for information purposes only.

The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

8. The Register of Members and Share Transfer Books of the Company will remain closed from **Monday, 19th September, 2022 to Thursday, 22nd September, 2022** (both days inclusive).
9. M/s Akhil Rohatgi & Company, Company Secretaries, New Delhi has been appointed as the Scrutinizer to scrutinize the votes cast through e-voting by the shareholders in respect of items of business to be transacted at the 35th AGM, in a fair and transparent manner.
10. The Company's Registrar and Transfer Agents for its share registry work (Physical and Electronic) is **M/s. Beetal Financial & Computer Services (P) Ltd.** (herein after referred to as "R &TA"). All documents, transfers, dematerialization requests and other communications in relation thereto should be addressed directly to the Company's Registrar & Share Transfer Agents, at the address mentioned below:

M/s. Beetal Financial & Computer Services (P) Ltd.  
 (Unit: Indian Railway Finance Corporation Limited)  
 Beetal House, 3rd Floor, 99 Madangir,  
 Behind local Shopping Centre,  
 Near Dada Harsukhdas Mandir,  
 New Delhi- 110062  
 Phone- 91-11-2996 1281-83  
 Fax- 91-11-2996 1284  
 Email: [irfc@beetalfinancial.com](mailto:irfc@beetalfinancial.com)  
 Website: [www.beetalfinancial.com](http://www.beetalfinancial.com)

11. In compliance with provisions of MCA Circulars and SEBI Circular referred above, Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (LODR) Regulations, 2015 and Secretarial Standards on General Meetings issued by ICSI, the Company is offering e-voting facility to the shareholders to enable them to cast their votes electronically on the items mentioned in the Notice. Those Shareholders who do not opt to cast their vote through remote e-voting, may cast their vote through electronic voting system during the AGM.

CDSL will be providing facility for remote e-voting, participation in the 35th AGM through VC/OAVM and voting during the 35th AGM through electronic voting system. The remote e-voting period begins on **Tuesday, 20th September, 2022 at 9:00 AM (IST)** and ends on **Thursday, 22nd September, 2022 at 5:00 PM (IST)**. The remote e-voting module shall be disabled by CDSL for

voting thereafter.

Members may join the 35th AGM through VC/OAVM, which shall be kept open for the Members from Friday, 23rd September, 2022 i.e., 15 minutes before the scheduled start time and the Company may close the window for joining the VC/OAVM facility 15 minutes after the scheduled start time on date of AGM.

Please refer to detailed instructions for remote e-voting, attending the 35th AGM through VC/OAVM and electronic voting during the AGM as mentioned in point No 27. of Notes. The facility of participation at AGM through VC/OAVM will be made available for 1000 members on first come first serve basis.

12. In pursuance of Article 114 of the Articles of Association of the Company read with Section 123 of the Companies Act, 2013 and Companies (Declaration and Payment of Dividend) Rules, 2014, as amended from time to time, Board of Directors, in their meeting held on 01st November 2021, had declared the Interim Dividend @ 7.7% i.e., ₹ 0.77/- per equity share having face value of ₹ 10/- each for F.Y. 2021-22, which was paid on 23rd November 2021. Members who have not received/encashed their dividend warrants within its validity period may write to the Company at its Registered Office or to the R&TA of the Company, for revalidating the warrants or payment in lieu of such warrants in the form of demand draft or direct credit to bank by furnishing documents to RTA Agent at their email id: [irfc@beetalfinancial.com](mailto:irfc@beetalfinancial.com).

Further, the final dividend, as recommended by the Board of Directors, if approved at the AGM, payment of such dividend, subject to deduction of tax at source, will be made within 30 days of the AGM as under:

- i. Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as at the end of business hours on **Friday, 16th September, 2022**.
- ii. Members in respect of shares held in physical form (after giving effect to valid transmission or transposition requests lodged with the Company, if any) as at the end of business hours on **Friday, 16th September, 2022**.

Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. April 1, 2020, and the Company will be required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In order to enable compliance with TDS requirements in respect of dividends declared by the Company in future, members are requested to submit Form 15G/15H on annual basis and update details about their Residential Status, PAN, Category



as per the IT Act with their Depository Participants or in case of shares held in physical form, with the Company / R&TA, so that tax at source, if any as per applicable rates and residential status, may be deducted in respect of dividend payments made by the Company in future. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits.

13. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form who have not done so are requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to RTA.
14. As directed by SEBI, Members are requested to:
  - I. Intimate to the DP, changes if any, in their registered addresses and/or changes in their bank account details, if the shares are held in dematerialized form.
  - II. Intimate to the Company's RTA, changes if any, in their registered addresses, in their bank account details, if the shares are held in physical form (share certificates).
  - III. Consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.
15. As SEBI has made usage of electronic payment modes for making cash payments to the investors mandatory, therefore members are advised to submit their National Electronic Clearing System (NECS)/National Electronic Fund Transfer (NEFT)/ Direct Credit mandates or changes therein, to enable the Company to make payment of dividend by means of NECS/ NEFT/ Direct Credit/Warrants. Shareholders holding shares in physical form may send the NECS/NEFT/ Direct Credit to R&TA at the address i.e., M/s. Beetal Financial & Computer Services (P) Ltd. Beetal House, 3rd Floor, 99 Madangir, Behind local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi- 110062 and to their email id: [irfc@beetalfinancial.com](mailto:irfc@beetalfinancial.com). Shareholders holding shares in electronic form may send the NECS/NEFT/Direct Credit Mandate Form directly to their Depository Participant (DP). Those who have already furnished the NECS/NEFT/ Direct Credit Mandate Form to the Company / R&TA / DP with complete details need not send it again.
16. Members who have not received/encashed their dividend warrants within its validity period may write to the Company at its Registered Office or to the R&TA of the Company, for revalidating the warrants or payment in lieu of such warrants in the form of demand draft or direct credit to bank by furnishing documents to RTA Agent at their email id [irfc@beetalfinancial.com](mailto:irfc@beetalfinancial.com).
17. Members are requested to note that, dividends if not encashed for a consecutive period of seven (7) years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.
18. Pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India, the brief resume of Ms. Shelly Verma (DIN: 07935630), Director Finance retiring by rotation and seeking re-appointment under aforesaid Item No. 3; and Shri Vallabhbhai Maneklal Patel (DIN: 07713055) & Smt. Sheela Pandit (DIN: 09403193) Non-official/Independent Director seeking appointment under Item No. 4 & 5 respectively, in accordance with applicable provisions of the Articles of Association of the Company, is annexed hereto and forms part of this Notice.
19. Pursuant to Section 143(5) of the Act, the Auditors of a Government Company shall be appointed or re-appointed by the Comptroller and Auditor General of India (C&AG) and in terms of Sub-section (1) of Section 142 of the Act, their remuneration has to be fixed by the Company in the meeting or in such manner as the Company in General Meeting may determine. The Members of your Company in its 33rd meeting held on 30th September, 2020 had authorised the Board of Directors to fix remuneration of Statutory Auditors. Accordingly, the Board of Directors fix the remuneration of the Statutory Auditors every year.
20. SEBI encourages all shareholders to hold their shares in dematerialized form as this eliminates the possibility of damage/loss of physical share certificate(s) & cases of forgery and facilitates the ease and convenience of paperless trading of shares.
 

Further, no stamp duty is payable on transfer of shares held in Demat form. It is also pertinent to mention that as per Regulation 40 of SEBI Listing Regulations, as amended, request for effecting transfer, transmission and transposition of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, we request you to convert your shareholdings from physical form to demat form at the earliest, in existing demat account or new demat account to be opened with

any Depository Participant (DP). Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4 introduced by SEBI.

21. SEBI vide its Circular dated 3rd November, 2021, has reiterated that it is mandatory for all holders of physical securities to furnish their PAN as well as KYC to the RTA (Registrar and Share Transfer Agent) of the Company in respect of all concerned Folios and the Folios wherein even any one of the PAN, Address with PIN Code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination by holders of physical securities are not available on or after April 01, 2023, shall be frozen by the RTA. SEBI has introduced Form ISR-1 alongwith other relevant forms to lodge any request for registering PAN, KYC details or any change/ updation thereof.

In terms of the aforesaid SEBI Circular, effective from 1st January 2022, any service requests concerning transmission, transposition, sub-division, consolidation of shares or any other related matter or complaints received from the member, are not processed by RTA till the aforesaid details/ documents are provided to RTA.

22. Members who hold shares in electronic mode are requested to send all correspondence concerning transmission, transposition, sub-division, consolidation of shares or any other related matter and/or change in address or bank account, to their respective Depository Participants.
23. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.

The Interim Dividend declared for the financial year 2020-21 would be due for transfer to IEPF on 14th April, 2028 and Interim Dividend declared for the financial year 2021-22 would be due for transfer to IEPF on 05th January, 2029. Members, who have not claimed the Unpaid Interim Dividend so far, are requested to make their claim to the Company's Registrar & Transfer Agents (R & T Agents).

Pursuant to the provisions of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the requisite details of unpaid and unclaimed amounts lying with the Company has been uploaded on Company's website (<https://irfc.co.in/>).

Members may please note that in the event of transfer of such shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF authorities by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF- 5.

24. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to write to the R&TA of the Company at [irfc@beetafinancial.com](mailto:irfc@beetafinancial.com) in Form SH-13 as prescribed in the Companies (Share Capital and Debentures) Rules, 2014. In case of shares held in dematerialized form, the nomination form has to be lodged directly with the respective DP.
25. The Register of Directors and Key Managerial Personnel (KMP) and their shareholding maintained under Section 170 of the Companies Act, 2013, Register of contracts and arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice, will be available for inspection through electronic mode, without any fee, by the members from the date of circulation of this Notice, up to the date of AGM i.e., Friday, 23rd September, 2022. Members desiring for inspection of said documents are requested to send an e-mail to the Company at [investors@irfc.co.in](mailto:investors@irfc.co.in).
26. Members desirous of getting any information on any item(s) of business of this meeting are requested to send an e-mail mentioning their name, demat account number/folio number, email id, mobile number to [investors@irfc.co.in](mailto:investors@irfc.co.in) at least seven days prior to the date of the AGM and the same will be replied by the Company suitably.
27. The Instructions for remote e-voting, attending the 35th AGM through VC/OAVM and electronic voting during the AGM are as under:

**(A) THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- i. The voting period begins on Tuesday, 20th September, 2022 at 9:00 AM (IST) and ends on Thursday, 22nd September, 2022 at 5:00 PM (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The Members who have cast their vote by remote e-Voting prior to the AGM may attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote on such resolution again.
- iii. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to

its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/**

**websites of Depositories/ Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- iv. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their Demat Accounts with Depository Participants or Direct registration with Depositories. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/">https://web.cdslindia.com/myeasi./Registration/</a> EasiRegistration.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.</li> </ol>



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider’s website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

- (v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.
1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  2. Click on "Shareholders" module.
  3. Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  4. Next enter the Image Verification as displayed and Click on Login.
  5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  6. If you are a first-time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

## (xvi) Facility for Non – Individual Shareholders and Custodians –Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at [csdelhi84@gmail.com](mailto:csdelhi84@gmail.com) and to the Company at the email address viz; [investors@irfc.co.in](mailto:investors@irfc.co.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**(B) INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [investors@irfc.co.in](mailto:investors@irfc.co.in). These queries will be replied by the company suitably by email. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.



If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**28. Process for those Shareholders whose email addresses are not registered with the Depositories for obtaining Login Credentials for e-voting for the resolutions proposed in this notice:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to RTA email id at [irfc@beetalfinancial.com](mailto:irfc@beetalfinancial.com)
  2. For Demat shareholders - please provide Demat account details (CDSL-16-digit beneficiary ID or NSDL-16-digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to RTA email id at [irfc@beetalfinancial.com](mailto:irfc@beetalfinancial.com).
29. The Scrutinizer shall, after the conclusion of the electronic voting during the AGM, assess the votes cast at the meeting through electronic voting system, thereafter unblock the votes cast through remote e-voting and make a consolidated Scrutinizer's Report not later than 48 hours of conclusion of AGM and submit the same to the Chairman of the Meeting, or a person authorised by him in writing, who shall countersign the same.
30. The results of the voting indicating the number of votes cast in favour or against each of the Resolution(s), invalid votes and whether the Resolution(s) have been carried out or not, together with the Scrutinizer's Report, will be uploaded on the website of the Company (<https://irfc.co.in/>) and on CDSL website ([www.evotingindia.com](http://www.evotingindia.com)) and will also be submitted to BSE Limited and National Stock Exchange of India Limited within the prescribed time. Further, the Resolution(s), if passed by requisite majority, shall be deemed to be passed on the date of 35th AGM.

## Annexure to the Notice

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No. 4 & 5

Ministry of Railways vide its Order No. 2019/PL/57/22 dated 09th November 2021 has conveyed that the President of India has approved the appointment of Shri Vallabhbhai Maneklal Patel, and Smt. Sheela Pandit, as Non-Official/Independent Directors on the Board of Indian Railway Finance Corporation Limited (IRFC) for a period of three years with immediate effect or until further orders, whichever is the earliest.

Further, as per the provision of SEBI (LODR) Regulations, 2015 the appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution.

Accordingly, approval of the members is required by way of special resolution for the appointment of Shri Vallabhbhai Maneklal Patel (DIN: 07713055), and Smt. Sheela Pandit (DIN: 09403193), as Non-Official/Independent Directors on the Board, who have been appointed as Additional Directors w.e.f. November 10, 2021 and November 22, 2021 respectively, as per MoR order dated 9th November, 2021, not liable to retire by rotation.

Shri Vallabhbhai Maneklal Patel, and Smt. Sheela Pandit have given a declaration that they meet the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Brief profile of Shri Vallabhbhai Maneklal Patel, and Smt. Sheela Pandit pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is given as Annexure to this Notice.

In view of above, the Board of Directors of the Company ("Board"), proposes to seek approval of the Members of the Company for appointment of Shri Vallabhbhai Maneklal Patel (DIN: 07713055), and Smt. Sheela Pandit (DIN: 09403193), as Non-official/Independent Directors on the Board, as set out in Item No. 4 & 5 of this Notice.

Except Shri. Vallabhbhai Maneklal Patel and Smt. Sheela Pandit being the proposed appointees, none of the Directors or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise, in passing of the said Resolution, except to the extent of their shareholding in the Company.

By order of the Board of Directors

Sd/-  
**(Vijay Babulal Shirode)**  
Company Secretary

Place: New Delhi  
Date: 11th August, 2022

## Annexure to the Notice

### DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING [PURSUANT TO REGULATION 36(3) OF THE SEBI LISTING REGULATIONS AND SECRETARIAL STANDARDS ON GENERAL MEETINGS]

<b>Name of Director</b>	Ms. Shelly Verma	Shri Vallabhbbhai Maneklal Patel	Smt. Sheela Pandit
<b>DIN</b>	07935630	07713055	09403193
<b>Date of Birth/Age</b>	13th April, 1965	6th January, 1969	4th May, 1985
<b>Date of Appointment</b>	1st September, 2020	10th November, 2021	22nd November, 2021
<b>Qualifications</b>	Bachelor's degree in Commerce from the University of Delhi and is also a fellow member of the Institute of Chartered Accountants of India (ICAI).	Bachelor's degree of Commerce from Gujarat University	Master's in Business Administration in Human Resource (MBA) and Bachelor's degree of Arts (History) & Bachelor's Degree of Education (B. ED)
<b>Expertise in specific Functional areas</b>	She has more than 30 years' experience in Power Sector Financing. Prior to her appointment to IRFC Board, she has served in various capacities, including, most recently, as Executive Director (Finance) with the Power Finance Corporation Limited.	Associated with Shri Ganesh Ginning & Pressing Factory since 1998 and having a vast experience in managing the affairs of the organization and knowledge of industry. He represents on various forums like FICCI, Cotton Ginning and Pressing Association etc. Also engaged into various educational and Philanthropic activities and acting as Chairman and Secretary of Sarva Vidyalaya Kelvani Mandal. Presently, acting as President of Kadi Sarva Vishwavidyalaya, Gandhinagar, Chairman of Kava Patidar Kelvani Uttejak Mandal and a Director of Sarva Vidyalaya Innovation Foundation a Section 8 Company. He has also been the Vice Chairman of Kadi Nagrik Sahakari Bank Limited from year 2002 to 2005. Member of Advisory Board of the Kalupur Commercial Cooperative Bank Limited, Gandhinagar.	She possesses specialization in the field of Management. Further, she has also been into the teaching profession and worked in various institutes such as Sunrise Convent School, Vishakahapatnam; ZB Zakaria English High School, Maharashtra; Ishan International School, Patna and Kendraliya Vidyalaya, Danapur. She is a social activist and active in social and philanthropic activities.
<b>Directorship held in other Companies</b>	Nil	Sarva Vidyalaya Innovation Foundation	Nil
<b>Membership/ Chairmanship of Committees across all Public Companies other than IRFC</b>	Nil	Nil	Nil
<b>Relationships between Directors inter-se</b>	There is no inter-se relationship with any other Director of the Company.	There is no inter-se relationship with any other Director of the Company.	There is no inter-se relationship with any other Director of the Company.
<b>Number of equity shares held in the Company</b>	Nil	Nil	Nil

For details regarding the number of meetings of the Board/Committees attended by the above Director during the year and remuneration drawn/sitting fees received, please refer to the Boards' Report and the Corporate Governance Report forming part of the Annual Report.



# Directors' Report

## Dear Shareholders,

Your directors have the pleasure in presenting the 35th Annual Report of the Company along with the Audited Financial Statements, Auditor's Report and review of the Accounts by the Comptroller & Auditor General of India for the financial year ended 31st March 2022.

## 1. Financial Highlights

The highlights of financial performance of your Company for the year ended 31st March 2022 in comparison to the year ended 31st March 2021 are summarized below:

Particulars	(₹ In Million)	
	Year ended 31-03-2022	Year ended 31-03-2021
I. Revenue from operations	2,02,982.68	1,57,702.21
II. Dividend Income	9.96	2.51
III. Other income	23.33	3.90
IV. Total Revenue (I+II+III)	2,03,015.97	1,57,708.62
V. Expenses		
Finance costs	1,40,747.82	1,12,370.53
Impairment on financial instruments	4.61	27.15
Employee benefit expense	107.48	78.47
Depreciation and amortization expense	140.25	44.32
Other expenses	1,114.26	1,026.84
Total Expenses	1,42,114.42	1,13,547.31
VI. Profit before tax (IV-V)	60,901.55	44,161.31
VII. Tax expense:		
(1) Current tax		-
(2) Adjustment for Earlier Years	3.19	-
(3) Deferred tax		-
Total Taxes	3.19	-
VIII. Profit (Loss) for the current Year from continuing operations (VI-VII)	60,898.36	44,161.31
IX. Other Comprehensive Income	(5.00)	14.76

Revenue from operations of your Company has increased by ₹ 45,280.47 million from ₹ 1,57,702.21 million in 2020- 21 to ₹ 2,02,982.68 million in 2021-22 , showing a growth of 28.71 %.

Profit before Tax (PBT) of your Company for the year ended 31st March 2022 was ₹ 60,901.55 million as compared to ₹ 44,161.31 million for the previous year, registering a growth of 37.91%.

Company has not made any provision for tax in its books pursuant to its decision to exercise the option of lower tax rate permitted u/s 115BAA of the Income Tax Act, 1961, as

introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated 20th September, 2019. The Company's taxable income was nil and it did not have to pay Minimum Alternate Tax (MAT) with reference to its Book Profit. MAT payable u/s 115 JB was outside the ambit of the Section 115 BAA. Thus, on adoption of Section 115 BAA of the Income Tax Act, 1961, the Company was outside the scope and applicability of MAT provisions and there was a zero-tax liability in the financial year 2021-22.

Profit After Tax for the year ending 31st March 2022 was ₹ 60,898.36 million as compared to ₹ 44,161.31 million for the previous year, registering a healthy growth of 37.90%.

## 2. Dividend & Reserves

### 2.1 Dividend

Your Company seeks to strike a judicious balance between the return to the shareholders and retaining a reasonable portion of the profit to maintain a healthy financial leverage with a view to supporting and sustaining future borrowings and growth.

Board of Directors, in their meeting held on 01st November 2021, had declared the Interim Dividend @ 7.7% i.e., ₹ 0.77/- per equity share having face value of ₹ 10/- each for F.Y. 2021- 22, which was paid on 23rd November 2021.

Further, the Board of Directors in its meeting held on 20th May 2022 has also recommended a Final Dividend @ 6.3% i.e., ₹ 0.63/- per equity share having face value of ₹ 10/- each, which is subject to approval of the shareholders at the ensuing Annual General Meeting. If approved, the total dividend for the financial year 2021-22 would amount to ₹ 1.4/- per equity share of ₹ 10/- each. The total dividend pay-out for the financial year 2021-22, including the proposed Final Dividend, would amount to ₹ 1,829.60 crore.

As per regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), the top 500 listed companies shall formulate a Dividend Distribution Policy. Accordingly, the policy was adopted to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/or retained profits earned by the Company. The policy is also available on the Company's website <https://irfc.co.in/wp-content/uploads/2022/05/Dividend-Distribution-Policy.pdf>

The unclaimed interim dividend amount for the FY 2020-21 as on 31st March 2022 was ₹ 5.92 million and unclaimed interim dividend amount for the FY 2021-22 as on 31st March 2022 was ₹ 4.04 million.

Further, Members are requested to note that, dividends if not encashed for a consecutive period of seven (7) years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

Details of Unpaid/Unclaimed Dividend is available on Company's website at <https://irfc.co.in/investors-2/>

### 2.2 Reserves

As per Section 45 – IC of the RBI Act, 1934, all NBFCs are required to create a Reserve equivalent to 20% of the net

profit before payment of dividend. RBI granted exemption to Government NBFCs from compliance of provisions of Section 45 – IC of the RBI Act, 1934. However, the exemption has been withdrawn by RBI w.e.f. 31st May 2018. Accordingly, 20% of the net profit of the Company amounting to ₹ 12,179.67 Million had been transferred to Reserve Fund u/s Section 45 – IC of RBI Act, 1934.

Out of the remaining amount of profit, the sum of ₹ 38,661.55 Mn has been kept in Retained Earnings after meeting a sum ₹ 10,062.75 Mn towards Interim Dividend for FY 2021-22.

## 3. Share Capital

As on 31st March 2022, the Authorized Share Capital of the Company was ₹ 25,000 crore, consisting of 25,000,000,000 crore Equity Shares of ₹ 10/- each. The Issued and Paid-Up Share Capital of the Company was ₹ 13,068.506 crore, consisting of 13,068,506,000 Equity Shares of ₹ 10/- each.

As on 31st March 2022, 86.36% of the paid-up equity share capital of the Company comprising of 11,28,64,37,000 Equity Shares of ₹ 10/- each were held by President of India acting through administrative ministry i.e., Ministry of Railways (MoR). The balance 13.64% of paid-up equity share capital was held by public. During the period under review there is no change in authorized and paid-up share capital of the Company.

Based on market capitalization of Company, it is in the list of top 500 listed companies as on 31st March 2022.

## 4. Independent Evaluators' Assessment

### 4.1. Credit Ratings

**4.1.1 Domestic:** During the financial year 2021-22, the Company's long-term domestic borrowing programme was awarded the highest credit rating of "CRISIL AAA/ Stable", "[ICRA] AAA (Stable)" and "CARE AAA [Triple A]" by CRISIL, ICRA and CARE respectively. The Company also got its short-term borrowing programme rated, obtaining the highest rating of "CRISIL A1+", "[ICRA] A1+", and "CARE A1+ [A One Plus]" by CRISIL, ICRA and CARE.

**4.1.2 International:** During the financial year 2021-22, three international credit rating agencies – Standard & Poor's, Fitch and Moody's – have awarded "BBB- with Stable Outlook", "BBB- with Negative Outlook" and "Baa3 with Stable Outlook" ratings respectively to your Company. Besides, the Company obtained an issuer specific credit rating of "BBB+ with Stable Outlook" from the Japanese Credit Rating Agency. Each of the four credit ratings is equivalent to India's sovereign rating and is of investment grade.

#### 4.2. Memorandum of Understanding (MOU) with Ministry of Railways, Government of India

The Company enters Memorandum of Understanding (MoU) with Ministry of Railways (MoR) every year wherein Company is evaluated on various financial and non-financial parameters. Based on its performance, the Company has been rated 'Excellent' by the Department of Public Enterprises (DPE) with a score of 91.24 (Excellent) for the year 2020-21.

The company has executed MoU for Financial Year 2021-22 with MoR on 19th January, 2022. In respect of parameters relating to Loans Disbursed to Total Funds Available, Company has achieved 99.91%, there were no Overdue loans to Total Loans and NPA to Total Loans. Further, Cost of raising funds through Bonds as compared to similarly rated CPSEs/ entities is 15 bps lower as compared to Reuters benchmark.

#### 5. Market Borrowings during 2021-22

During the year, Company was assigned a target of ₹ 65,258 crores comprising of ₹ 30,300 Crore for funding of Rolling Stock, ₹ 34,258 Crore for financing of Railway Projects under EBR-IF and ₹ 700 Crores to meet the debt financing requirements of RVNL. The total disbursement for FY 2021-22 was ₹ 60,683.41 Crores comprising of ₹ 28,100 Crore for funding of Rolling Stock, ₹ 31,883.41 Crore for financing of Railway Projects under EBR-IF and ₹ 700 Crores to meet the debt financing requirements of RVNL. The cumulative funding to Railway Sector has crossed ₹ 5.04 lakh crore mark.

Borrowings during the year include Taxable Bonds worth ₹ 19,847.90 crore (Previous year 27,727.70 crore), External Commercial Borrowings (ECB) of ₹ 12,004.17 crore (previous year ₹ 29,586.95 Crore) at exchange rate prevailing on the draw down date, Rupee Term Loans of ₹ 42,900 crore (previous year ₹ 52,401.75 Crore) and 54EC bonds of ₹ 1,161.01 crore (previous year ₹ 842.60 crore). The weighted average cost of the pool of borrowings made by Company during the year 2021-22 worked out to 6.42% (semi-annual) as against 6.51% (semi-Annual) during the previous year 2020-21.

The Company was able to achieve this feat through constant monitoring of the markets, proper timing of its borrowings and appropriate selection of instruments.

During the year, the Company constantly diversified its borrowing portfolio to meet the target of borrowings mandated by MoR at the most competitive rates and terms. In its endeavor towards diversification of its borrowing portfolio following transactions in regard to the ECB borrowings were undertaken: -

- Green Bonds: Funds to the extent of USD 500 Million, at a fixed coupon of 3.57% per annum payable semiannually. ₹ 3,729.935 Cr under IRFC's USD 7 bn GMTN programme. IRFC has become the first CPSE in the country to list its offshore bonds exclusively at stock exchanges established in the GIFT City, Gandhinagar.
- Green Loan (Offshore loan): In regard to offshore loan, IRFC raised JPY loan equivalent to USD 1.10 bn/INR 8,274.23 Cr comprising of two tranches of USD 700 mn and USD 400 mn having tenor of 10 years and 7 years respectively.

Company had received approval of Ministry of Finance for issue of 54EC Capital Gain Bonds in October 2017, since then, Company is making all endeavors to increase its market share in 54EC Bond market. In 2021-22, Company mobilized around ₹ 1,161.01 crore through 54EC Bond.

#### 6. Redemption of Bonds / Repayment of Loans

During the year, the Company repaid Bonds amounting to ₹ 10,715.84 crore (and External Commercial Borrowings (ECB) of ₹ 22.41 crore. The Company also redeemed long term loans from Banks of ₹ 4,582 crore and Commercial Paper with face value of ₹ 2,900 crore during the year.

The Company continues to maintain its impeccable track record of servicing its debt in time and there has not been a single instance of default during the year.

#### 7. Internal Financial Control Systems & their adequacy

The details are given in Management Discussion and Analysis.

#### 8. RBI Prudential Norms

Your Company is registered as a Systemically Important Non-Deposit Taking Non-Banking Finance Company with the Reserve Bank of India. Being a Government NBFC, your Company was exempted from the prudential norms prescribed by Reserve Bank of India for NBFC-ND-SI, as contained in the Master Directions issued vide Notification No. DNBR.008/CGM(CDS)-2015, dated 27th March, 2015.

However, the exemption was withdrawn by Reserve Bank of India from 31st May, 2018. However, the Company has obtained exemption from Reserve Bank of India from the asset classification, income recognition, credit concentration and provisioning norms on the direct exposure to Ministry of Railways, Govt. of India vide RBI letter dated 21st December, 2018. The Company has also obtained relaxation in respect of lending limit applicable to Railway CPSEs from 20% of its owned funds to 100% of its owned funds. As such, the Company has complied with the applicable prudential norms.



### Liquidity Coverage Ratio (LCR) Exemption:

RBI vide circular dated 4.11.2019 issued the guidelines covering liquidity risk management for NBFCs, wherein RBI introduced Liquidity Coverage Ratio (LCR) applicable on all non- deposits taking NBFCs with asset size of more than ₹ 5,000 crore. The guidelines aim to maintain a liquidity buffer in terms of LCR by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for next 30 days. As per the guideline, LCR is represented by stock of High- Quality Liquid Assets (HQLA) divided by Total Net Cash Outflows (stressed outflow less stressed inflows) over the next 30 calendar days. HQLAs are defined by RBI as the liquid assets that can be readily sold or immediately convertible into cash at little / no loss of value or can be used as collateral to obtain funds in stress situations.

The company has got an exemption from RBI from applicability of Liquidity Coverage Ratio (LCR) norms.

### 9. Lease Arrangement with the Ministry of Railways (2021-22)

As you are aware, the financial relationship of the Company with the Ministry of Railways is based on a Financial Lease arrangement which is regulated by a standard lease agreement. In respect of the incremental rolling stock assets acquired during 2021-22 through IRFC funding, lease rentals have been fixed at ₹ 52.5935 per thousand per half (PTPH) year over a primary lease tenor of 15 years. The cost (IRR) to Ministry of Railways is 7.02% p.a. payable semi-annually as compared to 7.11% last year, down by 9 bps.

During the current year, Company has executed the Lease Agreement for the first time for Project Assets funded during FY 2015-16 (EBR-IF) and FY 2018-19 (National Projects) after completion of moratorium period.

### 10. Resource Mobilization for 2022-23

For the year 2022-23, the annual funding target for IRFC has been fixed at ₹ 66,500 crore which includes ₹ 31,000 crore for funding of Rolling Stock assets and funding of Railway projects to the extent of ₹ 35,500 crore.

The Company is confident of meeting the challenge and hopeful to raise the required amount during the year through a judicious mix of Bonds, Loans and External Commercial Borrowings, etc., at the most competitive rates and terms.

### 11. Management Discussion and Analysis and Company's Outlook for the future

Management Discussion and Analysis, forming part of the Directors' Report given at **ANNEXURE I**.

### 12. Impact of Global Health Pandemic COVID-19

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

The Company has evaluated the 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 results. The Company will continue monitoring any material changes to future economic conditions.

### 13. Report on Corporate Governance

The Government considers good corporate governance practices a sine qua non for sustainable business that aims at generating long term value for its shareholders and all other stakeholders. Accordingly, it has been laying increasing emphasis upon development of best corporate governance practices amongst Central Public Sector Enterprises (CPSEs). In pursuance of this philosophy, your Company continues to comply with the 'Guidelines on Corporate Governance for Central Public Sector Enterprises' issued by Government of India, Department of Public Enterprises (DPE). Your Company's Equity as well as Non-Convertible Debt Securities are listed on the stock exchanges and Company has complied with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on 31st March 2022, the Board of Directors comprised of Six (6) Directors, with two Executive Directors, Two Non-Executive Directors (Govt. Nominees) and Two Non- Official/ Independent Directors. The Company is not having the prescribed number of Independent Directors in compliance of the Regulation 17 (1) (a) of SEBI (LODR) Regulations 2015, specifying the composition of Board of Directors. The power to appoint Directors vests with Government of India through Ministry of Railways (MoR) and Company has no role to play in it. The Company has already requested MoR for appointment of requisite number of Independent Directors. Report on Corporate Governance is enclosed as **ANNEXURE- II** forming part of this report.

### 14. Business Responsibility Report

The Business Responsibility Report, as stipulated under Regulation 34 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is given in **ANNEXURE-III** and forms part of this Report.

## 15. Corporate Social Responsibility

Activities relating to Corporate Social Responsibility (CSR) have become an integral part of Company's operations.

In terms of Section 135 of the Companies Act, 2013 (the Act), read with Schedule VII thereof and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a CSR Committee (the Committee) comprising of Chairman & Managing Director, Director Finance, and Independent Director. Under the Act, the Company is required to spend at least two percent of the average of its net profits of the immediately three preceding financial years on CSR activities. The Department of Public Enterprises (DPE) has also issued guidelines in this regard which, inter alia, require the Central Public Sector Enterprises (CPSEs) to frame a 'CSR and Sustainability Policy'.

The 'CSR and Sustainability Policy' of the Company is in place and the same has also been hosted on its website. The Company, like in the past, has undertaken activities for Sustainable Development and CSR, details of which, are given hereunder: -

During the financial year 2021-22, the Company was required to spend ₹ 70.06 crore, being 2% of its average net profits of the last three financial years, against which, the Company approved total 24 projects with total outlay of ₹ 70.06 crore, against which, the Company has disbursed a sum of ₹ 45.02 crore, including ₹ 38.91 crore contribution to PM CARES Fund, ₹ 3 crore to Clean Ganga Fund, ₹ 2 crore to Swacch Bharat Kosh, ₹ 0.996 crore contribution towards Armed Forces Flag Day Fund (AFFDF) Rs 0.1128 crore towards ongoing project of skill training of 500 persons with disabilities and the balance amount of ₹ 25.04 crore would be disbursed on receipt of bills/claims from the implementing agencies in future. CSR Unspent amount of ₹ 25.04 crore relating to the ongoing projects of the financial year 2021-22, has since been transferred to the 'CSR Unspent Account' maintained with Scheduled Bank in terms of section 135(6) of the Companies Act, 2013. The Company is committed to promoting Health and Nutrition as the theme for focused intervention as mandated by Department of Public Enterprises for the Financial Year 2021-22.

### CSR Activities proposed for the FY 2022-23

For the financial year 2022-23, the Company would be required to spend about ₹ 91.31 crore. The details of all the projects / activities would be provided in the next Annual Report.

The details of CSR activities for the financial year 2021-22 as required under the Companies Act are given in the **ANNEXURE – IV**.

## 16. Directors' Responsibility Statement

As required under Section 134(3)(c) of the Companies Act, 2013, it is confirmed that:

- a) In the preparation of the annual accounts for the year ended 31st March 2022, the applicable Indian Accounting Standards have been followed and there are no material departures;
- b) such accounting policies have been re-drafted taking into account the Ind-AS, judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) Proper and sufficient care has been taken for maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud or other irregularities; and
- d) the Annual accounts have been prepared on 'going concern' basis.
- e) The laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.
- f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 17. Human Resource Management

The details are given in Management Discussion and Analysis.

## 18. Auditors

M/s KBDS & Company, Chartered Accountants, have been appointed as Statutory Auditors by Comptroller & Auditor General of India to audit the accounts of the Company for the financial year 2021-22.

The Comptroller & Auditor General of India has undertaken supplementary audit on accounts of the Company for the year ended 31st March 2022. The comments of C&AG have been received and management reply thereto is placed as Annexure to Comments of C&AG in the Annual Report for the year 2021-22.

Secretarial Audit for the financial year 2021-22 under Section 204 of the Act has been conducted by M/s Navneet K Arora & Co LLP, Company Secretaries.

## **19. Other Disclosures under the applicable provisions of the Companies Act, 2013**

### **19.1 Number of Meetings of the Board**

The details of number of meetings of the Board are given in Corporate Governance Report which is enclosed as **ANNEXURE-II**.

### **19.2 Certificate of Independence by Independent Director**

Independent Directors, have given a declaration that they meet the criteria of Independence, as laid down under Section 149 (6) of the Act, SEBI (LODR) Regulations, 2015 and DPE Guidelines on Corporate Governance for CPSEs.

### **19.3 Material changes, if any, that may affect financial position of the Company**

There are no material changes which will affect financial position of the Company.

### **19.4 Internal financial control systems and their adequacy**

The details are given in Management Discussion and Analysis.

### **19.5 Audit Committee**

The details pertaining to Audit Committee are included in the Corporate Governance Report, which is enclosed as **ANNEXURE-II**.

### **19.6 Secretarial Auditors' Report**

M/s Navneet K Arora & Co LLP, Company Secretaries was appointed as the Secretarial Auditors of the Company for the FY 2021-22 by the Board of Directors of the Company. Secretarial Audit Report is placed at **ANNEXURE V**.

### **19.7 Certificate on Corporate Governance**

M/s Navneet K Arora & Co LLP, Company Secretaries in Practice has issued certificate on Corporate Governance, placed at **ANNEXURE VI**.

### **19.8 Risk Management**

The details are given in Management Discussion and Analysis.

### **19.9 Particulars of loans, guarantees and investments**

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

### **19.10 Transactions with related parties**

The particulars of the transactions with related parties have been disclosed in the financial statements.

### **19.11 Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company**

There are no significant and/or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company.

### **19.12 Disclosure under Foreign Exchange Management Act, 1999**

The Company is in compliance with the relevant provisions of the Foreign Exchange Management Act, 1999 pertaining to external commercial borrowing and derivatives.

### **19.13 Extract of Annual Return**

As provided under Section 92(3) of the Act, the extract of Annual Return is given in **ANNEXURE-VII** in the prescribed Form MGT-9, which forms part of this report.

### **19.14 Code of Business Conduct-Declaration by the Chairman & Managing Director (CEO)**

Declaration by CEO on compliance of the "Code of Business Conduct and Ethics for Board Members and Senior Management" for the year 2021-22 is placed at **ANNEXURE VIII**.

### **19.15 CEO/CFO Certification**

As required by Regulation 17 (8) of the SEBI (LODR) Regulations, 2015, the Compliance Certificate as specified in Part B of Schedule II of the said Regulation duly signed by Shri Amitabh Banerjee, Chairman & Managing Director (CEO) and Ms. Shelly Verma, Director Finance (CFO) was placed before the Board of Directors in their Meeting held on 20th May 2022. The same is enclosed as **ANNEXURE-IX**.

### **19.16 Particulars of Employees receiving high remuneration & other particulars of employees**

Since IRFC is a Government Company, provisions of Section 197 are not applicable to it. Hence, the details have not been given.



**19.17 Deposits from public**

As in the past, the Company has not accepted any fixed deposits during the period under review.

**19.18 Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

Pursuant to the Provision of Section 134(3)(m) of the Companies Act, 2013, in respect of Conservation of Energy and Technology absorption, following steps have been taken by your Company: -

To save power, the Company now purchases LED / LCD monitors while replacing the old monitors. Employees are encouraged to keep their gadgets in power saving mode, wherever possible. The Company now replaces its old electrical items, gadgets, etc. with power efficient units. The internal lightning of office by energy- efficient LED lights has helped to conserve electricity.

**19.19 Foreign exchange earnings & outgo**

Your Company has put in place Risk Management policy to manage risks associated with foreign currency borrowings. The Company enters into hedging transactions to cover exchange rate and interest rate risk through various instruments like forwards, options and swaps. Details of Foreign exchange earnings & outgo have been given in the Notes.

**19.20 Expenditure on R&D**

This is not applicable, as IRFC is engaged only in financing activities.

**19.21 Reporting of Frauds by Auditors**

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143(12) of the Companies Act, 2013, any instance of fraud committed against the Company by its officers or employees, the details of which need to be mentioned in the Board's Report.

**19.22 Change in nature of Business**

There was no change in the nature of business of the Company during the financial year 2021-22.

**19.23 The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies**

There are no Subsidiaries, joint ventures, or associate companies during the year 2021-22.

**19.24 The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year**

There was no application made nor any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) against the Company.

**20. Compliance of MSME Guidelines**

Your Company has in place, a Manual for Procurement of Goods, Services and Works, which provides guidelines to expedite decision making process by way of consolidating, simplifying and streamlining the various steps to be followed in the process of award of contracts from the procurement of goods, works & services as well as during its implementation on the ground.

The procurement from MSMEs complies to Public Procurement Policy during the financial year 2021-22 as placed below:

		(₹ In Million)
1	Total annual procurement	127.77
2	Target %age of annual procurement	31.94
3	Total value of goods and services procured from MSEs (including MSEs owned by SC/ST entrepreneurs)	45.05
4	Total value of goods and services procured from only MSEs owned by SC/ST entrepreneurs	----
5	% age of procurement from MSEs (including MSEs owned by SC/ST entrepreneurs) out of total procurement	35.26%
6	% age of procurement from only MSEs owned by SC/ST entrepreneurs out of total procurement	---
7	% age of procurement from Women MSEs	4.95%

**21. Vigilance Activities**

Ministry of Railways have nominated a part time Chief Vigilance Officer (CVO). The CVO carries out internal scrutiny of the activities on random basis to ensure compliance with the laid down CVC guidelines and procedures. During the vigilance awareness week in 2021-22, preventive vigilance workshops were conducted for the benefit of employees of IRFC. These workshops inter-alia covers contract

management, provision of CDA Rules, compliances of rules and policies, deliberations of case studies etc., such workshops have ensured that best ethical practices are followed in the organization.

During the year 2017-18, one complaint was received by the CVC with allegations of misconduct for which investigations have been carried out and memorandum of charge has been issued.

## 22. Official Language

The official language implementation committee of the Company meets every quarter to monitor and review the progress made for achieving the targets fixed in Annual Program issued by the official language department Ministry of Home Affairs, Government of India. Effective measures were taken to bring out progressively higher use of Hindi in day-to-day working of the Company. Hindi workshops / trainings are regularly organized and for these employees are sponsored for the trainings/workshops.

Hindi week / Pakhwada was observed in your Company from 13th September 2021 to 17th September, 2021 to motivate the employees for the progressive use of Hindi in their day- to-day work. Several competitions / programmes were organized to encourage the employees to work in Hindi and create a conducive atmosphere. The participants were accordingly awarded. Further, cash award was also given to employees making most extensive use of Hindi in their day to day official work under the Government scheme.

The official website of your Company exists in fully bilingual form and contains all information of interest to its stakeholders.

## 23. Presidential Directive

Company has not received any Presidential Directive during the year.

## 24. Right to Information Act, 2005

The Government of India's instructions on Right to Information Act, 2005 is being complied with. All relevant information has been hosted on the Company's website.

## 25. Women Employees

Your Company provides equal growth opportunities for the women in line with Govt. of India philosophy on the subject. Being a lean organization, where Company has 37 employees, women representation has grown across hierarchical levels. Thus, Women constituted 21.62% of its total workforce as on 31st March 2022. As per Govt. of India

directives and guidelines from time-to-time, IRFC ensures the welfare of women employees.

## 26. Information under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has an internal complaints committee (ICC) to examine the case related to Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The complaints received by the committee are being dealt in line with the provisions in the Act. During the FY 2021-22, no complaint has been reported.

## 27. Board of Directors and Key Managerial Personnel

Being a Government Company, the power to appoint Directors on the Board of the Company is vested with the President of India acting through the Ministry of Railways (MoR), Government of India. The remuneration of Directors and employees of the Company is fixed as per the extant Guidelines issued by Department of Public Enterprises (DPE), from time to time. The sitting fee paid to Non- Official/ Independent Directors for attending the meetings of Board and Committees thereof, are within the limits prescribed under the Companies Act, 2013. The Government Nominee Director is not entitled to receive any remuneration or sitting fee from the Company, as per the norms of Government of India. Details of remuneration and sitting fees paid to Directors are appearing in the 'Report on Corporate Governance' annexed to this Report.

Pursuant to Section 203 of the Companies Act, 2013, the Board of Directors of the Company has designated the Chairman and Managing Director (CMD) as CEO, Director (Finance) as CFO, and Company Secretary as Key Managerial Personnel (KMPs) of the Company. The role of CEO is being performed by CMD and the role of CFO is performed by Director (Finance) of the Company.

During the financial year 2021-22, following changes have taken place in the composition of the Board of Directors.

1. Shri Vallabhbhai Maneklal Patel has been appointed as Non- Official/ Independent Director through Resolution by Circulation w.e.f 10th November 2021 vide Ministry of Railways, Government of India's order No. 2019/PL/57/22 dated 9th November 2021.
2. Smt. Sheela Pandit has been appointed as Non- Official/ Independent Director through Resolution by Circulation w.e.f 22nd November 2021 vide Ministry of Railways, Government of India's order No. 2019/PL/57/22 dated 9th November 2021.

3. Shri Ashok Kumar Singhal ceased to be Independent Director of the Company with effect from 20th July 2021 due to completion of his tenure.

Board of Directors place on record appreciation of the services rendered and contributions made by Shri Ashok Kumar Singhal, Independent Director of the Company during his tenure.

In accordance with the provisions of the Companies Act, 2013 and Article 91 (iv) of the Articles of Association of the Company, Ms. Shelly Verma (DIN: 07935630), Director Finance shall retire by rotation at the ensuing 35th Annual General Meeting of the Company and being eligible, offers herself for re-appointment. The Board of Directors recommends her re-appointment. Brief resume and other particulars of Ms. Shelly Verma is annexed to the Notice of AGM.

## 28. Evaluation of Board of Directors / Independent Directors

As per the statutory provisions, a listed company is required to disclose in its Board's Report, a statement indicating the manner in which formal annual evaluation of the performance of the Board, its committees and individual Directors has been made and the criteria for performance evaluation of its Independent Directors, as laid down by the Nomination & Remuneration Committee.

However, the Ministry of Corporate Affairs vide its notification dated June 5, 2015, has, inter-alia, exempted Government companies from the above requirement, in case the Directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the company, as per its own evaluation methodology. Further, MCA vide notification dated July 5, 2017, also prescribed that the provisions relating to review of performance of Independent Directors and evaluation mechanism prescribed in Schedule IV of the Companies Act, 2013, is not applicable to Government companies.

Accordingly, being a Government company, IRFC is, inter-alia, exempted in terms of the above notifications, as the

evaluation of performance of all members of the Board of the Company is being done by the administrative ministry i.e., the Ministry of Railways and/or by the Department of Public Enterprises (DPE).

## 29. Acknowledgements

Your Company is grateful to the Ministry of Railways, Ministry of Finance, Ministry of Corporate Affairs, Public Enterprises Selection Board, Department of Public Enterprises, National Informatics Centre, other Departments of the Government, Securities and Exchange Board of India and the Reserve Bank of India, for their co-operation, assistance, active and timely support, and guidance rendered from time to time. The Company is also thankful to all its Shareholders, Bondholders, Banks, Financial Institutions, Arrangers, Registrar and Transfer Agents, Bond Holders Trustees, National Stock Exchange of India Limited, BSE Limited, Life Insurance Corporation of India and other stakeholders for reposing their confidence and trust in the Company. The Company looks forward to their continued support for sustaining its excellent performance levels. The Company expresses gratitude to the Comptroller & Auditor General of India, the Statutory Auditors, Secretarial Auditors and the Internal Auditors for their valuable support and guidance.

The Board of Directors express their deep appreciation in recognition of the valuable contribution made by the Company's small team of officers and employees, which has enabled the Company to successfully meet the funding targets set by the Ministry of Railways, while consolidating its position as one of the most vibrant public financial institutions in the country.

For and on behalf of Board of Directors

Sd/-

**(Amitabh Banerjee)**

Chairman & Managing Director

Place: New Delhi

Date: 10th August, 2022 DIN: 03351975



## ANNEXURE – I

# Management Discussion and Analysis

## Indian Economic Overview

In a globally uncertain climate, India has remained consistent in its recovery owing to macro factors that have shielded the economy from global pressures. According to the National Statistical Office's second advance estimates, the Indian economy has grown at an annual rate of 8.9% in FY22 (NSO), compared to a contraction of 6.6% in 2020-21.<sup>1</sup>

Inflation experienced a steady increase in the second half of 2021-22, consumer price inflation (CPI) surpassed the top band of the Reserve Bank of India's (RBI) comfort zone rising to 6% in January 2022 and 6.1% in February.<sup>1</sup> Inflation in wholesale prices reached a decadal high of 12.96 percent. High food and energy prices, geopolitical crises, Covid lockdowns, and supply chain disruptions all contribute to escalating inflation.

The agricultural sector experienced the least impact of the disruptions caused by the pandemic. It has grown by 3.9% in FY22. The manufacturing sector growth is pegged at 12.5% in FY22 after contracting by 7.2% in FY21.

During the pandemic, the services industry, particularly those that need extensive contact, has been hit the worst. After decreasing by 8.4% in 2020-21, the industry is expected to increase at an annual pace of 8.2%. Travel, trade, and hotels have yet to return to pre-pandemic levels, whereas finance, real estate, and government administration have already surpassed pre-pandemic levels.

## Outlook

India experienced repeated COVID infections during the year under review, resulting in massive loss of life and livelihood. Growing vaccination coverage, RBI's stable and accommodating monetary policy, and the Government of India's fiscal support all helped to mitigate the impact to a large extent.

Real GDP of India is expected to grow at 7.2% in 2022-23. CPI inflation is projected at 6.7% in 2022-23. The sharp spike in inflation projection is mainly due to the economic disruptions caused by the geopolitical tensions.<sup>2</sup>

## Industry Scenario

### Indian Railways Industry<sup>3</sup>

Indian Railways with its 4th largest network in the world, carries an unmatched multitude of passengers and cargo from one part of the country to the other without ever stopping. Now, Indian Railways is moving forward with a vision to become a more efficient system, to be able to keep pace with the growth and compliment the economic development of the nation.

Indian Railways has reformed to adopt technology, fast tracked creation of infrastructure and enabled a faster and enhanced freight movement to meet the aspirations of the people of India. Over and above, the top-most focus continues to be on safety of trains and passengers. IR is targeting to achieve 5 MT+ per day freight loading along with running of the passenger trains.

IR aims to create a world class infrastructure at a sustainable cost, built with the latest technologies. Apart from infrastructure, induction of better and technology efficient rolling stock will continue with the same momentum. In keeping with the Prime Minister's vision of 'Make in India' major systems of the train have been designed and built in India. In addition to two Vande Bharat trains running between New Delhi-Varanasi and New Delhi-Katra, further, 75 Vande Bharat trains have been planned to be run by August, 2023. IR is also planning to acquire/ manufacture 400 new generation energy efficient Vande Bharat trains with better energy efficiency and passenger riding experience.

Indian Railways surpassed all the previous records and achieved the highest ever loading of 1418.1 MT in 2021-22, despite COVID setback in first quarter. Month by month there was incremental traffic loading, which resulted in 15% higher loading over previous year. This momentum is still continuing and IR has achieved the highest ever loadings in respective month for successive 19 months, reaching the highest ever loading for any month in March, 2022 at 139.2 MT.

In order to boost investment from industry in development of additional terminals for handling rail cargos, a new 'Gati Shakti Multi-Modal Cargo Terminal (GCT)' policy was launched on 15 December, 2021. It has been targeted to set up 100GCTs within the next three financial years i.e. 2022-23, 2023-24 and 2024-25.

To strengthen export services, export container trains with transit assurance were notified and started from 15 August, 2021 which are running as Freight Express<sup>1</sup> trains including via DFCCIL line.

Post COVID, passenger trains have been gradually restored and the number of passengers have reached to the previous COVID level. In 2021-22, IR carried 3,542.76 million passengers and as a result the Originating Passenger Revenue in passenger segment also increased to Rs. 39,104.41 cr as compared to 15,248.62 cr in 2020-21. Modern trains are being expanded all over the network. As a part of Swachh Bharat Mission, fitment of bio-toilets on all Mainline passenger coaching stock has been completed.

Indian Railways has been consistently trying to improve the illumination levels at various stations. Illumination levels have been improved at 1327 stations. Free Wi-Fi at 6100 stations and 853 stations have been provided with CCTV based Surveillance System over IR.

In order to further the mission and mandate of Digital India, Indian Railways is proliferating Point of Sale (POS) machines across various customer facing domains and more than 14,000 POS machines are being utilised for accepting digital payments over Indian Railways.

IR has focused on capacity expansion, faster execution of projects, adoption of modern project monitoring systems and process reforms, to create an infrastructure which starts giving return immediately upon commissioning. Also, under the National Infrastructure Pipeline (NIP), the allocation to IR primarily being used for building capacity on the network, to cater to the growing demand for rail transportation. Railway share in NIP is about Rs. 13 lakh cr which is about 12% of the total NIP- 684 Railway projects costing 17.0 lakh cr are part of NIP.

Indian Railways is focused towards achieving new heights in the year 2022-23. Freight loading target is kept at 1700 MT. Total receipts of IR are kept at Rs. 2,40,000 cr at a CAGR of around 11.5% over 2019-20.

The annual Capex on the railway has substantially increased and the highest ever allocation of Rs. 2.46 lakh cr has been made for 2022-23. The thrust of Annual Plan 2022-23 is on infrastructure development, throughput enhancement, development of terminal facilities, augmentation of speed of trains, signalling systems, improvement of customer amenities, safety works of road over/under bridges etc.

## Company Overview

Indian Railway Finance Corporation (IRFC) was set up on 12th December 1986 as the dedicated funding arm of the Indian

Railways for mobilizing funds from domestic as well as overseas Capital Markets. IRFC is a Miniratna I and 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). IRFC has played a significant role in its more than 35 years of existence in supporting the expansion of the Indian Railways and related entities by financing a significant proportion of its annual plan outlay.

The main objective of the company is to meet the predominant portion of 'Extra Budgetary Resources' (EBR) requirement of the Indian Railways through market borrowings at the most competitive rates and terms. Its aim is to be one of the leading Financial Service Companies in the country, for raising funds from the capital market at competitive cost for augmenting railway plan finances, duly ensuring that the Corporation makes optimum profits from its operations. The Company's principal business therefore is to borrow funds from the financial markets to finance the acquisition / creation of assets which are then leased out to the Indian Railways. IRFC's constant endeavour has been to diversify its borrowing portfolio in terms of instruments, markets and investors which has led to the Company meeting the targeted borrowings year after year, through issue of both taxable and tax-free bonds, term loan from banks/financial institutions besides offshore borrowings, at competitive market rate.

## Human Resources

Company understands that Human Capital is essential. At IRFC we believe in a strong value system and best practices to enhance and improve our capabilities and achieve our organizational objectives.

As on 31st March 2022 total Manpower of the Company stood at 37. To infuse fresh Manpower in the existing Manpower pool of the Company, 5 Executives and 3 Non-Executive were included in the Company during FY-2021-22 through Direct and Campus Recruitment. Women constituted 21.62% of its total workforce as on 31st March, 2022.

Effective grievance redressal processes are also structured to keep the trust, respect and confidence of our team intact. Company has put in place effective Human Resource acquisition and maintenance function, which is benchmarked with best corporate practices to meet the organizational need.

Company implements all directives and guidelines with regard to reservation policy issued by Govt. of India. Liaison Officer has been appointed to look into the matter of reservations and also the welfare and safeguard of SCs/STs/OBCs/ PwBD/

<sup>1</sup> <https://mospi.gov.in/documents/213904/416359/PRESS%20NOTE%20SAE%2028-02-2022M1646051035697.pdf/f0035128-6098-8329-3e7b-6d7df22e8b2d>

<sup>2</sup> <https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR3336416D60D22514022BC8C197A992D837C.PDF>

<sup>3</sup> Indian Railways/Vol. 66 No. 2/May 2022

EWS employees. Liaison Officer also ensures that there is no discrimination on the basis of Cast, Religion and disabilities amongst the employees. IRFC being a Lean Organization has adopted "Open Door Policy" and every employee has been given sufficient opportunity to meet and discuss his / her problem or grievance with the Management. SC/ST constituted 20% of its total workforce as on 31st March, 2022.

In order to enhance the skills, capabilities and knowledge of employees, a well-defined Training and Development Policy for below board level executives and non-executives is in place. Employee training and development is an essential element of the Company's strategy. During the year 2021-22, the Company imparted training to 32 of its employees to various training programmes and workshops including inhouse trainings. These initiatives enabled the Company to achieve 109 training man-days/872 Hrs.

Company's Board of Directors consist of professionals with vast experience and high level of expertise in their respective field and industry. It will be endeavour of the Company that the whole time Directors and Non-Executive Directors attend training programmes in order to keep themselves abreast with the latest development in the area of finance, accounts etc. During the FY 2021-22 Non-Executive Directors have been imparted training for 70 Hrs. cumulatively.

IRFC is an equal opportunity employer. Company provides equal growth opportunities for the women in line with Govt. of India philosophy on the subject. Being a lean organization, where Company has 37 employees, women representation has gone across hierarchical levels. Thus, Women constituted 21.62% of its total workforce as on 31st March, 2022. As per Govt. of India directives and guidelines from time-to-time, IRFC ensures the welfare of women employees.

### Operational Highlights

During the year, Company was assigned a target of ₹ 65,258 crores comprising of ₹ 30,300 Crore for funding of Rolling Stock, ₹ 34,258 Crore for financing of Railway Projects under EBR-IF and ₹ 700 Crores to meet the debt financing requirements of RVNL. The total disbursement for FY 2021-22 was ₹ 60,683.41 Crores comprising of ₹ 28,100 Crore for funding of Rolling Stock, ₹ 31,883.41 Crore for financing of Railway Projects under EBR-IF and ₹ 700 Crores to meet the debt financing requirements of RVNL. The cumulative funding to Railway Sector has crossed ₹ 5.04 lakh crore mark.

Borrowings during the year include Taxable Bonds worth ₹ 19,847.90 crore (Previous year ₹ 27,727.70 crore), External Commercial Borrowings (ECB) of ₹ 12,004.17 crore (previous year ₹ 29,586.95 Crore) at exchange rate prevailing on the draw

down date, Rupee Term Loans of ₹ 42,900 crore (previous year ₹ 52,401.75 Crore) and 54EC bonds of ₹ 1,161.01 crore (previous year ₹ 842.60 crore). The weighted average cost of the pool of borrowings made by Company during the year 2021-22 worked out to 6.42% (semi-annual) as against 6.51% (semi-Annual) during the previous year 2020-21.

The Company was able to achieve this feat through constant monitoring of the markets, proper timing of its borrowings and appropriate selection of instruments.

During the year, the Company constantly diversified its borrowing portfolio to meet the target of borrowings mandated by MoR at the most competitive rates and terms. In its endeavor towards diversification of its borrowing portfolio following transactions in regard to the ECB borrowings were undertaken:-

- Green Bonds: Funds to the extent of USD 500 Million, at a fixed coupon of 3.57% per annum payable semiannually. ₹ 3,729.935 Cr under IRFC's USD 7 bn GMTN programme. IRFC has become the first CPSE in the country to list its offshore bonds exclusively at stock exchanges established in the GIFT City, Gandhinagar.
- Green Loan (Offshore loan): In regard to offshore loan, IRFC raised Green / JPY loan equivalent to USD 1.10 bn/ INR 8,274.23 Cr comprising of two tranches of USD 700 mn and USD 400 mn having tenor of 10 years and 7 years respectively.

Company had received approval of Ministry of Finance for issue of 54EC Capital Gain Bonds in October 2017, since then, Company is making all endeavors to increase its market share in 54EC Bond market. In 2021-22, Company mobilized around ₹ 1,161.01 crore through 54EC Bond.

Revenue from operations of Company has increased by ₹ 4,528.05 crore from ₹ 15,770.22 crore in 2020-21 to ₹ 20,298.27 crore in 2021-22, showing a growth of 28.71%.

Profit before Tax (PBT) of Company for the year ended 31st March 2022 was ₹ 6,090.16 crore as compared to ₹ 4,416.13 crore for the previous year, registering a growth of 37.91%.

Company has not made any provision for tax in its books pursuant to its decision to exercise the option of lower tax rate permitted u/s 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated 20th September, 2019. The Company's taxable income was nil and it did not have to pay Minimum Alternate Tax (MAT) with reference to its Book Profit. MAT payable u/s 115 JB was outside the ambit of the Section 115 BAA. Thus, on adoption of Section 115 BAA of the Income Tax Act, 1961, the Company was outside the scope and applicability of MAT provisions and there was a zero-tax liability in the financial year 2021-22.



Profit After Tax for the year ending 31st March 2022 was ₹ 6,089.84 crore as compared to ₹ 4,416.13 crore for the previous year, registering a healthy growth of 37.90%.

## Financial Highlights

(Figures in ₹ crores)

Particulars	FY 2021-22	FY 2020-21	YoY Change (in %)
Revenue from Operations	20,298.27	15,770.22	28.71%
EBITDA	20,179.42	15,660.33	28.86%
PBT	6,090.16	4,416.13	37.91%
PAT	6,089.84	4,416.13	37.90%
Net Worth	40,996.34	35,913.38	14.15%

## Key Ratios

The details of key financial ratios applicable and specific to the Company are given below:

Particulars	FY 2021-22	FY 2020-21
Debt Equity Ratio (in times)	9.47	9.00
Operating Profit Margin (in %)	29.99	28.00
EBITDA Margin (in %)	99.41	99.28
PAT Margin (in %)	30.00	28.04
Return on Net Worth (in %)	14.86	12.30

## Management Outlook

Your Directors take pleasure in sharing with you their perception that business of the Company stands on a sound platform and is running well. The robust business model involving strong and mutually beneficial relationship with MoR has become its unique forte. The business of the Company with the Ministry has grown considerably. The cumulative funding to Railway Sector has crossed ₹ 5.04 lakh crore mark. Assets Under Management at the end of financial year ended 31st March, 2022 are ₹ 4,15,237.68 crores.

Being the dedicated market borrowing arm of the Ministry of Railways, your Company constantly strives to raise funds from the financial market at the most competitive rates and terms.

India needs to spend about USD 1.4 Tn under National Infrastructure Pipeline (NIP) by FY25 to reach the target GDP of USD 5 Tn. Accordingly, spending on infrastructure has been one of the focus areas of the Government of India in the recent past. National master plan under PM GatiShakti lays the foundation of the overall infrastructure in the country and provides an

integrated and holistic path to the economy. The ₹ 100 trillion project is aimed at easier inter-connectivity between road, rail, air and waterways to reduce travel time and enhance industrial productivity. IRFC being premier financial Institution having NIL NPA and ability to mobilize large quantum of fund at competitive rate in short duration both from domestic and offshore market and continue to support India's infra sector in a big way which will provide adequate push to spur Economic development and Growth of the Indian Economy.

Indian Railways is working on a mission mode to become the largest Green Railways in the world, and is moving to become a 'net zero emitter' before 2030. It is planning to do so through investing in massive electrification, development of freight corridors, energy-efficient and carbon friendly technologies, harness potential of Solar energy etc. to reduce its carbon footprint. In FY 2021-22, IRFC has raised \$ 1.6 Billion under Green Financing Framework from off-shore market. In the past also, IRFC has raised resources from off-shore market through issuance of Green Bonds. Accordingly, IRFC will continue to help MoR to support Governments commitments such as Paris Agreement on Climate Change and UN Sustainable Development Goals, via raising of resources under green framework.

## Risk Management

Effective risk management is central to ensuring a robust and healthy finance for the Company. While in risk management, credit risk is accorded high priority amongst various risk mitigation efforts of a business, this is virtually non-existent in the case of Company, in as much as, an overwhelming segment of its assets is in the form of lease receivables from the Ministry of Railways, carrying low risk. The Company's selective forays into other areas in the form of loans to Rail Vikas Nigam Limited and IRCON International Limited are suitably ringfenced, as the same has either the cash flows originating from the Ministry of Railways or there is a repayment assurance by Ministry of Railways.

Ordinarily, a company carrying out its business with predominantly single client, might be viewed as being faced with a business risk. However, in the case of Company, the single client is the owner, who also happens to be the sovereign itself. Funding provided by IRFC has been at a competitive cost which is considered attractive by the Ministry. With strong indications of an even larger role being expected by the Ministry from IRFC in its efforts at augmenting rail infrastructure in the country, directors consider the Company is comfortably placed in the matter of Business Risk.

Given the carefully drafted provisions in the Lease Agreement signed by IRFC with MoR every year, there is a very good matching of the interest rate sensitivity profile of its assets and liabilities. In the circumstances, exposure of the Company to Interest Rate Risk is low.

The cash flows of Company are highly predictable, shielding it largely against liquidity related issues even in a volatile market. Besides, with the quality of credit, Company commanding a high level of reputation amongst investors, both domestic and international. The Risk Management Committee and Asset Liability Management Committee (ALCO) actively monitors the Liquidity Risk. The Liquidity Risk in the case of IRFC is perceived at a low level.

Although the foreign exchange fluctuation risk is pass through to MoR, still Company has consistently been adopting prudent, efficient and cost-effective risk management strategies to cover Exchange Rate Variation risk on its overseas borrowings. The Company strives to eliminate at opportune time the exchange rate variation risk in respect of principal repayments. Timing is important in such hedging transactions. The Company recognizes the fact that contracting a hedge at a time subsequent to the drawdown does not expose it to any undue risk because of longer maturities. The Risk Management Committee regularly monitors the Foreign Exchange Exposure. In accordance with the policy, the Company has hedged part of its foreign currency exposure thereby mitigating the exchange rate fluctuation risk to that extent.

Some of the outstanding foreign currency borrowings of the Company with tenor longer than five years are either having bullet repayment or amortised repayment in half-yearly instalments. As a result of amortized repayments, the risk gets significantly mitigated by virtue of repayments taking place progressively at different points of time. Keeping in view the volatility in the foreign exchange markets, the Company has been taking recourse to selective hedging of the ECBs outstanding both on principal and interest amount. With a view to effectively supplementing its in-house expertise on the matter, Company usually resorts to external expert advice from reputed professional consultants, while taking hedging decisions.

In compliance with the RBI Guidelines, Board-approved Risk Management Policy is in place. The Company also has constituted Risk Management Committee which comprises Chairman & Managing Director, Director Finance and Independent Director. Further, as per the extant RBI circular number RBI/2018-19/184 DNBR (PD) CC. No. 099/03.10.001/2018-19 dated 16-05-2019 regarding appointment of a Chief Risk officer (CRO) by all the NBFC s has been complied with and a CRO has been appointed with effect from 1st July, 2021.

The proceedings of meetings of the Risk Management Committee were regularly placed in the meetings the Board of Directors.

The Company has also constituted a sub-committee of Risk Management Committee namely Forex Risk Management Committee to assess and mitigate the foreign exchange fluctuation risk and interest rate risk in External Commercial Borrowings. Minutes of the meetings of the Sub-committee along with the action taken are placed before the Risk Management Committee.

For effective monitoring, control and mitigation of financial risk arising due to mismatch in the Asset Liability position, the Company has formed an Asset Liability Management Committee (ALCO) comprising Chairman & Managing Director, Director (Finance) and Senior Level Officers. The ALCO generates various reports as prescribed by RBI for monitoring the liquidity and interest rate risks and place the same before the Risk Management Committee from time to time.

The Company has also constituted a sub-committee of Risk Management Committee namely IT and Operational Risk Management Committee to assess and mitigate operational and IT risks for the corporation. Minutes of the meetings of the Sub-committee along with the action taken are placed before the Risk Management Committee.

### Internal Controls and its advocacy

The Company has in place, adequate internal control systems commensurate with the nature and volume of its business. Efficient maintenance of accounts is facilitated by the executives and employees of the Company. Thereafter, the same is audited periodically by the Internal Auditors. The function of Internal Audit has been assigned to a reputed firm of Chartered Accountants. The scope of internal audit is well defined and is very exhaustive to take care of all crucial functions and business of the Company. Based on their report, steps are taken at regular intervals to further strengthen the existing systems and procedures. Their significant observations are discussed in the Audit Committee Meetings regularly. The Statutory Auditors of the Company are appointed by Comptroller and Auditor General (C&AG) of India, and the appointment is rotated periodically. Besides, the accounts of the Company are subject to supplementary audit by the office of C&AG, as required under the Companies Act. The C&AG also conducts propriety audit of the Company. The Company has implemented Accounts Manual and Internal Audit Manual from financial year 2016-17. The Company has also implemented Manual for Procurement of Goods, Services and Works and HR Manual. The Company has also implemented a policy for temporary placement of surplus funds with the Banks in order to strengthen its cash management system.

RBI vide its notification dated Feb 3, 2021 has mandated Risk-Based Internal Audit (RBIA) framework for the specified entities including all non-deposit taking NBFCs with asset size of ₹ 5,000 crore and above and this framework was to be implemented by March 31, 2022. The RBIA policy has been formulated and approved by the Board of Directors.

Besides, as mandated under Companies Act, 2013, the Statutory Auditors have certified as part of their Audit Report, the effectiveness of Internal Financial Control over financial reporting.

## ANNEXURE – II

# Report on Corporate Governance

This report is prepared in accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Companies Act, 2013 and Guidelines on Corporate Governance issued by Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India. The Report contains details of Corporate Governance systems and processes at Indian Railway Finance Corporation Limited (IRFC).

Corporate Governance is the application of best management practices, compliance of laws & adherence of ethical standards to achieve the Company's objective of enhancing stakeholders' value and discharge of social responsibility.

IRFC is in compliance with relevant provisions contained in the SEBI (LODR) Regulations, 2015 and Guidelines on Corporate Governance for Central Public Sector Enterprises (hereinafter referred to as Government Guidelines), issued by Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India. The Company is also complying with the Circular, to the extent applicable, dated 1st July, 2015 issued by Reserve Bank of India under their Master Circular – “Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015”. In this connection, relevant details are furnished below: -

## 1. Company's Philosophy on the Code of Governance

Corporate Governance is about maintaining valuable relationship and trust with all stakeholders with the commitment to maximise their value. Our commitment towards following good Corporate Governance practices is based upon transparency, fairness, conscience, teamwork, professionalism and accountability. This paves the way for following the best standards and building confidence among our stakeholders, which is necessary to achieve our objectives.

Company looks upon Corporate Governance as an enterprise-wide endeavour targeted at value creation in the form of striking optimum balance between the profit it earns for its Shareholders and the spread it charges from Ministry of Railways on the cost of funds transferred to them. This is sought to be achieved by conducting the business in a professional manner, using a combination of delegation and accountability amongst key executives in the Company; focussed attention and transparency in operations of the Company; skill upgrades through need-based training, etc.;

and high level of investor / lender satisfaction through timely debt servicing and grievance settlement.

To foster best Corporate Governance practices, the Company has formulated a “Code of Business Conduct and Ethics for its Board Members and Senior Management” which seeks to bring high level of ethics and transparency in managing its business affairs. The same has also been hosted on the website of the Company (<https://irfc.co.in/>).

## 2. Board of Directors

The Board of Directors of IRFC comprises of eminent persons having requisite qualifications, experience and expertise, to manage the business of the Company in an efficient and effective manner. The Board oversees fulfilment of corporate objectives by providing leadership and guidance.

IRFC is a Government Company within the meaning of Section 2 (45) of the Companies Act, 2013 as the President of India acting through its administrative Ministry i.e. Ministry of Railway's (MoR) which holds 86.36% of the total paid-up share capital of the Company as on March 31, 2022 and as per Articles of Association of the Company, the power to appoint Directors vests with the President of India. Further, in terms of Articles of Association of the Company, the number of Directors of the Company shall not be less than three and not more than fifteen.

### 2.1 Composition of the Board

SEBI (LODR) Regulations, 2015, stipulates that the Composition of Board of Directors of the company shall have an optimum combination of executive and non-executive directors with at least one-woman director and not less than fifty percent of the Board of Directors comprising of non-executive directors.

As at the end of financial year 31st March, 2022, there are 6 (Six) Directors on the Board of the Company. Besides Chairman & Managing Director and Director Finance, Two Non-Official/ Independent Director(s) and Two Government Nominee Director(s), are also in position. As provided in the Articles of Association of IRFC, the appointment of Directors and payment of their remuneration are determined by the President of India.

None of the Directors of the Company is related to each other and are independent of the Management.

The number of independent directors during the financial year 2021-22 were insufficient as compared to the number of independent directors required to be on the Board as per SEBI (LODR) Regulations, 2015, as the power to appoint the Directors on the Board as per Articles of Association of the Company vests with the

President of India acting through Administrative Ministry i.e. Ministry of Railways (MoR). Thus the Company from time to time has requested Ministry of Railways (MOR) to appoint requisite number of Independent Directors on the Board of the Company in order to comply with SEBI (LODR), Regulations 2015 and DPE Guidelines.

The details of Board of Directors as on 31st March, 2022 are as follows: -

Details of Directors		Name	Date of Appointment on the Board
Category (Functional/Official/Non-official)	Designation		
1. Whole Time Directors	Chairman & Managing Director	Shri Amitabh Banerjee	12.10.2019
	Director Finance	Ms. Shelly Verma	01.09.2020
2. Govt. Nominee Directors	Govt. Nominee Director	Shri Baldeo Purushartha	03.06.2020
	Govt. Nominee Director	Shri Bhaskar Choradia	27.11.2020
3. Non-official Part-time Directors	Non-official Part-time Director (Independent Director)	Shri Vallabhbai Maneklal Patel	10.11.2021
	Non-official Part-time Director (Independent Director)	Smt. Sheela Pandit	22.11.2021

**2.2 The details of composition of the Board as on 31st March 2022, including changes therein that took place during the financial year 2021-22 and details of Directorships and Committee positions held by the Directors in other companies and attendance at the Meetings of the Board of Directors held in FY 2021-22 are given below:**

Name of the Directors	Meeting held during respective tenure of Directors	No. of Board Meetings attended	% of Attendance of Board Meeting	Attendance at the last AGM (held on 29.09.2021)	No. of Directorship held on 31.03.2022 in other Companies	No. of other Companies in which Membership or Chairmanship of Committee held on 31.03.2022*		Directorship held in other Listed Companies & Category as on 31.03.2022	
						Chairmanship	Membership	Name of Companies	Name of Directorship
<b>Whole Time Directors</b>									
Shri Amitabh Banerjee Chairman & Managing Director/ IRFC From 12.10.2019**	8	8	100%	Yes	None	None	None	None	None
Ms. Shelly Verma Director Finance / IRFC From 01.09.2020	8	8	100%	Yes	None	None	None	None	None
<b>Non-Executive Directors (Government Nominees)</b>									
Shri Baldeo Purushartha Government Nominee Director From 03.06.2020	8	7	87.5%	No	3	None	None	None	None
Shri Bhaskar Choradia Government Nominee Director From 27.11.2020	8	8	100%	Yes	None	None	None	None	None



Name of the Directors	Meeting held during respective tenure of Directors	No. of Board Meetings attended	% of Attendance of Board Meeting	Attendance at the last AGM (held on 29.09.2021)	No. of Directorship held on 31.03.2022 in other Companies	No. of other Companies in which Membership or Chairmanship of Committee held on 31.03.2022*		Directorship held in other Listed Companies & Category as on 31.03.2022	
						Chairmanship	Membership	Name of Companies	Name of Directorship
<b>Independent Directors</b>									
Shri Ashok Kumar Singhal Independent Director From 20.07.2018 to 20.07.2021	4	4	100%	NA	None	None	None	None	None
Shri Vallabhbbhai Maneklal Patel Independent Director From 10.11.2021	2	2	100%	NA	1	None	None	None	None
Smt. Sheela Pandit Independent Director From 22.11.2021	2	2	100%	NA	None	None	None	None	None

\* This includes chairmanship/membership of Audit Committee and Stakeholders Relationship Committee. No Director of the Company is a member in more than ten (10) Committees or acts as Chairperson of more than five (5) Committees across all companies in which he/she is a director.

\*\* Took Over the charge of Chairman & Managing Director on 21st May, 2020 vide Ministry of Railway (MoR) order No.2018/PL/47/2 dated 21.05.2020.

### 2.3 Meetings of Board of Directors

The Board of Directors has been holding its meetings regularly. 8 (Eight) such meetings were held on 6th May, 2021, 19th May, 2021, 29th June, 2021, 19th July, 2021, 13th August, 2021, 1st November, 2021, 10th February, 2021 and 30th March, 2022.

### 2.4 No director of the Company is inter-se related to any other director on the Board.

2.5 As on 31st March, 2022, the Director's shareholding is Nil.

### 2.6 Familiarization programme for Independent Directors

The details of familiarization programmes imparted to Independent Directors are displayed on the Company's website. The details are hosted at <https://irfc.co.in/investors-2/>.

### 2.7 A chart or matrix setting out the skills / expertise / competencies identified of the board and name of directors having such skills/ expertise / competencies as required in the context of its business (es) and sector(s) for an efficient functioning

IRFC, being a Govt. Company within the meaning of Section 2(45) of the Companies Act, 2013 the power to appoint functional / Official Part-time Directors / non-

Official Part-time Directors (Independent Directors) vests with the Government of India. Thus, skills / expertise / competencies of an incumbent are within the purview of Govt. of India.

2.8 All the Independent Directors in the meeting of the Board of Directors of the Company gave a declaration that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and DPE's Guidelines on Corporate Governance for CPSEs. The Board of Directors in the said meeting confirmed that the Independent Directors of the Company fulfil the conditions specified in Companies Act, 2013, SEBI (LODR) Regulations, 2015 and DPE's Guidelines on Corporate Governance for CPSEs and are independent of the management. No Independent Director has resigned during the FY 2021-22.

In the opinion of the Board, the Independent Director possess the requisite expertise and experience and are the persons of high integrity and repute. The Independent Directors have registered themselves in Independent Directors Databank with IICA and shall take the online proficiency test and within the prescribed period.

Further, Shri Vallabhbbhai Maneklal Patel appointed as Non-Official / Independent Director w.e.f 10th November, 2021 vide Ministry of Railways, Government of India's order No. 2019/PL/57/22 dated 9th November 2021 and Smt. Sheela Pandit appointed as Non-Official

/ Independent Director w.e.f. 22nd November, 2021 vide Ministry of Railways, Government of India's order No. 2019/PL/57/22 dated 9th November 2021. Both the Independent Directors have submitted their declaration of independence to the Board of Directors.

### Separate Meeting of Independent Directors

The Separate Meeting of Independent Directors for the FY 2021-22 was held on 31st January, 2022 in terms of SEBI (LODR) Regulations, 2015, Schedule IV of Companies Act, 2013 and as per the Guidelines issued by DPE on Roles & Responsibilities of Non-Official Directors (Independent Directors) of CPSEs. All the Independent Directors attended the said Meeting.

### Directors and Officers insurance

The Company has undertaken Directors and Officers insurance ('D and O insurance') for all its Directors, including independent directors, for a quantum and risks as determined by the Board of Directors of the Company.

## 2.9 Information placed before the Board

Information placed before the Board of Directors from time to time broadly includes items specified in the Companies Act, SEBI Regulations, Government Guidelines and any other information considered relevant and useful in facilitating meaningful and focused deliberations on issues concerning the Company and taking decisions in an informed and efficient manner. Additionally, Directors on the Board are free to seek and access all information pertaining to the business of the Company, as and when required. In case of urgency, resolutions are passed by circulation, which are noted by the Board in their next Meeting. Minutes of the Meetings of the Committee(s) constituted by the Board are also placed in their next Meeting (of the Board) for their information and noting.

## 3. Audit Committee

The Company has constituted Audit Committee in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (LODR) Regulations, 2015 and the Government Guidelines.

As on 31st March, 2022, the Audit Committee comprised of the following Directors:

Sr. No.	Name of Director	Nature	Status
(i)	Shri Vallabhbhai Maneklal Patel	Independent Director	Chairman
(ii)	Smt. Sheela Pandit	Independent Director	Member
(iii)	Shri Amitabh Banerjee	Chairman & Managing Director	Member

Company Secretary acts as Secretary to the Audit Committee.

During the financial year 2021-22, Five (5) Meetings of the Committee were held on 29th June, 2021, 13th August, 2021, 1st November, 2021, 10th February, 2022 and 30th March, 2022.

Participation of the Members in these Meetings is outlined below: -

Sr. No.	Name of the Member of the Audit Committee	Number of Meetings held during their tenure	Number of Meetings attended
1.	Shri Ashok Kumar Singhal Non-Official / Independent Director	1	1
2.	Shri. Amitabh Banerjee Chairman & Managing Director	5	5
3.	Shri Baldeo Purushartha Government Nominee Director	3	3
4.	Shri Bhaskar Choradia Government Nominee Director	2	2

Sr. No.	Name of the Member of the Audit Committee	Number of Meetings held during their tenure	Number of Meetings attended
5.	Shri Vallabhbai Maneklal Patel Non-Official / Independent Director	2	2
6.	Smt. Sheela Pandit Non-Official / Independent Director	2	2

**Notes:-**

- Shri Ashok Kumar Singhal ceased to be Non-Official/ Independent Director of the Company w.e.f 20th July, 2021 due to completion of his tenure.
- Shri Baldeo Purushartha and Shri Bhaskar Choradia ceased to be member(s) of the Committee w.e.f 24th November, 2021.
- Shri Vallabhbai Maneklal Patel and Smt. Sheela Pandit appointed as member(s) of the committee w.e.f 24th November, 2021.

Terms of Reference of the Audit Committee specified by the Board are in conformity with the requirements of Section 177 of the Companies Act, 2013 read with Regulation 18 and part C of schedule II of SEBI (LODR) Regulations, 2015. The terms of reference are as follows: -

A. The role of the audit committee shall include the following:

- oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- taking on record the appointment of auditors of the Company by the Comptroller and Auditor General of India, recommendation for remuneration, terms of appointment of auditors of the Company based on the order of Comptroller and Auditor General of India and to review the follow-up action taken on the audit observations of the C&AG audit;
- 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:
  - 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, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - 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 utilized 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 Company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company, 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 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;

14. discussion with internal auditors of any significant findings and follow up there on;
  15. 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;
  16. 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;
  17. 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;
  18. to review the functioning of the whistle blower mechanism;
  19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
  20. Carrying out any other function as specified by the Board from time to time;
  21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
  22. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
- B. The audit committee shall mandatorily review the following information:
1. management discussion and analysis of financial condition and results of operations;
  2. management letters / letters of internal control weaknesses issued by the statutory auditors;
  3. internal audit reports relating to internal control weaknesses;
  4. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
  5. statement of deviations:
    - a. 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 SEBI Listing Regulations;
    - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

#### 4. Nomination & Remuneration Committee

The Company is a Central Public Sector Undertaking and accordingly the appointment of Chairman & Managing Director, other Directors and fixation of their remuneration are decided by the President of India in terms of the Articles of Association of the Company. However, the Company has constituted a Nomination and Remuneration Committee pursuant to the provisions of the Companies Act, 2013, DPE's Guidelines on Corporate Governance for CPSEs, SEBI (LODR) Regulations, 2015 and RBI's Corporate Governance norms.

As on 31st March, 2022, the Nomination & Remuneration Committee comprised of the following Directors:

Sr. No.	Name of Director	Nature	Status
(i)	Shri Vallabhbhai Maneklal Patel	Independent Director	Chairman
(ii)	Smt. Sheela Pandit	Independent Director	Member
(iii)	Shri Baldeo Purushartha	Government Nominee Director	Member

Company Secretary acts as Secretary to the Committee.



During financial year 2021-22, Two (2) Meetings of the Committee were held on 16th July, 2021 and 9th February, 2022. Participation of the Members in these Meetings is outlined below: -

Sr. No.	Name of the Member of the Nomination & Remuneration Committee	Number of Meetings held during their tenure	Number of Meetings attended
1.	Shri Ashok Kumar Singhal Non-Official / Independent Director	1	1
2.	Shri Bhaskar Choradia Government Nominee Director	1	1
3.	Shri Baldeo Purushartha Government Nominee Director	2	1
4.	Shri Vallabhbai Maneklal Patel Non-Official / Independent Director	1	1
5.	Smt. Sheela Pandit Non-Official / Independent Director	1	1

**Notes:-**

- Shri Ashok Kumar Singhal ceased to be Non-Official/ Independent Director of the Company w.e.f 20th July, 2021 due to completion of his tenure.
- Shri Bhaskar Choradia ceased to be member of the Committee w.e.f 24th November, 2021.
- Shri Vallabhbai Maneklal Patel and Smt. Sheela Pandit appointed as member(s) of the Committee w.e.f 24th November, 2021.

The Role and Terms of Reference of the Nomination and Remuneration Committee are as provided under the relevant provisions of Companies Act, DPE's Guidelines on Corporate Governance for CPSEs, SEBI (LODR) Regulations, 2015 and RBI's Corporate Governance norms.

**Performance Evaluation of Directors**

The requirement of performance evaluation of directors under Section 178(2) of the Companies Act, 2013 has been done away with for Government Companies vide Ministry of Corporate Affairs' (MCA) Notification dated 5th June, 2015. Further, MCA vide its notification dated 05th July, 2017 has made an amendment in the Schedule IV of the Act, whereby it has exempted Government Companies from complying with the requirement of performance evaluation by the

Independent Director of non-independent directors and chairman and performance evaluation of the independent directors by the Board, if the concerned departments or ministries have specified these requirements. In this regard, the Department of Public Enterprises (DPE) has also laid down a mechanism for performance appraisal of all Functional Directors. DPE has also initiated evaluation of Independent Directors.

**5. Stakeholder's Relationship Committee**

In accordance with Section 178(5) of the Companies Act, 2013 read with Regulation 20 of SEBI (LODR) Regulations, 2015, the Company has constituted Stakeholders Relationship Committee.

As on 31st March 2022, the Stakeholders' Relationship Committee comprised of the following Directors:

Sr. No.	Name of Director	Nature	Status
(i)	Smt. Sheela Pandit	Independent Director	Chairperson
(ii)	Shri Amitabh Banerjee	Chairman & Managing Director	Member
(iii)	Ms. Shelly Verma	Director Finance	Member

Company Secretary acts as Secretary to the Committee.

During financial year 2021-22, One Meeting of the Committee was held on 29th June, 2021. Participation of the Members is outlined below: -

Sr. No.	Name of the Member of the Stakeholders' Relationship Committee	Number of Meetings held during their tenure	Number of Meetings attended
1.	Shri Ashok Kumar Singhal Non- Official / Independent Director	1	1
2.	Shri Amitabh Banerjee Chairman & Managing Director	1	1
3.	Ms. Shelly Verma Director Finance	1	1

**Notes:-**

- Shri Ashok Kumar Singhal ceased to be Non-Official/ Independent Director of the Company w.e.f 20th July, 2021 due to completion of his tenure.

**Name and Designation of Compliance Officer**

Shri Vijay Babulal Shirode, Company Secretary acts as Compliance officer of the Company.

**Investor Complaints**

Information on investor complaints for the year ended 31st March, 2022, is as follows:

Sr. No.	Particulars	Equity	Bonds
1	Complaints pending at the beginning	Nil	Nil
2	Complaints received through correspondence	1028	1577
3	Complaints received from the SEBI during the period	34	2
4	Complaints resolved / replied during the period	1062	1579
5	Complaints pending at the end	Nil	Nil

**5A. Risk Management Committee**

As per requirement of SEBI (LODR) Regulations, 2015, Risk Management Committee has been constituted to monitor and review the risk management plan of the Company and to make recommendations to the Board of Directors for taking up various risk management activities.

As on 31st March, 2022, the Risk Management Committee comprised of the following directors:

Sr. No.	Name of Director	Nature	Status
(i)	Shri Amitabh Banerjee	Chairman & Managing Director	Chairman
(ii)	Shri Vallabhbhai Maneklal Patel	Independent Director	Member
(iii)	Ms. Shelly Verma	Director Finance	Member

During the financial year 2021-22, Four(4) Meeting were held on 28th June, 2021, 25th August, 2021, 24th December, 2021 and 29th March, 2022 Participation of the Members is outlined below: -

Sr. No.	Name of the Member of the Risk Management Committee	Number of Meetings held during their tenure	Number of Meetings attended
1.	Shri Amitabh Banerjee Chairman & Managing Director	4	4
2.	Shri Ashok Kumar Singhal Non-Official/Independent Director	1	1
3.	Ms. Shelly Verma Director Finance	4	4

Sr. No.	Name of the Member of the Risk Management Committee	Number of Meetings held during their tenure	Number of Meetings attended
4.	Shri Bhaskar Choradia Government Nominee Director	1	1
5.	Shri Vallabhbbhai Maneklal Patel Non- Official/Independent Director	2	2

**Notes:-**

- Shri Ashok Kumar Singhal ceased to be Non-Official/ Independent Director of the Company w.e.f 20th July, 2021 due to completion of his tenure.
- Shri Bhaskar Choradia ceased to be member of the Committee w.e.f 24th November, 2021.
- Shri Vallabhbbhai Maneklal Patel appointed as member of the committee w.e.f 24th November, 2021.

The Role and Terms of Reference of the Risk Management Committee as follows :

- To formulate a detailed risk management policy which shall include:
  - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - Measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.”

**5B. CSR Committee**

In accordance with provisions of Section 135 of the Companies Act, 2013, read with the Government Guidelines, the Company has constituted CSR Committee.

As on 31st March, 2022, the CSR Committee comprised of the following Directors:

Sr. No.	Name of Director	Nature	Status
(i)	Shri Amitabh Banerjee	Chairman & Managing Director	Chairman
(ii)	Shri Vallabhbbhai Maneklal Patel	Independent Director	Member
(iii)	Ms. Shelly Verma	Director Finance	Member

Company Secretary acts as Secretary of the Committee.

During the financial year 2021-22, Five (5) Meetings of the Committee were held on 6th May, 2021, 19th July, 2021, 1st November, 2021, 9th February, 2022 and 29th March, 2022. Participation of the Members in these Meetings is outlined below: -

<b>Sr. No.</b>	<b>Name of the Member of the CSR Committee</b>	<b>Number of Meetings held during their tenure</b>	<b>Number of Meetings attended</b>
1.	Shri Amitabh Banerjee Chairman & Managing Director	5	5
2.	Ms. Shelly Verma, Director Finance	5	5
3.	Shri Ashok Kumar Singhal Non- Official / Independent Director	2	2
4.	Shri Baldeo Purushartha Government Nominee Director	1	0
5.	Shri Vallabhbbhai Maneklal Patel Non- Official / Independent Director	2	2

**Notes:-**

- Shri Ashok Kumar Singhal ceased to be Non-Official/ Independent Director of IRFC w.e.f 20th July, 2021 due to completion of his tenure.
- Shri Baldeo Purushartha ceased to be member of the CSR Committee w.e.f 24th November, 2021.
- Shri Vallabhbbhai Maneklal Patel appointed as member of the CSR committee w.e.f 24th November, 2021.

### 5C. IT Strategy Committee

In compliance with the Reserve Bank of India's Master Direction for Information Technology Framework for NBFCs, the Board of Directors of the Company constituted the IT Strategy Committee. The primary roles and responsibilities of the IT strategy committee as mentioned in the RBI's Master directive is as follows: -

- Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
- Ascertaining that the management has implemented processes and practices that ensure that the IT delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.

As on 31st March, 2022, the IT Strategy Committee comprised of the following:

<b>Sr. No.</b>	<b>Name of Member of the IT Strategy Committee</b>	<b>Nature</b>	<b>Status</b>
(i)	Smt. Sheela Pandit	Independent Director	Chairperson
(ii)	Shri Sunil Kumar Goel	Group General Manager (Finance)*	Member
(iii)	Shri Ajay Swami	General Manager (Finance III)**	Member
(iv)	Shri Amarendra Sahoo	Joint General Manger (IT)***	Member Conveyor

\* Group General Manager (Finance) is designated as Chief Information Officer (CIO)

\*\*General Manager (Finance III) is designated as Chief Information Security Officer (CISO)

\*\*\* Joint General Manger (IT) is designated as Chief Technology Officer (CTO)



During the financial year 2021-22, Three (3) Meetings of the Committee were held on 17th June, 2021, 10th December, 2021 and 3rd February, 2022. Participation of the Members in these Meetings is outlined below:

Sr. No.	Name of the Member of the IT Strategy Committee	Number of Meetings held during their tenure	Number of Meetings attended
1.	Shri Ashok Kumar Singhal Non- Official / Independent Director	1	1
2.	Smt. Sheela Pandit Non- Official / Independent Director	2	2
3.	Shri Sunil Kumar Goel Group General Manager (Finance)	2	2
4.	Shri Amarendra Sahoo Joint General Manger (IT)	3	3
5.	Shri Ajay Swami General Manager (Finance III)	1	1

**Notes:-**

- Shri Ashok Kumar Singhal ceased to be Non-Official/ Independent Director of IRFC w.e.f 20th July, 2021 due to completion of his tenure.
- Smt. Sheela Pandit Non-Official Independent Director appointed as member of the committee w.e.f 24th November, 2021.
- Shri Sunil Kumar Goel appointed as member of the committee w.e.f 1st November, 2021
- Shri Ajay Swami appointed as member of the committee w.e.f 30th March, 2022

## 6. Remuneration of Directors

IRFC, being a Government Company, the appointment, tenure and remuneration of Directors is decided by the President of India. Remuneration paid to Chairman & Managing Director and Functional Directors during the Financial Year 2021-22 were as per terms and conditions of their appointment. Independent Directors are paid only sitting fee per Board / Committee meeting attended in accordance with the provisions of Companies Act, 2013.

### Remuneration paid to Key Managerial Personnel (KMPs)

Remuneration is paid by the Company during FY 2021-22 to its Key Managerial Personnel (KMPs) as follows: -

(₹ in Mn)

Sr. No.	Name & Designation	Salary & Allowances	Performance Linked Incentive	Perquisites	Leave Encashment	CPF Contribution	Pension Fund Contribution	Total
1	Shri Amitabh Banerjee, Chairman & Managing Director	5.26	2.98	0.05	1.06	0.49	0.41	10.25
2	Ms. Shelly Verma, Director Finance	5.13	1.01	0.08	-	0.41	-	6.63
3	Shri Vijay Babulal Shirode, Company Secretary	1.82	0.39	0.16	0.10	0.15	0.12	2.74

**Notes:-**

- Performance Linked Incentive is paid in line with the guidelines issued in this regard by DPE.
- Leave Encashment of ₹ 0.58 Mn and Pension Fund Contribution of ₹ 0.29 Mn of Ms. Shelly Verma has been remitted to her former employer.
- Perquisites does not include Non-taxable Medical Reimbursements and employer's contribution to Gratuity based on actuarial valuation.
- Pension contribution was deposited in NPS account. Hence, the Employer Pension Contribution is part of salary u/s 17(1) of the Income Tax Act, 1961 in Form 16.
- The Company has not given any stock options. Further, the appointment of Directors and terms of appointment including remuneration, notice period, severance fees etc., if any, are decided by the President of India.

### Remuneration of Non-Executive Directors

The Non-Executive Directors are paid sitting fees of ₹ 40,000/- for attending each meeting of the Board of Directors and ₹ 25,000/- for attending each meeting of the Committee(s) thereof, which is well within the limits prescribed under the Companies Act, 2013 and Rules made thereunder. During the financial year 2021-22, the details of remuneration paid to Non-Executive Directors towards sitting fees (excluding GST), were as under: -

(₹ in Mn)

Sr. No.	Name of Non - Executive Director	Sitting Fees		Total
		Board Meeting	Committee Meeting	
1	Shri Baldeo Purushartha Government Nominee Director	-	-	-
2	Shri Bhaskar Choradia Government Nominee Director	-	-	-
3	Shri Ashok Kumar Singhal Non-Official / Independent Director	0.16	0.18	0.34
4	Shri Vallabhbai Maneklal Patel Non-Official / Independent Director	0.08	0.20	0.28
5	Smt. Sheela Pandit Non-Official / Independent Director	0.08	0.15	0.23
	<b>Total</b>			<b>0.85</b>

#### Notes:-

- The Government Nominee Director(s) are not entitled to any remuneration or sitting fees from the Company, as per the norms of the Government of India.
- Shri Ashok Kumar Singhal ceased to be Non official/ Independent Director of IRFC w.e.f. 20th July, 2021 due to completion of his tenure.
- Shri Vallabhbai Maneklal Patel appointed as Non-Official / Independent Director w.e.f. 10th November, 2021.
- Smt. Sheela Pandit appointed as Non-Official / Independent Director w.e.f. 22nd November, 2021.

Apart from the above, the Non-Executive Directors do not have any material pecuniary relationship or transaction with the Company, except to the extent of payment / reimbursement towards air tickets, hotel accommodation, hiring of vehicle, out-of-pocket expenses, local conveyance etc., if applicable, in respect of attending meetings of the Board or Committees thereof.

## 7. General Body Meetings

Details of venue and timing of last three Annual General Meetings (AGM) are as under: -

AGM No.	Financial Year	AGM Date	Venue	Time	Whether any special resolution passed
34	2020-21	29th September, 2021	Room Nos. 1316 - 1349, 3rd Floor, The Ashok, Diplomatic Enclave, 50-B, Chanakyapuri, New Delhi – 110021 through Video Conferencing	3:00 P.M.	Two Special Resolutions were passed: <ul style="list-style-type: none"> <li>Increase in borrowing Powers of the Board of Directors of IRFC in terms of Section 180(1)(c) of the Companies Act, 2013</li> <li>Increase in ceiling for creation of charge in terms of Section 180(1)(a) of the Companies Act, 2013.</li> </ul>
33	2019-20	30th September, 2020	UG –Floor, East Tower, NBCC Place, Bhisham Pitamah Marg, Lodhi Road , Pragati Vihar, New Delhi-110003	3:00 P.M.	Three Special Resolutions were passed: <ul style="list-style-type: none"> <li>Alteration of certain Articles of Association of the Company</li> <li>Increase in Authorized Share Capital</li> <li>Initial Public Offer (IPO) of Equity Shares by IRFC</li> </ul>
32	2018-19	26th September, 2019	Committee Room (237), 2nd Floor, Rail Bhawan, New Delhi.	5.30 P.M.	Three Special Resolutions were passed: <ul style="list-style-type: none"> <li>Initial Public Offering (IPO)</li> <li>Borrowing Powers of the Board of Directors of IRFC</li> <li>Creation of Charge</li> </ul>

**Extra -Ordinary General Meeting**

No Extra -Ordinary General Meeting was held during the financial year ended on 31st March, 2022.

**Postal Ballot**

During the year under review, no resolution was passed through postal ballot. However, if required, the same shall be passed in compliance of provisions of Companies Act, 2013, Listing Regulations or any other applicable laws.

**8. Means of Communication**

Company communicates with its shareholders through its Investors Call, Annual Report, General Meetings, disclosures through its website and Publication of Audited/Unaudited Financial Results in newspapers. Information, latest updates and announcements regarding the Company can be accessed at the company's website: <https://irfc.co.in/> includes the following:

- Annual Report;
- Financial Information;
- Shareholding Pattern;
- Corporate Governance Reports;
- Investors Presentations and Transcripts of conference calls/analyst meets;
- Intimations to Stock Exchanges from time to time;
- Debenture Trustee details;
- Annual Return;
- Investor Contact details;
- MoU's;
- Independent Directors Familiarization Programme;

Company also communicates with its institutional shareholders through a combination of analysts briefing, individual discussions and also participation in investor conferences from time to time. Financial Results are discussed by way of conference calls, regularly after the closure of each quarter.

Information Memorandum in respect of issuance of the bonds of the Company has been hosted on the website of National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). Annual Accounts of the Company are also available on the website of the Company.

Website of the Company hosts all important information for investors and stakeholders.

**9. General Shareholder Information****i) Annual General Meeting:**

The 35th Annual General Meeting of the Shareholders will be held through video conferencing / other audio-visual means on the following day, date and time: -

**Day, Date & Time**

Friday, 23rd September, 2022 At 3.00 PM (IST)

Details regarding participation in the said meeting and other relevant information are appearing in the Notice of the 35th Annual General Meeting of the Company forming part of this Annual Report

**ii) Financial Year**

Financial year of the Company spans the period 1st April to 31st March of the following year.

**iii) Payment of Dividend**

The Company paid an interim dividend of ₹ 0.77/- per share (i.e., @ 7.7 % on the paid-up equity share capital of ₹ 10/- each) declared on 1st November, 2021. Further, the Board of Directors has recommended final dividend of ₹ 0.63/- per share (i.e., @ 6.3% on the on the paid-up equity share capital of ₹ 10/- each) subject to shareholders approval at the forthcoming AGM. Payment will be effected after 30 days of date of Annual General Meeting. Member(s) are requested to register/update their E-mail ID with company at [investors@irfc.co.in](mailto:investors@irfc.co.in)/ Depository participants/Company's Registrar & Share Transfer Agent at [irfc@beetalfinancial.com](mailto:irfc@beetalfinancial.com) which will be used for sending official documents through e-mail in future.

Pursuant to SEBI (LODR) Regulations, 2015, the company has formulated a "Dividend Distribution Policy" and the same is available on Company's website at <https://irfc.co.in/investors-2/>

**Unpaid/Unclaimed Dividend**

The unclaimed balance amount of interim dividend for the FY 2020-21 as on 31st March, 2022 was ₹ 5.92 million and interim dividend for the FY 2021-22 as on 31st March, 2022 was ₹ 4.04 million.

Further, Members are requested to note that, dividends if not encashed for a consecutive period of seven (7) years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

Details of Unpaid/Unclaimed Dividend is available on Company's website.

**iv) Listing on Stock Exchange**

IRFC equity shares are listed on the following Stock Exchanges:

<b>National Stock Exchange of India Limited</b> Listing department, Exchange Plaza, Bandra- Kurla Complex, Bandra (E) Mumbai- 400 051	<b>BSE Limited</b> Listing Dept / Dept of Corporate Services, PJ Towers, Dalal Street, Mumbai -400 001
<b>Scrip Symbol:</b> IRFC	<b>Scrip Code:</b> 543257
<b>Stock Code:</b> ISIN – INE053F01010	

Listing fees for the year 2021-22 has been paid to the stock exchanges.

**v) Market Price Data**

Month	NSE		BSE	
	High	Low	High	Low
April 2021	23.20	20.80	23.15	20.75
May 2021	24.25	20.90	24.30	20.90
June 2021	26.45	23.45	26.45	23.40
July 2021	25.00	22.85	25.00	22.80
August 2021	24.25	22.55	24.25	22.50
September 2021	23.15	22.25	23.15	22.25
October 2021	26.40	22.75	26.35	22.75
November 2021	26.00	22.70	26.00	22.65
December 2021	23.90	22.40	23.95	22.40
January 2022	24.35	22.50	24.30	22.50
February 2022	23.60	20.90	23.60	20.90
March 2022	23.20	21.05	23.20	21.05



## vi) Stock Exchange Index

Month	NSE NIFTY		BSE SENSEX	
	High	Low	High	Low
April 2021	15044.35	14151.40	50375.77	47204.50
May 2021	15606.35	14416.25	52013.22	48028.07
June 2021	15915.65	15450.90	53126.73	51450.58
July 2021	15962.25	15513.45	53290.81	51802.73
August 2021	17153.50	15834.65	57625.26	52804.08
September 2021	17947.65	17055.05	60412.32	57263.90
October 2021	18604.45	17452.90	62245.43	58551.14
November 2021	18210.15	16782.40	61036.56	56382.93
December 2021	17639.50	16410.20	59203.37	55132.68
January 2022	18350.95	16836.80	61475.15	56409.63
February 2022	17794.60	16203.25	59618.51	54383.20
March 2022	17559.80	15671.45	58890.92	52260.82

vii) The Securities of the Company has not been suspended from trading.

## viii) Registrar and Transfer Agents:

EQUITY SHARES	BONDS
M/s. Beetal Financial & Computer Services (P) Ltd. 3rd Floor 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi- 110062 Email id: irfc@beetalfinancial.com Ph. No : 91-11-2996 1281-83 Website: www.beetalfinancial.com	M/s. KFin Technologies Private Limited Selenium Tower B, Plot Nos. 31 & 32, Financial District Nanakramguda Serilingampally Mandal, Hyderabad – 500032, India Email id: brahma.k@kfintech.com P : +91 040 6716 1598, Toll Free No: 1800-345-4001 Website: www.kfintech.com

## ix) Share Transfer System

As per Regulation 40 of SEBI (LODR) Regulations, 2015 as amended, securities of listed companies can be transferred only in dematerialized form. Further, the transmission or transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form.

Pursuant to SEBI (LODR) Regulations, 2015 certificate on yearly basis confirming due compliance of shares transfer formalities by the Company from a Practicing Company Secretary have been submitted to Stock Exchanges within stipulated time.

## x) Distribution of shareholding

Distribution of shareholding as on 31st March, 2022 is as follows: -

Sr. No.	Amount	No. of shareholders	% of shareholders	No. of shares	% of shares
1	1-500	3,36,239	21.78	62,70,467	0.05
2	501-1000	1,45,791	9.44	1,30,08,189	0.10
3	1001-2000	1,21,377	7.86	1,99,38,910	0.15
4	2001-3000	65,245	4.23	1,71,02,503	0.13
5	3001-4000	37,663	2.44	1,39,02,788	0.11
6	4001-5000	63,636	4.12	3,09,18,713	0.24
7	5001-10000	6,27,466	40.65	39,79,44,686	3.05
8	10001 & Above	1,46,272	9.48	12,56,94,19,744	96.18
<b>Total</b>		<b>15,43,689</b>	<b>100</b>	<b>13,06,85,06,000</b>	<b>100</b>

Shareholding pattern as on 31st March, 2022 is as follows: -

Category	Total No. of shares	% to Equity
Promoters	11,28,64,37,000	86.36
Resident Individual	1,10,02,64,700	8.42
Mutual Fund	26,30,58,227	2.01
QIB Insurance Company Registered With IRDA	15,19,78,616	1.16
FPI Category I Body Corporate	14,67,49,498	1.12
Body Corporate	4,38,23,191	0.34
H U F	3,37,54,876	0.26
NRI Repatriable	2,01,33,530	0.15
NRI Non Repatriable	71,66,156	0.05
Clearing Member	46,58,633	0.04
Body Corporate LLP	29,47,297	0.02
Body Corporate Client Collateral Account	24,60,121	0.02
Trusts	22,88,313	0.02
Body Corporate Margin Trading	21,27,726	0.02
Mutual Fund Custodian Mutual Fund	4,88,216	0.00
Body Corporate Broker	1,22,456	0.00
FPI Category II Individual	12,782	0.00
Resident Individual Margin Trading Account	10,950	0.00
Body Corporate Co-Operative Body	8,000	0.00
Individual Association of Persons AOP	4,144	0.00
NRI DR	4,000	0.00
Body Corporate NBFC	3,437	0.00
Foreign National	3,055	0.00
Resident Individual DR	576	0.00
Trusts Other Employee Benefit Trust old Schem	500	0.00
<b>Total</b>	<b>13,06,85,06,000</b>	<b>100</b>

Particulars	No. of Shares	% to total Capital Issued
NSDL	12,38,08,58,516	94.74%
CDSL	68,76,45,859	5.26%
Physical	1625	0.00%
<b>Total</b>	<b>13,06,85,06,000</b>	<b>100</b>

**xii) Outstanding GDR and ADR Warrants or any convertible instruments, conversion date and likely impact on equity**

No GDR and ADR Warrants/Convertible Instruments have been issued by the Company.

**xiii) Commodity price risk or foreign exchange risk and hedging activities**

Your Company has put in place Risk Management policy to manage risks associated with foreign currency borrowings. The Company enters into hedging transactions to cover exchange rate and interest rate risk through various instruments like forwards, options and swaps.

**xiv) Location of IRFC Plants**

IRFC has no plants as it is into the business of Lease & Project Financing.

**xv) Address for correspondence: -**

**Registered Office**

Indian Railway Finance Corporation Limited  
Room Nos 1316 – 1349, 3rd Floor, The Ashok,  
Diplomatic Enclave, 50-B, Chanakyapuri,  
New Delhi -110021  
CIN - L65910DL1986GOI026363

**Company Secretary**

Vijay Babulal Shirode  
Tel: +91 11 24100385  
Email: investors@irfc.co.in

**xvi) Credit Rating****Domestic:**

During the financial year 2021-22, the Company's long-term domestic borrowing programme was awarded the highest credit rating of "CRISIL AAA/Stable", "[ICRA] AAA (Stable)" and "CARE AAA [Triple A]" by CRISIL, ICRA and CARE respectively. The Company also got its short-term borrowing programme rated, obtaining the highest rating of "CRISIL A1+", "[ICRA] A1+", and "CARE A1+ [A One Plus]" by CRISIL, ICRA and CARE.

**International:**

During the financial year 2021-22, three international credit rating agencies – Standard & Poor's, Fitch and Moody's – have awarded "BBB- with Stable Outlook", "BBB- with Negative Outlook" and "Baa3 with Stable Outlook" ratings respectively to your Company. Besides, the Company obtained an issuer specific credit rating of "BBB+ with Stable Outlook" from Japanese Credit Rating Agency. Each of the four credit ratings is equivalent to India's sovereign rating, and is of investment grade.

**(xvii) Reconciliation of Share Capital Audit**

The Reconciliation of Share Capital Audit is conducted by a Company Secretary in practice, who issues quarterly report on the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited ("Depositories") and the total issued capital and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with Depositories) and that the requests for dematerialization of shares are processed by the R&T Agent within stipulated period and uploaded with the concerned depositories.

**10. Disclosures**

- i) The Company has not entered into any materially significant related party transaction that may have any potential conflict with the interest of the Company. Further, the Company did not enter into any significant related party transactions with board members where they had personal interest. Further, the transactions with Ministry of Railways and / or its entities are in the ordinary course of business and at arm's length.
- ii) Details of non-compliance, penalties structure imposed by stock exchange or any statutory authority or any matter related to capital markets, during last three years:

There has been no instance of non-compliance of any statutory regulation or Government guidelines, nor there has been any penalties or strictures imposed on the Company on any matter related to the capital market and guidelines issued by Government except as disclosed in the Secretarial Audit Report.

- iii) Whistle Blower Policy: - In line with extant best practices and also under Section 177 of the Companies Act, 2013 read with the relevant Rules and SEBI (LODR) Regulations, 2015, the Company has framed a Whistle Blower Policy, and the same has been communicated to all employees of the Company. For convenience of all stakeholders, the said policy has also been hosted on the website of the Company. No personnel of the Company have been denied access to the Audit Committee in the context of action under the Policy. IRFC has a Whistle- Blower Policy & has been hosted on the website of the Company at <https://irfc.co.in/wp-content/uploads/2022/05/Whistle-Blower-Policy.pdf>
- iv) The Company does not have any Subsidiary.
- v) Pursuant to SEBI (LODR) Regulations, 2015, the company has formulated a "Related Party Transaction Policy" and the same is available at <https://irfc.co.in/wp-content/uploads/2022/05/Related-Party-Transactions-Policy.pdf>
- vi) Certificate pursuant to Regulation 34 (3) and Schedule V Para C clause (10) (i) of SEBI (LODR) Regulations, 2015 has been obtained from Company Secretary in Practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority. Certificate is enclosed as **Annexure A** forming part of this report.
- vii) The Detail of fees paid to the Statutory Auditors by IRFC during FY 2021-22 have been disclosed in the Financial Statements.
- viii) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Sr. No.	Particulars	No. of Complaints
1	Number of Complaints filed during FY 2021-22	Nil
2	Number of Complaints disposed of during FY 2021-22	Nil
3	Number of Complaints pending as on end of the FY 2021-22	Nil

- ix) No items of expenditure have been debited in books of accounts, which are not for the purpose of the business. Further, there was no expense which is of personal nature and incurred for the Board of Directors and / or Top Management.
- x) During the year, the Administrative and Office expenses remained below 0.20% of the turnover. Last year, the same was 0.11%.
- xi) Auditors of the Company have audited and accorded an unqualified certification to its accounts for the year ended 31st March, 2022.
- xii) The Company has complied with the requirements of the SEBI (LODR) Regulations, 2015, and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India except as disclosed in Secretarial Audit Report. The Secretarial Audit Report is enclosed as ANNEXURE-V.
- xiii) The Financial Statements for the financial year 2021-22 have been prepared as per the Indian Accounting Standards as notified under Section 133 of the Companies Act, 2013.
- xiv) Pursuant to the DPE Guidelines on Corporate Governance, quarterly compliance report is being submitted to the Ministry of Railway, through DPE, within the stipulated time. Further, the Report containing Annual Score (consolidated score of four quarters) was also submitted to DPE within the prescribed timeline.

### 11. Discretionary Requirements

Your Company has broadly complied with all the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India. Information on adoption / non-adoption of the non-mandatory requirements is given at **Annexure B** of this Report.

- 12. The Compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations, 2015 have been made to the extent compliances are within the ambit of the Company.

### 13. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Navneet K Arora & Co LLP, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the FY 2021-22 from the auditor is annexed as **ANNEXURE-V**.

The Secretarial Auditor had observed that the Company was not having adequate number of independent Directors during the year. Independent directors in the Company are appointed by President of India, through Ministry of Railways, Government of India. The Company has requested Ministry of Railways, Government of India for appointment of requisite number of independent directors on its Board.

### 14. Compliance Certificate on Corporate Governance

As required under the Government Guidelines, the Secretarial Auditor of the Company have issued a certificate regarding compliance of conditions of Corporate Governance by the Company, which is annexed to this Report as **ANNEXURE - VI**.

Company has appointed Shri. Vijay Babulal Shirode, Jt.GM (Law) & Company Secretary as the Compliance Officer of the Company.

### 15. Code Of Conduct

The Code of Business Conduct and Ethics for the Board Members and Senior Management is a comprehensive code applicable to all Directors and Members of Senior Management of your Company. It is in alignment with Company's vision and values to achieve the Mission & Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company. A copy of the Code has been made available on the website of the Company i.e. <https://irfc.co.in/wp-content/uploads/2022/05/Code-of-business-conduct-ethics.pdf>

Based on the affirmation received from Board Members and Senior Management Personnel, declaration regarding compliance of Code of Conduct made by the Chairman & Managing Director is enclosed at **ANNEXURE-VIII**.



## 16. Details of Demat Suspense Account

The details of shares in the Demat Suspense account as on 31st March, 2022 is as follows:

Description	No. of Cases	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1st April, 2021	12	6900
Less: Number of shareholders to whom shares were transferred from suspense account during the year 2021-22	12	6900
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. 31st March, 2022	Nil	Nil

## 17. Code Of Internal Procedures and Conduct for Prohibition of Insider Trading

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and as amended from time to time, IRFC Board has laid down "The Code Of Internal Procedures and Conduct For Prohibition of Insider Trading In Dealing With The Securities of Indian Railway Finance Corporation Limited" with an aim that 'Designated Persons' shall not derive any benefit or assist others to derive any benefit from the access to and possession of Unpublished Price Sensitive Information about the Company which is not in the public domain and thus constitutes insider information. Company Secretary has been designated as Compliance Officer for this Code. The said Code is available on the website of the Company i.e. <https://irfc.co.in/wp-content/uploads/2022/05/Insider-Trading-Policy-New.pdf>

## 18. Training of Board Members

All Non-Executive Directors are apprised of the Company's business, nature and broad methodology of operations, and other important matters by the whole-time Directors of the Board from time to time. The Company's Board of Directors consists of professionals with vast experience and high level of expertise in their respective fields and industry. Their professional status gives them adequate exposure to the latest trends in the financial markets & the economy, as also emerging position of relevant legislation. It shall be

endeavour of the Company that the Whole-time Directors attend training programmes in order to keep themselves abreast with the latest developments in the areas of finance, accounts, etc.

## 19. Publication of Audited/Unaudited Financial Results

The Audited/Unaudited Financial Results were published in newspaper(s) as under:

Half year ended 30.09.2021 (Unaudited)	02.11.2021
Year ended 31.03.2022 (Audited)	21.05.2022

## 20. Trustees of the Bonds

The Trustees appointed for the Bonds issued by the Company are as under: -

1.	SBI CAP Trustee Co. Limited Ministry Bhavan, 4th Floor 122, Dinshaw Vachha Road Churchgate, Mumbai – 400 020	For the Bonds issued under 81st Series and onwards
2.	Indian Bank 254-260, Shanmugam Salai Chennai – 600 014	For the Bonds issued under 46th "EE" Series to 80th 'A' Series

## Annexure A

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
 The Members of  
**INDIAN RAILWAY FINANCE CORPORATION LIMITED**  
 Registered Office: Room No 1316-1349, 3rd Floor  
 Hotel The Ashok Diplomatic Enclave,  
 50-B, Chanakyapuri, New Delhi-110021

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **INDIAN RAILWAY FINANCE CORPORATION LIMITED** having CIN: L65910DL1986GOI026363 and having its registered office at Room No 1316-1349, 3rd Floor Hotel The Ashok Diplomatic Enclave, 50-B, Chanakyapuri, New Delhi-110021(hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its directors / officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on, **31st March, 2022** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Board/ Ministry of Corporate Affairs or any such statutory authority..

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Amitabh Banerjee	03315975	12/10/2019
2.	Mr. Baldeo Purushartha	07570116	03/06/2020
3.	Ms. Shelly Verma	07935630	01/09/2020
4.	Mr. Bhaskar Choradia	08975719	27/11/2020
5.	Mr. Vallabhbhai Maneklal Patel	07713055	10/11/2021
6.	Mrs. Sheela Pandit	09403193	22/11/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Navneet K Arora & Co LLP**  
 Company Secretaries

Sd/-  
**CS Navneet Arora**  
 Managing Partner

FCS: 3214, COP: 3005

ICSI Unique Firm Regn Code : P2009DE061500

UDIN: F003214D000376719

Place : New Delhi  
 Date : 24th May, 2022

## Annexure B

### Non-Mandatory Requirements

The status of non-mandatory requirements pertaining to Corporate Governance Section of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as follows:

- 1. The Board:** The Company is headed by an executive Chairman.
- 2. Shareholder Rights:** The quarterly financial results of the Company are published in leading newspapers as mentioned under the heading "Publication of Audited/Unaudited Financial Results" of the Corporate Governance report and also displayed on the website of the Company.
- 3. Modified opinion(s) in audit report:** The Statutory Auditors have issued unmodified opinion on the standalone financial statements of the Company for the year ended 31st March, 2022.
- 4. Reporting of Internal Auditor:** The Internal auditors of the company are invited to the Meetings of the Audit Committee and regularly interact with the members of the Audit committee.

**ANNEXURE-III**

# Business Responsibility Report

## Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L65910DL1986GOI026363
2.	Name of the Company	Indian Railway Finance Corporation Limited
3.	Registered address	Room Nos. 1316 - 1349, 3rd Floor, The Ashok, Diplomatic Enclave, 50-B, Chanakyapuri New Delhi-110021
4.	Website	<a href="https://irfc.co.in/">https://irfc.co.in/</a>
5.	E-mail Id	investors@irfc.co.in
6.	Financial year reported	2021-22
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC – ND-SI) and Infrastructure Finance Company (NBFC- IFC) with Reserve Bank of India (RBI)
8.	Key products / services that the Company manufactures / provides (as in balance sheet)	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, Lease Income & Interest income.
9.	Total number of locations where business activity is undertaken by the Company	1 (One)
10.	(a) Number of International Locations	None
	(b) Number of National Locations	1 (One)
	Markets served by the Company - Local/State/National/ International	IRFC serves the Indian markets, and its business extends throughout the country. For resource mobilization purpose, the Company also taps international capital markets besides domestic markets.

## Section B: Financial Details of the Company (as on 31st March 2022)

1.	Paid-up Capital	₹ 1,30,68,50,60,000
2.	Total Turnover	₹ 20,298.27 crore
3.	Total Profit After Taxes	₹ 6,089.84 crore
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax	Company was required to spend ₹ 70.06 crore, being 2% of its average net profits of the last three financial years, against which the Company approved total 24 projects with total outlay of ₹ 70.06 crore, against which Company has disbursed a sum of ₹ 45.02 crore. Balance amount of ₹ 25.04 crores will be disbursed on receipt of claims / bills.
5.	List of activities in which expenditure in 4 above has been incurred.	The major areas on which projects has been approved includes Environment Sustainability, promoting health care and education besides contribution to PM CARES Fund, Swacch Bharat Kosh and Clean Ganga Fund and List of activities approved is provided in ANNEXURE – IV.



**Section C: Other Details**

1.	Does the Company have any subsidiary Company/ Companies?	No
2.	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	No
3.	Do any other entity /entities (e.g., suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities?	No

**Section D: BR Information****1. Details of Director responsible for BR / BR Head**

Sr. No.	Particulars	Details
1.	Name	Shri Amitabh Banerjee
2.	Designation	Chairman & Managing Director
3.	DIN	03315975
4.	Telephone number	011-24100380
5.	E-mail id	cmd@irfc.co.in

**2. Principle-wise (as per NVGs) BR Policy / policies**

Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with SEBI Circular dated November 4, 2015, provides that Top 1000 listed companies shall formulate a structured Business Responsibility Report based on the following nine principles, describing the initiatives taken by them from an environmental, social and governance perspective: -

Principle 1 (P1)	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability. <b>[Ethics, Transparency &amp; Accountability]</b>
Principle 2 (P2)	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle. <b>[Sustainability in Life-Cycle of Product]</b>
Principle 3 (P3)	Businesses should promote the well-being of all employees. <b>[Employee Well-Being]</b>
Principle 4 (P4)	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized. <b>[Stakeholder Engagement]</b>
Principle 5 (P5)	Businesses should respect and promote human rights. <b>[Promotion of Human Rights]</b>
Principle 6 (P6)	Businesses should respect, protect and make efforts to restore the environment. <b>[Environmental Protection]</b>
Principle 7 (P7)	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner. <b>[Responsible Public Policy Advocacy]</b>
Principle 8 (P8)	Businesses should support inclusive growth and equitable development. <b>[Inclusive Growth and Equitable Development]</b>
Principle 9 (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner. <b>[Customer Value]</b>

**2(a) Details of compliance (Reply in Y/N)**

Sr. No.	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for the Principle?	Y	Y*	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y*	Y	Y	Y	-	-	Y	Y
3.	Does the policy confirm to any national/international standards? If yes, specify?	Y	Y	Y	Y	Y	-	-	Y	Y
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	-	-	Y	Y
5.	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	-	-	Y	Y
6.	Indicate the link for the policy to be viewed online?	**	**	**	**	**	-	-	**	**
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	-	-	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	-	-	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	-	-	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	-	-	Y	Y

Note:(\*) IRFC being NBFC, this principle has limited applicability.

(\*\*) The relevant explanation/information/links are mentioned in the **ANNEXURE to BRR**.

2(b)	If answer to the question at Sl. No. (a) against any principle, is 'No', please explain why.	Not Applicable.
<b>3.</b>	<b>Governance related to BR</b>	
	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the performance of the Company.	The BR activities of the Company are overseen by Functional Director(s) and the Board also reviews the Business Responsibility Report as part of Directors' Report on annual Basis.
	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The current BRR Report shall form part of Annual Report of the Company for FY 2021-22 and shall be available on company's website: <a href="https://irfc.co.in/">https://irfc.co.in/</a>

## Section E: Principle-wise performance

### Principle 1 - Ethics, Transparency & Accountability

<p>1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group / Joint Ventures Suppliers / Contractors / NGOs / Others?</p>	<p>Indian Railway Finance Corporation (IRFC) was set up on 12th December, 1986 as the dedicated financing arm of the Indian Railways for mobilizing funds from domestic as well as overseas Capital Markets.</p> <ol style="list-style-type: none"> <li>1. Code of Business Conduct &amp; Ethics, which captures the behavioral and ethical standards to be followed by the Board Members and Senior Management Personnel of the Company also, sets forth an obligation to strive continuously to bring about integrity and transparency in all spheres of the activities &amp; Work unstintingly for eradication of corruption in all spheres of life.</li> <li>2. Whistleblower Policy for Directors and Employees to report their genuine concerns or grievances about unethical behavior, actual or suspected fraud or to detect and report any improper activity within the Company.</li> <li>3. KYC &amp; Prevention of Money Laundering Policy which sets out the fair and transparent practices to be followed by the Company in its lending operations, as prescribed under RBI norms.</li> <li>4. Manual for Procurement of Goods, Services and works which lays down the procedures to be followed for procurement of goods and services in a fair and transparent manner and also in compliance with the Guidelines of Central Vigilance Commission (CVC).</li> <li>5. Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions, which prescribes adequate procedures and disclosures to be made before entering into related party transactions.</li> <li>6. Prevention of Documents and Archival Policy of the Corporation in the matter of Preservation of Documents / Records Retention and also subject to the provisions of other laws viz., Right to Information Act, 2005, The Public Records Act, 1993 etc as applicable.</li> <li>7. Prohibition of Insider Trading, which lay down the disclosure by Promoter, Key Managerial Personnel and Director of the Company about their holdings as well as dealings in the Company.</li> <li>8. Policy of Materiality disclosure of events to the stock exchanges for determination of materiality of events or information for disclosure.</li> <li>9. Identification of group Companies, Material creditors and material to define the materiality policy for identification of (i) outstanding litigation involving Indian Railway Finance Corporation Limited (the "Company") and its Directors; (ii) the Group Companies, and (iii) material creditors of the Company (together, the "Policy").</li> <li>10. Nomination and Remuneration policy which covers a whole gamut of HR functions such as the recruitment, promotion, training and development.</li> <li>11. Corporate Social Responsibility and Sustainability Policy to support Sustainable Development programs of the Government to save the mother earth and for healthy living of future generations of mankind.</li> <li>12. Board Diversity Policy is required to devise a policy for having diversity on the board of directors.</li> <li>13. Dividend Distribution Policy is to formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.</li> </ol>
---	--

2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The total number of complaints received during the year 2021-22 were 2,641 out of which 1,579 are bond related complaints and 1,062 complaints are related to Equity, which were resolved and no complaints were pending at the end of the year.
---	---	--

### Principle 2 - Sustainability in Life-Cycle of Product

1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	The primary objective of IRFC is to meet the predominant portion of 'Extra Budgetary Resources' (EBR) requirement of the Indian Railways through market borrowings at the most competitive rates and terms. The Company's principal business therefore is to borrow funds from the financial markets to finance the acquisition / creation of assets which are then leased out to the Indian Railways. Further, the CSR & Sustainability Policy of the Company is available at <a href="https://irfc.co.in/wp-content/uploads/2022/05/CSR-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/CSR-Policy.pdf</a>
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product. i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain? ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	from domestic as well as overseas Capital Markets.  Not Applicable  Not Applicable
3.	Does the Company have procedures in place for sustainable sourcing (including transportation)?  (a) If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so.	Not Applicable
4.	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Not applicable as the Company, is a Financial Institution and not in manufacturing of products. We are also following the Government of India's directives, issued from time to time, in respect of reservation for MSME (Micro, Small & Medium Enterprises) in procurements.
5.	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? Also provide details thereof, in about 50 words or so.	Not applicable as the Company, is a Financial Institution and not in manufacturing of products.



**Principle 3 - Employee Well-Being**

1.	Please indicate the total number of employees	As on 31st March 2022 there were 37 employees in IRFC.
2.	Please indicate the total number of employees hired on temporary/contractual/casual basis	There were 63 employees hired on contractual basis in IRFC as on 31st March 2022.
3.	Please indicate the number of permanent women employees	As on 31st March 2022, there were 8 permanent women employees on the rolls of the company.
4.	Please indicate the number of permanent employees with disabilities	Nil
5.	Do you have an employee association that is recognized by management?	No
6.	What percentage of your permanent employees is members of this recognized employee association?	Nil
7.	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Nil
8.	What percentage of your undermentioned employees were given safety & skill upgradation training in last year?	Nil

**Principle 4 - Stakeholder Engagement**

1.	Has the company mapped its internal and external stakeholders? Yes/No.	Yes
2.	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?	All socially & economically disadvantage groups of the society like SC/ST/OBC/EWC/PwBD & Minorities are identified as disadvantaged, vulnerable & marginalized stakeholders.
3.	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.	All Government of India directives are followed for engagement at various levels of career progression for all reserved category employees (SC/ST/ OBC/PWBD) & Minorities. Various infrastructure arrangements were made for benefits of PWBD persons. Liaison Officers are in place to look after the welfare of the employees in the ambit of these categories. It is ensured that a person of reserved category of appropriate level is nominated as member in various selection and promotion committees to look into the interest of the employees of reserved categories.

**Principle 5 - Promotion of Human Rights**

1.	Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/ Contractors/ NGOs/Others?	IRFC does not have any specific policy on human rights. However, it is embedded in company's various HR policies and practices.
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	The Company did not receive any complaint in the area of human rights violations from any of its stakeholders. The total number of complaints received during the year 2021-22 were 2,641 out of which 1,579 are bond related complaints and 1,062 complaints are related to Equity, which were resolved, and no complaints were pending at the end of the year.

**Principle 6 - Environmental Protection**

1.	Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/others?	The policy is embedded in company's various policies and practices and covers the Company as a whole.
2.	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.	<p>IRFC is socially conscious organization and fully endorses the nine principles of Global Compact enunciated by the United Nations Organization (UNO) which encompass area of human rights, environment protection and labour rights. These principles of Global Compact are embedded in various organizational policies of the Company thereby facilitating their implementation in a natural way.</p> <p>IRFC consistently strives towards meeting the expectation of the society through proper planning and decision making that will help in achieving a real and lasting reduction of social and economic disparities as well as protecting the environment. IRFC continues to support activities that aim at improving the quality of life of both present and future generations and at the same time safeguarding the capacity of the earth to support life in all its diversity.</p>
3.	Does the Company identify and assess potential environmental risks? Y/N	Not applicable as the Company, is a Financial Institution and not in manufacturing of products.
4.	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?	Not applicable as the Company, is a Financial Institution and not in manufacturing of products.
5.	Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Not applicable as the Company, is a Financial Institution and not in manufacturing of products.
6.	Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Not applicable as the Company, is a Financial Institution and not in manufacturing of products.
7.	Number of show cause/legal notices received from CPCB/ SPCB which are pending (i.e., not resolved to satisfaction) as on end of financial year.	Not applicable as the Company, is a Financial Institution and not in manufacturing of products.

**Principle 7 - Responsible Public Policy Advocacy**

1.	Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.	No
2.	Have you advocated/ lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas.	Not Applicable

**Principle 8 - Inclusive Growth and Equitable Development**

1.	Does the Company have specified programme/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	<p>IRFC has a CSR and Sustainability policy in place. The aim of the policy is to ensure that the Company becomes a socially responsible corporate entity committed to improving the quality of life of the society at large and contribute to inclusive growth and equitable development in society through education, capacity building measures, empowerment of the marginalised and underprivileged sections/communities.</p> <p>As a socially responsible corporate entity, IRFC endeavours to:</p> <ul style="list-style-type: none"> <li>• Take up CSR activities in line with the DPE theme “Health &amp; Nutrition” to develop health infrastructure of the country and make best health technologies available to marginalized people of the societies.</li> <li>• Take up activities to support ‘Differently abled persons’ by providing aid and appliances and skill development training which helps them in enhancement of their livelihood and connect them to main stream of the nation.</li> <li>• Take up issues which are of foremost concern in the national development, like environment protection, sanitation, women empowerment and education, etc.</li> <li>• Company has contributed ₹ 38.91 crore to PM CARES Fund during the reporting period.</li> </ul>																		
2.	Are the programmes/ projects undertaken through in-house team/own foundation/ external NGO/ government structures/ any other organization?	Being small manpower organization, mostly, CSR projects undertaken under CSR & Sustainable Development policy are through implementing agencies being Govt./Semi Govt./ other Implementing Agencies eligible as per applicable CSR provisions.																		
3.	Have you done any impact assessment of your initiative?	Projects/Programmes sanctioned with expenditure of ₹ 1 crore or more, shall be subject to mandatory Impact Assessment Study conducted by Independent external agencies. However, the Company reserves the right to conduct Impact Assessment Study of any project irrespective of its value. Impact Assessment is being done by the Implementing agencies wherever applicable.																		
4.	What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?	<p>During the year 2021-22, IRFC undertook various Community Development projects in the field of sanitation, skill development and education, environment and health sector under CSR initiatives of the Company.</p> <p>IRFC's contribution in terms of amount sanctioned and disbursed are as given below:</p> <p style="text-align: right;">(₹ in Cr)</p> <table border="1" data-bbox="797 1556 1494 1980"> <thead> <tr> <th>Nature of Activities</th> <th>Sanctioned</th> <th>Disbursement</th> </tr> </thead> <tbody> <tr> <td>Sanitation/Waste Management/ Drinking Water</td> <td>5.33</td> <td>3</td> </tr> <tr> <td>Skill Development and Education</td> <td>4.43</td> <td>1.11</td> </tr> <tr> <td>Solar Application Environment/ Tree Plantation/ Health Sector</td> <td>60.30</td> <td>40.91</td> </tr> <tr> <td>Others (Impact Studies, Admin. Overheads, Saubhagya, Arrah and Sitamarhi district village Dev. programmes &amp; restoration of Kedarnath &amp; its surrounding areas)</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td><b>Total</b></td> <td><b>70.06</b></td> <td><b>45.02</b></td> </tr> </tbody> </table>	Nature of Activities	Sanctioned	Disbursement	Sanitation/Waste Management/ Drinking Water	5.33	3	Skill Development and Education	4.43	1.11	Solar Application Environment/ Tree Plantation/ Health Sector	60.30	40.91	Others (Impact Studies, Admin. Overheads, Saubhagya, Arrah and Sitamarhi district village Dev. programmes & restoration of Kedarnath & its surrounding areas)	Nil	Nil	<b>Total</b>	<b>70.06</b>	<b>45.02</b>
Nature of Activities	Sanctioned	Disbursement																		
Sanitation/Waste Management/ Drinking Water	5.33	3																		
Skill Development and Education	4.43	1.11																		
Solar Application Environment/ Tree Plantation/ Health Sector	60.30	40.91																		
Others (Impact Studies, Admin. Overheads, Saubhagya, Arrah and Sitamarhi district village Dev. programmes & restoration of Kedarnath & its surrounding areas)	Nil	Nil																		
<b>Total</b>	<b>70.06</b>	<b>45.02</b>																		

5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Implementing Agencies are under obligation to complete the project as per the proposal and duration agreed in the MoU. Implementing agencies submit status report of the project from time to time on monthly/Quarterly/yearly basis. The Implementing agency is also required to submit the project completion report along with the Photographs and videos. Further, the implementing agencies are required to submit the utilization certificate duly signed by a Chartered Accountant in Practice. Project(s) with outlay exceeding of ₹ 1 (one) crore are subject to the Impact Assessment Study.
----	--	--

**Principle 9 - Customer Value**

1.	What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	The total number of complaints received during the year 2021-22 were 2,641 out of which 1,579 are bond related complaints and 1,062 complaints are related to Equity, which were resolved, and no complaints were pending at the end of the year.
2.	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/NA/Remarks	Not Applicable
3.	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.	Nil
4.	Did your Company carry out any consumer survey/ consumer satisfaction trends?	Not Applicable

## ANNEXURE to BRR

P1	<b>Ethics, Transparency &amp; Accountability</b> IRFC conducts its business activities with utmost importance to ethics, transparency and accountability. The Company has various policies and codes in place defining its Ethics and Governance framework, which are in full conformity with the laws applicable to the Company. The said framework includes, and is not limited to, the following policies and codes approved by the Board of Directors of the Company:-																										
	<table border="1"> <thead> <tr> <th>Name of the Policy</th> <th>Weblink</th> </tr> </thead> <tbody> <tr> <td>Board Diversity Policy</td> <td><a href="https://irfc.co.in/wp-content/uploads/2022/05/Board-Diversity-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Board-Diversity-Policy.pdf</a></td> </tr> <tr> <td>Codes of Business Conducts and Ethics</td> <td><a href="https://irfc.co.in/wp-content/uploads/2022/05/Code-of-business-conduct-ethics.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Code-of-business-conduct-ethics.pdf</a></td> </tr> <tr> <td>Nomination and Remuneration Policy</td> <td><a href="https://irfc.co.in/wp-content/uploads/2022/05/Nomination-Remuneration-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Nomination-Remuneration-Policy.pdf</a></td> </tr> <tr> <td>Identification of group Companies, material Creditors and material litigation Policy</td> <td><a href="https://irfc.co.in/wp-content/uploads/2022/05/Identification-of-group-companies-material-creditors-and-material-litigations-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Identification-of-group-companies-material-creditors-and-material-litigations-Policy.pdf</a></td> </tr> <tr> <td>Policy of Material Disclosure of Events</td> <td><a href="https://irfc.co.in/wp-content/uploads/2022/05/Policy-on-Material-Disclosure-of-Events.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Policy-on-Material-Disclosure-of-Events.pdf</a></td> </tr> <tr> <td>Prohibition of Insider Trading Policy</td> <td><a href="https://irfc.co.in/wp-content/uploads/2022/05/Insider-Trading-Policy-New.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Insider-Trading-Policy-New.pdf</a></td> </tr> <tr> <td>Prevention of Documents and Archival Policy</td> <td><a href="https://irfc.co.in/wp-content/uploads/2022/05/Preservation-of-Documents-and-Archival-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Preservation-of-Documents-and-Archival-Policy.pdf</a></td> </tr> <tr> <td>Related Party Transaction Policy</td> <td><a href="https://irfc.co.in/wp-content/uploads/2022/05/Related-Party-Transactions-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Related-Party-Transactions-Policy.pdf</a></td> </tr> <tr> <td>Whistle Blower Policy</td> <td><a href="https://irfc.co.in/wp-content/uploads/2022/05/Whistle-Blower-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Whistle-Blower-Policy.pdf</a></td> </tr> <tr> <td>Dividend Distribution Policy</td> <td><a href="https://irfc.co.in/wp-content/uploads/2022/05/Dividend-Distribution-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Dividend-Distribution-Policy.pdf</a></td> </tr> <tr> <td>KYC Prevention and Money Laundering Policy</td> <td><a href="https://irfc.co.in/wp-content/uploads/2022/05/Know-Your-Customer-KYC-and-Prevention-of-Money-Laundering-Activities-PMLA.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Know-Your-Customer-KYC-and-Prevention-of-Money-Laundering-Activities-PMLA.pdf</a></td> </tr> <tr> <td>Corporate Social Responsibility and Sustainability Policy</td> <td><a href="https://irfc.co.in/wp-content/uploads/2022/05/CSR-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/CSR-Policy.pdf</a></td> </tr> </tbody> </table>	Name of the Policy	Weblink	Board Diversity Policy	<a href="https://irfc.co.in/wp-content/uploads/2022/05/Board-Diversity-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Board-Diversity-Policy.pdf</a>	Codes of Business Conducts and Ethics	<a href="https://irfc.co.in/wp-content/uploads/2022/05/Code-of-business-conduct-ethics.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Code-of-business-conduct-ethics.pdf</a>	Nomination and Remuneration Policy	<a href="https://irfc.co.in/wp-content/uploads/2022/05/Nomination-Remuneration-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Nomination-Remuneration-Policy.pdf</a>	Identification of group Companies, material Creditors and material litigation Policy	<a href="https://irfc.co.in/wp-content/uploads/2022/05/Identification-of-group-companies-material-creditors-and-material-litigations-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Identification-of-group-companies-material-creditors-and-material-litigations-Policy.pdf</a>	Policy of Material Disclosure of Events	<a href="https://irfc.co.in/wp-content/uploads/2022/05/Policy-on-Material-Disclosure-of-Events.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Policy-on-Material-Disclosure-of-Events.pdf</a>	Prohibition of Insider Trading Policy	<a href="https://irfc.co.in/wp-content/uploads/2022/05/Insider-Trading-Policy-New.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Insider-Trading-Policy-New.pdf</a>	Prevention of Documents and Archival Policy	<a href="https://irfc.co.in/wp-content/uploads/2022/05/Preservation-of-Documents-and-Archival-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Preservation-of-Documents-and-Archival-Policy.pdf</a>	Related Party Transaction Policy	<a href="https://irfc.co.in/wp-content/uploads/2022/05/Related-Party-Transactions-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Related-Party-Transactions-Policy.pdf</a>	Whistle Blower Policy	<a href="https://irfc.co.in/wp-content/uploads/2022/05/Whistle-Blower-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Whistle-Blower-Policy.pdf</a>	Dividend Distribution Policy	<a href="https://irfc.co.in/wp-content/uploads/2022/05/Dividend-Distribution-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Dividend-Distribution-Policy.pdf</a>	KYC Prevention and Money Laundering Policy	<a href="https://irfc.co.in/wp-content/uploads/2022/05/Know-Your-Customer-KYC-and-Prevention-of-Money-Laundering-Activities-PMLA.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Know-Your-Customer-KYC-and-Prevention-of-Money-Laundering-Activities-PMLA.pdf</a>	Corporate Social Responsibility and Sustainability Policy	<a href="https://irfc.co.in/wp-content/uploads/2022/05/CSR-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/CSR-Policy.pdf</a>
Name of the Policy	Weblink																										
Board Diversity Policy	<a href="https://irfc.co.in/wp-content/uploads/2022/05/Board-Diversity-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Board-Diversity-Policy.pdf</a>																										
Codes of Business Conducts and Ethics	<a href="https://irfc.co.in/wp-content/uploads/2022/05/Code-of-business-conduct-ethics.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Code-of-business-conduct-ethics.pdf</a>																										
Nomination and Remuneration Policy	<a href="https://irfc.co.in/wp-content/uploads/2022/05/Nomination-Remuneration-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Nomination-Remuneration-Policy.pdf</a>																										
Identification of group Companies, material Creditors and material litigation Policy	<a href="https://irfc.co.in/wp-content/uploads/2022/05/Identification-of-group-companies-material-creditors-and-material-litigations-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Identification-of-group-companies-material-creditors-and-material-litigations-Policy.pdf</a>																										
Policy of Material Disclosure of Events	<a href="https://irfc.co.in/wp-content/uploads/2022/05/Policy-on-Material-Disclosure-of-Events.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Policy-on-Material-Disclosure-of-Events.pdf</a>																										
Prohibition of Insider Trading Policy	<a href="https://irfc.co.in/wp-content/uploads/2022/05/Insider-Trading-Policy-New.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Insider-Trading-Policy-New.pdf</a>																										
Prevention of Documents and Archival Policy	<a href="https://irfc.co.in/wp-content/uploads/2022/05/Preservation-of-Documents-and-Archival-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Preservation-of-Documents-and-Archival-Policy.pdf</a>																										
Related Party Transaction Policy	<a href="https://irfc.co.in/wp-content/uploads/2022/05/Related-Party-Transactions-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Related-Party-Transactions-Policy.pdf</a>																										
Whistle Blower Policy	<a href="https://irfc.co.in/wp-content/uploads/2022/05/Whistle-Blower-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Whistle-Blower-Policy.pdf</a>																										
Dividend Distribution Policy	<a href="https://irfc.co.in/wp-content/uploads/2022/05/Dividend-Distribution-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Dividend-Distribution-Policy.pdf</a>																										
KYC Prevention and Money Laundering Policy	<a href="https://irfc.co.in/wp-content/uploads/2022/05/Know-Your-Customer-KYC-and-Prevention-of-Money-Laundering-Activities-PMLA.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Know-Your-Customer-KYC-and-Prevention-of-Money-Laundering-Activities-PMLA.pdf</a>																										
Corporate Social Responsibility and Sustainability Policy	<a href="https://irfc.co.in/wp-content/uploads/2022/05/CSR-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/CSR-Policy.pdf</a>																										
	In addition to the above, there are other policies and rules, which are internal documents of the Company and are accessible only to employees of the organization.																										
P2	<b>Sustainability in Life-Cycle of Product</b> The Company is a NBFC and dedicated financing arm of the Indian Railways for mobilizing funds from domestic as well as overseas Capital Markets. The Company's operations are available at <a href="https://irfc.co.in/leasing/">https://irfc.co.in/leasing/</a> , <a href="https://irfc.co.in/lending/">https://irfc.co.in/lending/</a> and <a href="https://irfc.co.in/borrowing/">https://irfc.co.in/borrowing/</a> Further, the Corporate Social Responsibility and Sustainability Policy of the Company is available at <a href="https://irfc.co.in/wp-content/uploads/2022/05/CSR-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/CSR-Policy.pdf</a>																										
P3	<b>Employee Well-Being</b> The Company has adopted various employee-oriented policies in line with the general laws and regulations and sound ethical practices. Such policies are normally approved by the Board of Directors. They are accessible only to the employees of the Company.																										
P4	<b>Stakeholder Engagement</b> The Company respects the interest of all its stakeholders, including those who are disadvantaged, vulnerable & marginalized. The Company works towards inclusive growth through its CSR & Sustainability Policy approved by the Board of Directors. The Corporate Social Responsibility and Sustainability Policy of the Company is available at <a href="https://irfc.co.in/wp-content/uploads/2022/05/CSR-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/CSR-Policy.pdf</a>																										
P5	<b>Promotion of Human Rights</b> IRFC strives to safeguard and uphold human rights in all ways possible. The Company has a Code of Business Conduct & Ethics, which captures the behavioral and ethical standards to be followed by the Board Members and Senior Management Personnel of the Company also, sets forth an obligation to strive continuously to bring about integrity and transparency in all spheres of the activities & Work unstintingly for eradication of corruption in all spheres of life. The Code is approved by the Board of Directors. All Directors & Senior Management members affirm compliance to the same annually. The said Code is available at <a href="https://irfc.co.in/wp-content/uploads/2022/05/Code-of-business-conduct-ethics.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Code-of-business-conduct-ethics.pdf</a>																										



P6	<p><b>Environmental Protection</b></p> <p>IRFC is socially conscious organization and fully endorses the nine principles of Global Compact enunciated by the United Nations Organization (UNO) which encompass area of human rights, environment protection and labour rights. These principles of Global Compact are embedded in various organizational policies of the Company thereby facilitating their implementation in a natural way.</p> <p>IRFC consistently strives towards meeting the expectation of the society through proper planning and decision making that will help in achieving a real and lasting reduction of social and economic disparities as well as protecting the environment. IRFC continues to support activities that aim at improving the quality of life of both present and future generations and at the same time safeguarding the capacity of the earth to support life in all its diversity.</p>
P7	<p><b>Responsible Public Policy Advocacy</b></p> <p>IRFC plays an active and responsible role in matters concerning public &amp; regulatory policy. Senior officials of the Company are involved from time to time in implementation of various Government Programmes and initiatives.</p>
P8	<p><b>Inclusive Growth and Equitable Development</b></p> <p>IRFC has various policies to support inclusive growth and equitable development of all its stakeholders. The Company has a Manual for Procurement of Goods, Service and Works. In addition to that, IRFC has a Board-approved CSR &amp; Sustainability Policy, which guides CSR initiatives of the Company, many of which are directed towards inclusive growth and equitable development. IRFC's Corporate Social Responsibility and Sustainability Policy of the Company is available at <a href="https://irfc.co.in/wp-content/uploads/2018/11/CSR-Policy.pdf">https://irfc.co.in/wp-content/uploads/2018/11/CSR-Policy.pdf</a></p>
P9	<p><b>Customer Value</b></p> <p>As per RBI norms, IRFC has a Board-approved 'KYC &amp; Prevention of Money Laundering Policy' which sets out the fair and transparent practices to be followed by the Company in its lending operations, as prescribed under RBI norms. IRFC's KYC &amp; Prevention of Money Laundering Policy is available at <a href="https://irfc.co.in/wp-content/uploads/2022/05/Know-Your-Customer-KYC-and-Prevention-of-Money-Laundering-Activities-PMLA.pdf">https://irfc.co.in/wp-content/uploads/2022/05/Know-Your-Customer-KYC-and-Prevention-of-Money-Laundering-Activities-PMLA.pdf</a></p>

## ANNEXURE – IV

## Annual Report on CSR activities for the year 2021-22

## 1. Brief outline on CSR Policy of the Company

IRFC strive to remain a responsible corporate entity aware of its responsibilities to all the stakeholders as a part of its Corporate Social Responsibility and Sustainability Policy (CSR & Sustainability Policy). It also supports Sustainable Development programmes of the Government to save the mother earth and for healthy living of future generations of mankind. It also contributes towards inclusive growth and equitable development in the society, through empowerment of the marginalized underprivileged sections.

The IRFC has formulated its CSR Policy in compliance with all applicable laws, rules and regulations and guidelines issued by Department of Public Enterprises (DPE). While selecting the CSR Activities under the CSR schemes of the Company, the IRFC follows its Board approved policy and comply with the provisions of the Companies Act 2013, CSR Rules made thereunder. The Policy has also prescribed the format for submitting the CSR proposals to the company for its consideration. GM Committee has been constituted for the evaluation of the received proposals in terms of the CSR Policy and the applicable laws. GM Committee scrutinizes the proposals, place the shortlisted proposals before the CSR Committee for its recommendation to Board and approved by the Board of Directors based on the CSR committee recommendation.

IRFC executes MoUs with the Implementing agencies for the implementation of the CSR Projects and finalize the terms as approved by the Board. Implementing agencies are bound to submit the periodic reports, and the project completion report on completion of the project. The implementing agencies are also asked to submit the impact assessment report if required.

Considering the lean manpower, the Company endeavor to take up short term Sustainability CSR activities which can be completed within a Financial Year. Wherever possible, it also contributes to large projects by sharing a part of pool of resources with other Railway PSUs / Central PSUs for greater environmental social and economic impact subject to Rules and Regulations of the Companies Act, 2013 and other applicable statutes, guidelines, if any.

## 2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Amitabh Banerjee	Chairman / Chairman & Managing Director	5	5
2.	Ms. Shelly Verma	Member/ Director Finance	5	5
3.	Shri Ashok Kumar Singhal*	Member/ Independent Director	2	2
4.	Shri Baldeo Purushartha**	Member/ Government Nominee Director	1	0
5.	Shri Vallabhbbhai Maneklal Patel***	Member / Independent Director	2	2

\*Shri. Ashok Kumar Singhal ceased to be Non-Official / Independent Director of IRFC w.e.f 20th July, 2021 due to completion of his tenure.

\*\*Shri. Baldeo Purushartha ceased to member of the committee w.e.f 24th November, 2021.

\*\*\*Shri. Vallabhbbhai Maneklal Patel Non-Official / Independent Director appointed as member of the committee w.e.f 24th November, 2021.

## 3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

web-link for the Composition of CSR committee	<a href="https://irfc.co.in/investors-2/">https://irfc.co.in/investors-2/</a>
web-link for the CSR Policy	<a href="https://irfc.co.in/wp-content/uploads/2022/05/CSR-Policy.pdf">https://irfc.co.in/wp-content/uploads/2022/05/CSR-Policy.pdf</a>
Web-link for the CSR projects	<a href="http://irfc.co.in/csr-initiatives/">http://irfc.co.in/csr-initiatives/</a>

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).**

CSR Projects for the financial year 2021-22 are approved by the Board of Directors and provided in this report at Point 8 (B) & (C). Project(s) subject to Impact Assessment is required to be done after the expiry of atleast one year. Accordingly, Impact Assessment for the projects approved in the financial year 2021-22, shall be done after the expiry of atleast one year after the completion of the respective project. IRFC has not conducted any Impact Assessment during 2021-22. Wherever desired, IRFC asks the Implementing agency to conduct the Impact Assessment and submit the report to IRFC.

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2019-20	NIL	NIL
2	2020-21	NIL	NIL
<b>Total</b>		<b>NIL</b>	<b>NIL</b>

**6. Average net profit of the company as per section 135(5): ₹ 3,502.82 Crore applicable for CSR allocation for 2021-22.**

**7.**

(a) Two percent of average net profit of the company as per section 135(5)	₹ 70.06 Crore
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	NIL
(c) Amount required to be set-off for the financial year, if any	NIL
(d) Total CSR obligation for the financial year (7a+ 7b- 7c)	₹ 70.06 Crore

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
45,01,79,435/-	25,04,20,565/-	29.04.2022	NA	NA	NA

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

1)	2)	3)	4)	5)		6)	7)	8)	9)	10)	11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Air Purifier for Northern Railway Central Hospital	(i)	Yes	Delhi	Delhi	Nine Months	50,00,000	0.00	50,00,000	No	Northern Railway Central Hospital	NA

1)	2)	3)	4)	5)		6)	7)	8)	9)	10)	11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
2.	Construction of green corridor on the emanating routes at a length of 2 KM under important stations of Delhi area	(iv)	Yes	Delhi	New Delhi	Six Months	2,40,00,000	0.00	2,40,00,000	No	Northern Railway	NA
3.	Medical equipment in existing Charitable Hospital at Rural Mayapur, Nadia	(i)	No	West Bengal	Nadia	Six Months	3,05,00,000	0.00	3,05,00,000	No	International Society for Krishna Consciousness	CSR00005241
4.	Medical equipments to equip a modern EYE OT & OPD of Pranavananda Eye Clinic at Village-Wazirpur, Sector-92, Dist. Gurugram, Haryana	(i)	No	Haryana	Gurugram	Six Months	1,25,78,000	0.00	1,25,78,000	No	Bharat Sevashram	CSR00000812
5.	Skill training of 500 persons with Disabilities (Divyangjan)	(ii)	No	Jharkhand Chhattisgarh Madhya Pradesh Uttarakhand Maharashtra	Gumla Giridih Dantewada Rudrapur Udham singh Nagar Chhattarpur Osmanabad Tuljapur Omerga Jalgaon Chaligaon Jamner	11 Months	1,12,75,000	11,27,500	1,01,47,500	No	National Handicapped Finance and Development Corporation	CSR00002343
6.	1. Intra and post-operative laser set and 2. Intra operative UG green dye system for laparoscopic and open surgery to NRCH	(i)	Yes	Delhi	Delhi	6 months	2,30,50,000	0.00	2,30,50,000	No	Northern Railway Central Hospital	NA
7.	3D Kit upgrade of the existing OPG Unit to convert it to A 3D cone beam CT Scan (3D CBCT) Machine to Dr. Babasaheb Ambedkar Memorial Hospital Byculla Mumbai	(i)	No	Maharashtra	Mumbai	6 months	46,26,000	0.00	46,26,000	No	Dr. Babasaheb Ambedkar Memorial Hospital FA & CAO Central Railway	CSR00016002
8.	Medical Equipments to enhance the eye care facilities at TLM Hospital	(i)	No	Maharashtra.	Amravati	Six Months	36,52,000	0.00	36,52,000	No	The Leprosy Mission Trust India	CSR00001796
9.	200 Cleft Surgeries of children born with facial deformities in Aspirational Districts	(i)	No	Jharkhand Assam Odisha Madhya Pradesh	Aspirational Districts	12 months	90,00,000	0.00	90,00,000	No	Mission Smile	CSR00001959
10.	Implementation of STEM Education & Bridging Digital Divide in Government Schools in Aspirational Districts in WB and Odisha	(ii)	No	West Bengal Odisha	Aspirational Districts	12 months	94,00,000	0.00	94,00,000	No	Deenabandhu Trust	CSR00001837

1)	2)	3)	4)	5)		6)	7)	8)	9)	10)	11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
11.	Contribution towards Central Welfare Fund	(vi)	No	NA	NA	12 months	99,96,000	0.00	99,96,000	No	Central Welfare Fund CRPF	CSR00013274
12.	Support to 200 Ekal Vidyalayas in Aspirational Districts	(ii)	No	Himachal Pradesh	Chamba	12 months	44,00,000	0.00	44,00,000	No	Bharat Lok Shiksha Parishad	CSR00000667
13.	Medical Equipment Echocardiography machines and requisite training in echocardiography in Government hospitals in Delhi	(i)	Yes	Delhi	Delhi	12 months	54,00,000	0.00	54,00,000	No	Child Heart Foundation	CSR00001384
14.	Distribution of Aids & Appliances to the Divyangjans in Aspirational District	(i)	No	PAN India	Aspirational Districts	12 months	3,00,00,000	0.00	3,00,00,000	No	Artificial Limbs Manufacturing Corporation of India (ALIMCO)	CSR00000532
15.	Training for power sector job role as Distribution Lineman and Assistant technician: street Light Installation & maintenance in Aspirational Districts	(ii)	No	Uttarakhand Rajasthan	Haridwar Udham Singh Nagar, sirohi, Karauli	8 months	92,03,400	0.00	92,03,400	No	Manav Vikas Sanstha	CSR00001276
16.	Installation of Sanitary Pad Vending Machine and Hand Sanitization (Auto) machines in Govt or aided schools of Aspirational District Haridwar and remote areas of pauri, Tehri, and Almora Districts	(i)	No	Uttarakhand	Haridwar Pauri, Tehri, Almora	6 months	18,33,000	0.00	18,33,000	NO	Uttarakhand Manav Seva Samiti, Delhi	CSR00021595
17.	Medical Equipment's 4K Ultra HD complete endoscopy system for arthroscopy and endoscopic spine surgeries at Bharat Ratna Dr. Babasaheb Ambedkar Memorial Hospital, Byculia, Mumbai of C.Rly	(i)	No	Maharashtra	Mumbai	6 months	1,11,88,210	0.00	1,11,88,210	No	Dr. Babasaheb Ambedkar Memorial Hospital  FA & CAO Central Railway	CSR00016002
18.	Medical Equipment's in Shri Sai Institute Of Medical Sciences Hospital & Research Centre, Manipur	(i)	No	Manipur	Bishnupur	6 Months	56,46,455	0.00	56,46,455	No	D-Cacus-Education Centre, DCEC	CSR00004860
19.	Medical Equipments in GCS Medical College, Hospital, and Research Centre	(i)	No	Gujarat	Ahmedabad	6 months	2,00,00,000	0.00	2,00,00,000	No	Gujarat Cancer Society (GCS)	CSR00000688
20.	Kadi Taluka Public Charitable Trust Bhagyoday Multispecialty Hospital Kadi for providing financial assistance for procuring Medical Equipment	(i)	No	Gujarat	Mehsana	6 months	2,08,00,000	0.00	2,08,00,000	No	Kadi Taluka Public Charitable Trust	CSR00015465
<b>TOTAL</b>							<b>25,15,48,065/-</b>	<b>11,27,500/-</b>	<b>25,04,20,565/-</b>			



(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1)	2)	3)	4)	5)		9)	10)	11)	
				State	District			Name	CSR Registration number
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project.		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
1.	Contribution to Swacch Bharat Kosh	(i)	NA	NA	NA	2,00,00,000	Yes	NA	NA
2.	Contribution PM CARES	(viii)	NA	NA	NA	38,90,55,935	Yes	NA	NA
3.	Contribution to Clean Ganga	(iv)	NA	NA	NA	3,00,00,000	Yes	NA	NA
4.	Contribution towards Armed Forces Flag Day Fund (AFFDF)	(ii)	NA	NA	NA	99,96,000	Yes	NA	NA
<b>TOTAL</b>						<b>44,90,51,935/-</b>			

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 45,01,79,435/-

(g) Excess amount for set off, if any: Nil

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	70,06,00,000/-
(ii)	Total amount spent for the Financial Year	45,01,79,435/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2018-19	NA	NA	NA	NA	NA	NA
2.	2019-20	NA	NA	NA	NA	NA	NA
3.	2020-21	19,77,09,606/-	83,49,388/-	NA	NA	NA	18,93,60,218/-
<b>TOTAL</b>		<b>19,77,09,606/-</b>	<b>83,49,388/-</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>18,93,60,218/-</b>

\*CSR Unspent amount of ₹ 19,77,09,606/- relating to the ongoing projects of the financial years 2020-21, transferred to the 'CSR Unspent Account' maintained with Scheduled Bank in terms of section 135(6) of the Companies Act, 2013. Out of which ₹ 83,49,388/- was spent in the reporting year.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed /Ongoing
1.	CSR-9/ NBCFDC/2018-19	Skill Training through National Backward Classes Finance & Development Corporation	2018-19	9 Month Extendable up to Maximum 3 Years.	3,00,00,000/-	46,80,620/-	2,75,17,005/-	Completed
2.	CSR-2/ ALIMCO/2018-19	Distribution of Aid and appliances- ALIMCO	2018-19	180 Days Extendable up to Maximum 3 years.	3,00,00,000/-	96,31,092/-	2,96,86,431/-	Completed
3.	CSR-11&12/ CEL/2018-19	Solar Powered Street Lightning System and Home Lighting system at Government School, community centre & health care	2018-19	8-12 Weeks Extendable up to Maximum 3 years.	9,00,00,000/-	3,56,85,495/-	9,00,00,000/-	Completed
4.	CSR-1/ Sulabh/2018-19	Construction of Public toilets in Ghazipur UP	2018-19	9 Month Extendable up to Maximum 3 Years.	1,54,15,400/-	77,07,700/-	1,54,15,400/-	Completed
5.	CSR-7/Cotton Corp/2018-19	Providing hand held Kapas plucker machine in a phased manner to cotton farmers	2018-19	6 Month Extendable up to Maximum 3 Years.	2,00,00,000	19,50,622/-	1,99,50,622/-	Completed
6.	CSR-4/ NHFDC/2018-19	Conducting the skill training of persons with Disabilities (Divyangjan)	2018-19	6 Month Extendable up to Maximum 3 Years.	1,00,00,000/-	39,93,898/-	49,92,372/-	Completed
7.	CSR-8/Bharat Lok/2018-19	Support to 100 Ekal Vidyalayas through Bharat Lok Siksha Parishad	2018-19	1 year Extendable up to Maximum 3 Years.	22,00,000/-	1,20,347/-	21,00,347/-	Completed
8.	CSR/Central Hospital/ 2020-21	02(Two) advanced fully-equipped life supporting ambulances for Central Hospital, Southern Eastern Railway, Kolkata	2020-21	6 Month Extendable up to up to Maximum 3 Years.	72,18,818/-	57,45,600/-	57,45,600/-	Ongoing
9.	CSR-6/Covid Vaccination/ 2020-21	Cold chain storage equipment to Delhi (state) to support COVID-19 vaccination programme (DF)	2020-21	As per requirement of Department of Public Enterprises (DPE)	48,01,788/-	26,03,788/-	26,03,788/-	Completed
<b>TOTAL</b>					<b>20,96,36,006/-</b>	<b>7,21,19,162/-</b>	<b>19,80,11,565/-</b>	

Note: 1. The amount spent for the ongoing project pertaining to FY 2020-21 (Sr. No 8 & 9.) has been made form CSR unspent A/c of the Company.

2. An amount of ₹ 19,80,26,741/- transferred to PM CARES against unspent amount for the financial year 2017-18.

### 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

- (a) Date of creation or acquisition of the capital asset(s): NIL
- (b) Amount of CSR spent for creation or acquisition of capital asset: NIL
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: NIL
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): NIL

### 11. Specify the reason(s) if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

Sd/-  
**(Shri Amitabh Banerjee)**

Chairman and Managing Director  
and Chairman of CSR Committee  
DIN: 03315975

## Annexure V

## Secretarial Audit Report

[For the Financial Year ended on 31st March, 2022]

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Indian Railway Finance Corporation Limited**  
Registered Office: Room No 1316-1349, 3rd Floor  
Hotel The Ashok Diplomatic Enclave,  
50-B, Chanakyapuri, New Delhi - 110021

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by the **Indian Railway Finance Corporation Limited (CIN NO-L65910DL1986GOI026363)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records or registers maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on 31st March 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.;
  - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [Not applicable on the Company during the audit period]
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Shares Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; The Company was not engaged in the activities relating to Registrar to a Issue and was also not acting as Share Transfer Agent, Hence the aforesaid Regulations were not applicable to the Company during the audit period;
  - (g) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; [Not applicable on the Company during the audit period];
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [Not applicable on the Company during the audit period];
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; [Not applicable on the Company during the audit period]
- (vi) Other labour, environment and specific applicable Acts / Laws to the Company for which Secretarial Audit was conducted as an overview audit and was generally based/ relied upon the

documents provided to us and Management Confirmation Certificate provided by the Management of the Company & other audit report and certificates given by other professionals, the company has complied with the following Acts / Laws applicable to the Company during the audit period:

- a) Reserve Bank of India Act read with Non-Banking Financial Companies (Reserve Bank) Directions 2016 issued by Reserve Bank of India as amended till date;
- b) The DPE Guidelines (to the extent as applicable);
- c) Labour and Social Security Laws (to the extent as applicable);
- d) Indian Stamp Act 1899;
- e) Right to Information Act 2005.

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- ii) Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 in respect of listing of Shares & Bonds with BSE Ltd and National Stock Exchange of India Limited.

We have not examined the applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

We report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above subject to the following observation:

- i) *The number of Independent Directors on the Board was less than half of the total strength of Board as required under SEBI (LODR) Regulations, 2015 and the DPE guidelines for which company has regularly written to its administrative ministry i.e., Ministry of Railways for appointment of appropriate number of Independent Directors on the board.*
- ii) *The Company has not complied with the provision of regulation 17, 18, 19, 20, 21 & 23 as required under the SEBI (LODR) Regulations, 2015 regarding composition of Board including failure to appoint Independent Women Director and quorum of meetings, Composition of Audit Committee, Composition of Nomination and Remuneration Committee, Composition of Stakeholder Relationship Committee, Composition of Risk Management Committee and disclosure of Related Party Transactions.*

The Company has explained that:

- a. During the year 2021-22 the composition of Board including failure to appoint Independent woman director and quorum of meetings was not in compliance as per SEBI (LODR) Regulations, 2015 due to non-availability of requisite number of Independent Directors. Company / IRFC being a Government Company, the power to appoint Directors vests with the President of India through administrative ministry i.e., Ministry of Railways (MoR) and Company has no control in the appointment of Directors on its Board. The Company has been requesting and following up with its administrative ministry i.e., Ministry of Railways (MoR) for appointment of requisite number of independent Directors on its Board.
- b. During the year 2021-22 the composition of Audit Committee and Nomination and Remuneration Committee was not in compliance as per SEBI (LODR) Regulations, 2015 till 23rd November 2021 due to non-availability of requisite number of independent directors. Further, the Stakeholders & Relationship Committee and Risk Management Committee was also not in compliance from 20th July 2021 to 23rd November 2021 as per SEBI (LODR) Regulations, 2015 due to non-availability of requisite number of independent directors. Further, two (2) Independent Directors (including one women independent director) were appointed by the Ministry of Railways (MoR) on 9th November, 2021 for a period of three years and the same has been duly intimated to the stock exchanges and accordingly the committees of Board were reconstituted w.e.f 24th November, 2021.
- c. Company has made the necessary disclosure for the year ended 31st March 2021 in notes to accounts on page Nos. 189 & 190 in the Annual Report of the Company and submitted to the exchanges. Further, disclosure for the half year ended 30th September, 2021 has been submitted by the listed entity on 14th January, 2022 to the stock exchanges. Company has requested to stock exchanges to consider the submission of disclosure of Related Party Transactions as on the date of filing of financial results.

We further report that:

- 1) Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors but the company did not have requisite number of Independent Director on the Board during the period under review as stated above. The changes, if any, in the composition of the Board that took place during the period under review were carried out in compliance with the provisions of the Act.

- 2) Adequate notice is given to all Directors to schedule the Board and Committee Meetings as per the statutory provisions, and agenda and detailed notes on agenda which were sent at shorter notice were taken up after obtaining the requisite permission of the Chairman and with the consent of the majority of the Directors / Committee Members present in the meeting respectively in compliance of clause 1.3.7 of the Secretarial Standard -1 of ICSI and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- 3) All decisions at Board and/or Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or respective Committee of the Board, as the case may be.
- 4) The Company has obtained requisite approval, permission, confirmation from Registrar of Companies, NCT of Delhi & Haryana, Securities & Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, Debenture Trustee and other regulated bodies in respect of various private placement of Secured, Redeemable, Non-Convertible, Taxable Bonds & Capital Gain Bonds in the nature of Debentures and has duly complied with the applicable provisions of the laws, rules and guidelines.
- 5) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act 2013, Depositories Act and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- 6) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel.

We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no instances of:

- a) Public / Right / Preferential Issue of Shares / Sweat Equity;
- b) Buy-back of Securities;
- c) Merger / Amalgamation / Reconstruction etc. and
- d) Foreign Technical Collaborations.

For **Navneet K Arora & Co LLP**  
Company Secretaries

Sd/-

**CS Navneet Arora**

Managing Partner

FCS: 3214, COP: 3005

ICSI Firm Unique Identification Code: P2009DE061500

UDIN: F003214D000376422

Place: New Delhi  
Date: 24th May, 2022

[**Note:** This report is to be read with our letter of even date which is annexed as “**Annexure-A**” and forms an integral part of this report].



**Annexure - "A"**

To,  
The Members,  
**Indian Railway Financial Corporation Limited**  
Registered Office: Room No 1316-1349, 3rd Floor  
Hotel The Ashok Diplomatic Enclave,  
50-B, Chanakyapuri, New Delhi - 110021

Our report of even date is to be read along with this letter as under:

- 1) Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- 4) Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the company.

For **Navneet K Arora & Co LLP**  
Company Secretaries

Sd/-  
**CS Navneet Arora**  
Managing Partner

Place: New Delhi  
Date: 24th May, 2022

FCS: 3214, COP: 3005  
Firm Unique Identification No: P2009DE061500  
UDIN: F003214D000376422

## Annexure VI

**Auditors' Certificate on Compliance of Conditions of Corporate Governance**

To,  
The Members of  
**Indian Railway Finance Corporation Limited**  
**CIN: L65910DL1986GOI026363**  
Registered Office: Room No 1316-1349, 3rd Floor  
Hotel The Ashok Diplomatic Enclave,  
50-B, Chanakyapuri,  
New Delhi - 110021

We have examined the compliance of conditions of Corporate Governance by Indian Railway Finance Corporation Limited (IRFC/ Company) for the year ended March 31, 2022, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations-2015") and Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by Department of Public Enterprise (DPE Guidelines).

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination has been limited to review of procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause and guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and DPE Guidelines, except provision of regulation 17, 18, 19, 20, 21 & 23(9) as required under the SEBI (LODR) Regulations, 2015 and DPE Guidelines regarding composition of Board including failure to appoint Independent woman director and quorum of meetings, Composition of Audit Committee, Composition of Nomination and remuneration committee, Composition of Stakeholder Relationship Committee, Composition of Risk Management Committee and disclosure of Related Party Transactions.

Company has explained that IRFC / Company being a Government Company, all the Directors are appointed by President of India, acting through administrative ministry, i.e., Ministry of Railways and this is beyond the control of the Company. Further, Company has made necessary disclosures to stock exchanges and requested to consider the disclosure of related party transaction as on the date of submission of financial results.

We further state that such compliance certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Navneet K Arora & Co LLP**  
Company Secretaries

Sd/-

**CS Navneet Arora**

Managing Partner

FCS: 3214, COP: 3005

ICSI Unique Firm Regn. Code No: P2009DE061500

UDIN No: F003214D000376653

Place: New Delhi

Date: 24th May, 2022

**Annexure VII**
**Form No. MGT-9**
**EXTRACT OF ANNUAL RETURN  
for the financial year ended 31st March 2022**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

i) CIN	L65910DL1986GOI026363
ii) Registration Date	12th December, 1986
iii) Name of the Company	Indian Railway Finance Corporation Limited
iv) Category / Sub-Category of the Company	Infrastructure Finance Company
v) Address of the Registered office and contact details	Indian Railway Finance Corporation Ltd. Room Nos. 1316 - 1349, 3rd Floor, The Ashok, Diplomatic Enclave, 50-B, Chanakyapuri, New Delhi – 110 021 Contact No(s) – 011 – 24100385 Website – <a href="https://irfc.co.in/">https://irfc.co.in/</a> Email – <a href="mailto:investors@irfc.co.in">investors@irfc.co.in</a>
vi) Whether listed company (Yes / No)	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Beetal Financial and Computer Services Private limited 3rd Floor 99 Madangir, Behind Local Shopping Centre Near Dada Harsukhdas Mandir New Delhi- 110062 Contact No(s) – 011 –29961281 Website – <a href="http://www.beetalfinancial.com">www.beetalfinancial.com</a> Email – <a href="mailto:irfc@beetalfinancial.com">irfc@beetalfinancial.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated: -

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1.	Lease Income	64910	64.06%
2.	Interest Income	64910	35.94%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
		NIL			

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding:

Category Code	Category of Shareholder	No. of shares held at the beginning of the year i.e., 01.04.2021				No. of shares held at the end of the year i.e., 31.03.2022				% Change during the year
		Demat	Physical	Total	Total % of shares	Demat	Physical	Total	Total % of shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
<b>(A)</b>	<b>PROMOTER AND PROMOTER GROUP</b>									
(1)	Indian	-	-	-	-	-	-	-	-	-
(a)	Individual	-	-	-	-	-	-	-	-	-
(b)	Huf	-	-	-	-	-	-	-	-	-
(c)	Central Govt /state Govt/ President Of India President Of India Acting Through The MoR	11286437000	-	11286437000	86.36	11286437000	-	11286437000	86.36	Nil
(d)	Financial Inst/banks	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	Other - Body Corporate	-	-	-	-	-	-	-	-	-
	<b>Sub - Total A(1)</b>	<b>11286437000</b>	<b>-</b>	<b>11286437000</b>	<b>86.36</b>	<b>11286437000</b>	<b>-</b>	<b>11286437000</b>	<b>86.36</b>	<b>Nil</b>
(2)	Foreign	-	-	-	-	-	-	-	-	-
(a)	Individual(nri/ Foriegn Individual )	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub - Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total A=A(1)+A(2)</b>	<b>11286437000</b>	<b>-</b>	<b>11286437000</b>	<b>86.36</b>	<b>11286437000</b>	<b>-</b>	<b>11286437000</b>	<b>86.36</b>	<b>Nil</b>
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>									
(1)	Institutions									
(a)	Mutual Funds	394018521	-	394018521	3.02	263546443	-	263546443	2.02	(1.00)
	Hdfc Trustee Company Limited-hdfc Flexi Cap Fund	191062702	-	191062702	1.45	215454394	-	215454394	1.65	0.2
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investros	188358849	-	188358849	1.44	146762280	-	146762280	1.12	(0.32)
(f)	Financial Inst/banks	4897220	-	4897220	0.04	-	-	-	-	(0.04)
(g)	Insurance Companies	153837512	-	153837512	1.18	151978616	-	151978616	1.16	(0.02)
(h)	Provident Funds/ Pension Fund	-	-	-	-	-	-	-	-	-
(i)	Any other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (B)(1)</b>	<b>741112102</b>	<b>-</b>	<b>741112102</b>	<b>5.68</b>	<b>562287339</b>	<b>-</b>	<b>562287339</b>	<b>4.30</b>	<b>(1.38)</b>
(2)	Central Govt /state Govt/ President Of India	6900	-	6900	0.00	-	-	-	-	-
	<b>Sub-total (B)(2)</b>	<b>6900</b>	<b>-</b>	<b>6900</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
(3)	Non-institutions	-	-	-	-	-	-	-	-	-
(a)	(i) Individual-Holding Nom. Val. upto ₹ 1 lakhs	758097730	25	758097755	5.80	821619893	1625	821621518	6.29	0.49

Category Code	Category of Shareholder	No. of shares held at the beginning of the year i.e., 01.04.2021				No. of shares held at the end of the year i.e., 31.03.2022				% Change during the year
		Demat	Physical	Total	Total % of shares	Demat	Physical	Total	Total % of shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
	(ii) Individual-Holding Nom. Val. greater than ₹ 1 lakhs	156966014	-	156966014	1.20	278658852	-	278658852	2.13	0.93
(b)	Nbfc Registered with RBI	-	-	-	-	-	-	-	-	-
(c)	Employees Trust	-	-	-	-	500	-	500	0.00	0.00
(d)	Overseas Depository Holding DRs	-	-	-	-	-	-	-	-	-
(e)	Any Other									
	Other - Body Corp	37670445	-	37670445	0.29	51492228	-	51492228	0.39	0.10
	Other - Trusts	3630432	-	3630432	0.03	2288313	-	2288313	0.02	(0.10)
	Other - Clearing Member	14180375	-	14180375	0.11	4658633	-	4658633	0.04	(0.07)
	Other - N R I - Non - Repatriable	4512037	-	4512037	0.03	7173211	-	7173211	0.05	0.02
	Other - N R I - Repatriable	13918164	-	13918164	0.11	20133530	-	20133530	0.15	0.04
	Other - Individual HUF	31209919	-	31209919	0.24	33754876	-	33754876	0.26	0.02
	Other - QIB	20764857	-	20764857	0.16	-	-	-	-	(0.16)
	<b>Sub-total (B)(3)</b>	<b>1040949998</b>	<b>-</b>	<b>1040949998</b>	<b>7.97</b>	<b>1219780036</b>	<b>1625</b>	<b>1219781661</b>	<b>9.33</b>	<b>1.36</b>
	<b>Total Public Shareholding</b>	<b>1782069000</b>	<b>-</b>	<b>1782069000</b>	<b>13.64</b>	<b>1782067375</b>	<b>1625</b>	<b>1782069000</b>	<b>13.64</b>	<b>-</b>
(C)	Shares held by custodians,	-	-	-	-	-	-	-	-	-
	<b>GRAND TOTAL (A+B+C) :</b>	<b>13068506000</b>	<b>-</b>	<b>13068506000</b>	<b>100</b>	<b>13068504375</b>	<b>1625</b>	<b>13068506000</b>	<b>100</b>	<b>-</b>

**ii) Shareholding of Promoters:**

Sr. No.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in the shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	President of India through Ministry of Railways	11286437000	86.36	Nil	11286437000	86.36	Nil	Nil
	<b>Total</b>	<b>11286437000</b>	<b>86.36</b>	<b>Nil</b>	<b>11286437000</b>	<b>86.36</b>	<b>Nil</b>	<b>Nil</b>

**iii) Change in Promoters' Shareholding (please specify, if there is no change):**

Sr. No.	Promoter	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	President of India through Ministry of Railways				
	At the beginning of the year	11286437000	86.36	11286437000	86.36
	Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g., allotment / transfer/ bonus/ sweat equity etc.	NIL			
	At the end of the year	11286437000	86.36	11286437000	86.36



## iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	<b>HDFC TRUSTEE COMPANY LIMITED-HDFC FLEXI CAP FUND</b>	191062702	1.462	-	-
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g., allotment / transfer/ bonus/ sweat equity etc.				
	Increase - 16/04/2021	8250000	0.0631	199312702	1.5251
	Increase - 23/04/2021	9407704	0.0720	208720406	1.5971
	Increase - 30/04/2021	4000000	0.0306	212720406	1.6277
	Increase - 07/05/2021	2000000	0.0153	214720406	1.6430
	Decrease - 21/05/2021	(1970000)	(0.0151)	212750406	1.6280
	Increase - 28/05/2021	2397262	0.0183	215147668	1.6463
	Decrease - 11/06/2021	(500000)	(0.0038)	214647668	1.6425
	Decrease - 18/06/2021	(1500000)	(0.0115)	213147668	1.6310
	Decrease - 25/06/2021	(6000000)	(0.0459)	207147668	1.5851
	Decrease - 30/06/2021	(500000)	(0.0038)	206647668	1.5813
	Decrease - 09/07/2021	(755805)	(0.0058)	205891863	1.5755
	Decrease - 16/07/2021	(1000000)	(0.0077)	204891863	1.5678
	Decrease - 13/08/2021	(437469)	(0.0033)	204454394	1.5645
	Increase - 17/09/2021	2000000	0.0153	206454394	1.5798
	Increase - 24/09/2021	10000000	0.0765	216454394	1.6563
	Decrease - 10/12/2021	(1000000)	(0.0077)	215454394	1.6487
	Shareholding at the end of the year			215454394	1.6487
2.	<b>LIFE INSURANCE CORPORATION OF INDIA</b>	114200185	0.8739	-	-
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g., allotment / transfer/ bonus/ sweat equity etc.				
	Shareholding at the end of the year			114200185	0.8739
3.	<b>TATA AIG GENERAL INSURANCE COMPANY LIMITED</b>	21136134	0.1617	-	-
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g., allotment / transfer/ bonus/ sweat equity etc.				
	Increase - 09/07/2021	1056797	0.0081	22192931	0.1698
	Increase - 16/07/2021	1879598	0.0144	24072529	0.1842
	Increase - 23/07/2021	250000	0.0019	24322529	0.1861
	Increase - 27/08/2021	879205	0.0067	25201734	0.1928
	Increase - 03/09/2021	61356	0.0005	25263090	0.1933
	Increase - 24/09/2021	1980000	0.0152	27243090	0.2085
	Increase - 05/11/2021	440000	0.0034	27683090	0.2118
	Increase - 10/12/2021	793558	0.0061	28476648	0.2179
	Increase - 17/12/2021	660000	0.0051	29136648	0.2230
	Increase - 24/12/2021	3849729	0.0295	32986377	0.2524
	Increase - 31/12/2021	700000	0.0054	33686377	0.2578
	Increase - 11/03/2022	154149	0.0012	33840526	0.2589
	Shareholding at the end of the year			33840526	0.2589

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
4.	<b>L AND T MUTUAL FUND TRUSTEE LTD-L AND T MID CAP FUND</b>	Nil	-	-	-
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g., allotment / transfer/ bonus/ sweat equity etc.				
	Increase - 12/11/2021	13302600	0.1018	13302600	0.1018
	Increase - 26/11/2021	4749005	0.0363	18051605	0.1381
	Increase - 03/12/2021	11276347	0.0863	29327952	0.2244
	Increase - 10/12/2021	1925014	0.0147	31252966	0.2391
	Shareholding at the end of the year			31252966	0.2391
5.	<b>VALUEQUEST INDIA MOAT FUND LIMITED</b>	Nil	-	-	-
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g., allotment / transfer/ bonus/ sweat equity etc.				
	Increase - 06/08/2021	4400000	0.0337	4400000	0.0337
	Increase - 13/08/2021	7795000	0.0596	12195000	0.0933
	Increase - 20/08/2021	4460000	0.0341	16655000	0.1274
	Increase - 27/08/2021	1670000	0.0128	18325000	0.1402
	Increase - 03/09/2021	1050000	0.0080	19375000	0.1483
	Increase - 08/10/2021	6837900	0.0523	26212900	0.2006
	Decrease -31/03/2022	(768470)	(0.0059)	25444430	0.1947
	Shareholding at the end of the year			25444430	0.1947
6.	<b>VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS</b>	Nil	-	-	-
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g., allotment / transfer/ bonus/ sweat equity etc.				
	Increase - 25/06/2021	5125542	0.0392	5125542	0.0392
	Increase - 27/08/2021	1421435	0.0109	6546977	0.0501
	Increase - 03/09/2021	9861283	0.0755	16408260	0.1256
	Increase - 24/09/2021	827117	0.0063	17235377	0.1319
	Increase - 19/11/2021	983391	0.0075	18218768	0.1394
	Increase - 10/12/2021	448807	0.0034	18667575	0.1428
	Increase - 11/03/2022	883557	0.0068	19551132	0.1496
	Increase - 25/03/2022	3729637	0.0285	23280769	0.1781
	Increase - 31/03/2022	901542	0.0069	24182311	0.1850
	Shareholding at the end of the year			24182311	0.1850

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
7.	<b>VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND</b>	Nil	-	-	-
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g., allotment / transfer/ bonus/ sweat equity etc.				
	Increase - 25/06/2021	11565259	0.0885	11565259	0.0885
	Increase - 30/06/2021	2363038	0.0181	13928297	0.1066
	Increase - 09/07/2021	2379956	0.0182	16308253	0.1248
	Increase - 16/07/2021	2506645	0.0192	18814898	0.1440
	Increase - 30/07/2021	1049992	0.0080	19864890	0.1520
	Increase - 29/10/2021	1151794	0.0088	21016684	0.1608
	Increase - 12/11/2021	1075100	0.0082	22091784	0.1690
	Increase - 03/12/2021	458821	0.0035	22550605	0.1726
	Increase - 31/12/2021	840024	0.0064	23390629	0.1790
	Shareholding at the end of the year			23390629	0.1790
8.	<b>NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA TAX SAVER (ELSS) FUND</b>	100379500	0.7681	-	-
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g., allotment / transfer/ bonus/ sweat equity etc.				
	Increase - 23/04/2021	3000000	0.0230	103379500	0.7911
	Decrease- 07/05/2021	(15767675)	(0.1207)	87611825	0.6704
	Increase - 21/05/2021	2000000	0.0153	89611825	0.6857
	Increase - 04/06/2021	1000000	0.0077	90611825	0.6934
	Decrease- 09/07/2021	(25191805)	(0.1928)	65420020	0.5006
	Decrease- 16/07/2021	(17180718)	(0.1315)	48239302	0.3691
	Decrease 23/07/2021	(4702652)	(0.0360)	43536650	0.3331
	Increase- 08/10/2021	666123	0.0051	44202773	0.3382
	Decrease- 15/10/2021	(11189)	(0.0001)	44191584	0.3382
	Increase - 22/10/2021	8769	0.0001	44200353	0.3382
	Increase - 29/10/2021	13910	0.0001	44214263	0.3383
	Increase - 05/11/2021	15090	0.0001	44229353	0.3384
	Increase - 12/11/2021	54115	0.0004	44283468	0.3389
	Decrease -19/11/2021	(19869)	(0.0002)	44263599	0.3387
	Decrease- 26/11/2021	(22361)	(0.0002)	44241238	0.3385
	Decrease- 03/12/2021	(10749816)	(0.0823)	33491422	0.2563
	Decrease- 10/12/2021	(1987497)	(0.0152)	31503925	0.2411
	Decrease- 17/12/2021	(3000060)	(0.0230)	28503865	0.2181
	Decrease- 24/12/2021	(8970794)	(0.0686)	19533071	0.1495
	Decrease- 31/12/2021	(2000082)	(0.0153)	17532989	0.1342
	Decrease- 07/01/2022	(3301309)	(0.0253)	14231680	0.1089
	Decrease- 14/01/2022	(4419)	0.0000	14227261	0.1089
	Increase- 21/01/2022	843	0.0000	14228104	0.1089
	Increase- 28/01/2022	16879	0.0001	14244983	0.1090
	Increase- 04/02/2022	17865	0.0001	14262848	0.1091
	Decrease- 11/02/2022	(52354)	(0.0004)	14210494	0.1087

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	Increase - 18/02/2022	26691	0.0002	14237185	0.1089
	Increase - 25/02/2022	8401	0.0001	14245586	0.1090
	Increase - 04/03/2022	46105	0.0004	14291691	0.1094
	Increase - 11/03/2022	26146	0.0002	14317837	0.1096
	Decrease- 18/03/2022	(6097)	0.0000	14311740	0.1095
	Decrease- 25/03/2022	(13126)	(0.0001)	14298614	0.1094
	Increase - 31/03/2022	14621	0.0001	14313235	0.1095
	Shareholding at the end of the year			14313235	0.1095
9.	<b>MKT CAPITAL LP</b>	Nil	-	-	-
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g., allotment / transfer/ bonus/ sweat equity etc.				
	Increase - 11/06/2021	1000000	0.0077	2500000	0.0191
	Increase - 16/07/2021	1500000	0.0115	4000000	0.0306
	Increase - 27/08/2021	2000000	0.0153	6000000	0.0459
	Increase - 29/10/2021	1000000	0.0077	7000000	0.0536
	Increase - 12/11/2021	2000000	0.0153	9000000	0.0689
	Shareholding at the end of the year			9000000	0.0689
10.	<b>VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II</b>	Nil	-	-	-
	Date wise increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g., allotment / transfer/ bonus/ sweat equity etc.				
	Increase - 25/06/2021	7372616	0.0564	7372616	0.0564
	Increase - 30/07/2021	638918	0.0049	8011534	0.0613
	Increase - 04/02/2022	981410	0.0075	8992944	0.0688
	Shareholding at the end of the year			8992944	0.0688

- Note:** 1. Reasons for increase / decrease unless stated, may be trade / transfer.  
2. Top ten shareholders as on 31st March 2022 have been considered, for the above disclosures. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

## (v) Shareholding of Directors and Key Managerial Personnel:

Name of the Director / KMP	Change in Shareholding		Cumulative Shareholding During the year	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>Shri. Amitabh Banerjee, Chairman &amp; Managing Director (CMD)</b>				
At the beginning of the year 01/04/2021	Nil	-	-	-
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No Change			
At the end of the year 31/03/2022	-	-	Nil	-
<b>Ms. Shelly Verma, Director Finance (DF)</b>				
At the beginning of the year 01/04/2021	Nil	-	-	-
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No Change			
At the end of the year 31/03/2022	-	-	Nil	-
<b>Shri. Ashok Kumar Singhal, Non- Official/ Independent Director</b>				
At the beginning of the year 01/04/2021	Nil	-	-	-
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No Change			
At the end of the year 31/03/2022	-	-	Nil	-
<b>Shri. Vallabhbai Maneklal Patel, Non- Official/ Independent Director</b>				
At the beginning of the year 01/04/2021	Nil	-	-	-
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No Change			
At the end of the year 31/03/2022	-	-	Nil	-
<b>Smt. Sheela Pandit , Non- Official/ Independent Director</b>				
At the beginning of the year 01/04/2021	Nil	-	-	-
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No Change			
At the end of the year 31/03/2022	-	-	Nil	-
<b>Shri. Vijay Babulal Shirode, Company Secretary (KMP)</b>				
At the beginning of the year 01/04/2021	13225	0.00	-	-
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No Change			
At the end of the year 31/03/2022	-	-	13225	0.00

**Notes:**

- Shri. Ashok Kumar Singhal ceased to be Non-Official/ Independent Director of IRFC w.e.f 20th July 2021 due to completion of his tenure.
- Shri Vallabhbai Maneklal Patel appointed as Non-Official/ Independent Director w.e.f. 10th November 2021.
- Smt. Sheela Pandit appointed as Non-Official/ Independent Director w.e.f. 22nd November 2021.



## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Mn)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal amount	2,419,161.39	811,945.40	-	3,231,106.79
ii) Interest due but not paid	-	-	-	-
iii) Interest Accrued but not due	61,031.94	61,105.33	-	122,137.27
<b>Total (i+ii+iii)</b>	<b>2,480,193.33</b>	<b>873,050.73</b>	<b>-</b>	<b>3,353,244.06</b>
<b>Changes in Indebtedness during the financial year</b>				
Addition	622,941.49	1,061,689.15	-	1,684,630.64
Reduction	327,941.65	716,662.84	-	1,044,604.50
<b>Net Change</b>	<b>294,999.84</b>	<b>345,026.31</b>	<b>-</b>	<b>640,026.14</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal amount	2,707,200.49	1,176,965.69	-	3,884,166.18
ii) Interest due but not paid	-	-	-	-
iii) Interest Accrued but not due	68,263.70	37,372.65	-	105,636.35
<b>Total (i+ii+iii)</b>	<b>2,775,464.19</b>	<b>1,214,338.34</b>	<b>-</b>	<b>3,989,802.53</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Chairman & Managing Director, Whole-time Directors and/or Manager:

(₹ in Mn)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Shri Amitabh Banerjee Chairman & Managing Director	Ms. Shelly Verma, Director Finance	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9.71	6.14	15.84
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.05	0.08	0.13
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961*	-	-	-
2.	Stock option			
3.	Sweat Equity			
4.	Commission			
	- As % of profit	-	-	-
	- Other, specify	-	-	-
5.	Other, please specify			
	- Employer Contribution towards Provident Fund	0.49	0.41	0.91
	- Employer Contribution towards Pension Fund (amount over and above ₹ 1,50,000 has been include in perquisites u/s 14(2))	Included in section 17(1) Salary	Included in section 17(1) Salary	-
	<b>Total (A)</b>	<b>10.25</b>	<b>6.63</b>	<b>16.88</b>
	Ceiling as per the Act	Exempted for Government Companies as per MCA Notification dated 5th June, 2015		

**B. Remuneration to other Directors:**

(₹ in Mn)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Shri Ashok Kumar Singhal	Shri Vallabhbhai Maneklal Patel	Smt. Sheela Pandit	
	<b>Independent Directors</b>				
	• Fee for attending Board Committee Meetings	0.34	0.28	0.23	0.85
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	<b>Total (1)</b>				
	<b>Other Non-Executive Directors</b>				
		<b>Shri Baldeo Purushartha</b>	<b>Shri Bhaskar Choradia</b>		
	• Fee for attending Board Committee Meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B)= (1+2)</b>	<b>0.34</b>	<b>0.28</b>	<b>0.23</b>	<b>0.85</b>
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	Exempted for Government Companies as per MCA Notification dated 5th June, 2015			

Notes:

- Shri. Ashok Kumar Singhal ceased to be Non-Official/ Independent Director of IRFC w.e.f 20th July, 2021 due to completion of his tenure.
- Shri. Vallabhbhai Maneklal Patel appointed as Non-Official/ Independent Director w.e.f. 10th November 2021.
- Smt. Sheela Pandit appointed as Non-Official/ Independent Director w.e.f. 22nd November 2021.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD:**

(₹ in Mn)

Sr. No.	Particulars of Remuneration	Company Secretary
		Shri Vijay Babulal Shirode Joint General Manager (Law) & Company Secretary
1.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.43
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961*	0.16
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	
2.	Stock option	--
3.	Sweat Equity	--
4.	Commission	--
	- As % of profit	--
	- Other, specify	--
5.	Other, please specify	
	- Employer Contribution towards Provident Fund	0.15
	- Employer Contribution towards Pension Fund (amount over and above Rs. 1,50,000 has been include in perquisites u/s 14(2))	Included in section 17(1) Salary
	<b>Total (C)</b>	<b>2.74</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A.</b>	<b>COMPANY</b>					
	Penalty					
	Punishment					
	Compounding					
<b>B.</b>	<b>DIRECTORS</b>					
	Penalty			NIL		
	Punishment					
	Compounding					
<b>C.</b>	<b>OTHER OFFICERS IN DEFAULT</b>					
	Penalty					
	Punishment					
	Compounding					

## Annexure VIII

### Code of Business Conduct-Declaration by the Chairman & Managing Director (CEO)

I hereby affirm that all Board Members and Senior Management personnel have confirmed compliance on their part of the “Code of Business Conduct and Ethics for Board Members and Senior Management” for the year 2021-2022.

Place: New Delhi  
Date: 10th August, 2022

Sd/-  
**(Amitabh Banerjee)**  
Chairman & Managing Director  
DIN: 03315975

**Annexure IX****Certificate to the Board of Directors under Regulation 17(8) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015****We hereby certify to the Board of Directors that:**

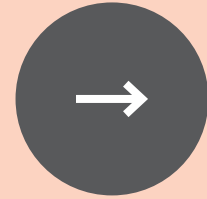
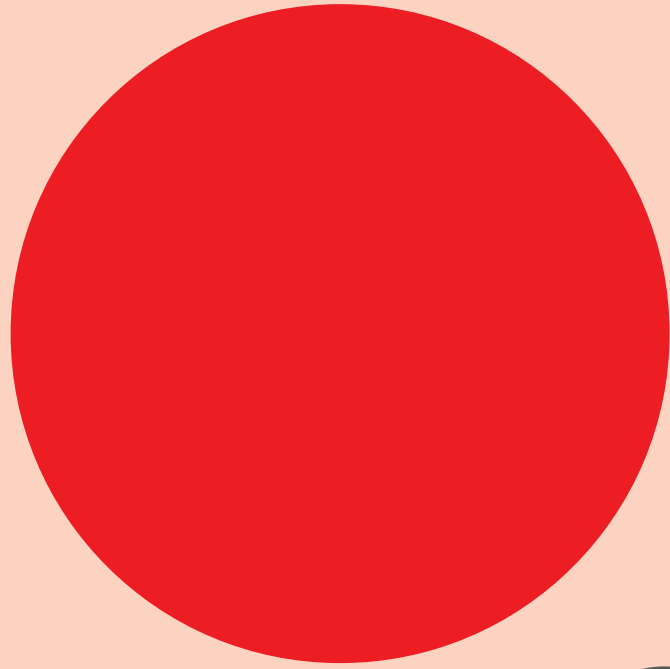
- A. We have reviewed financial statements and the cash flow statement for the year ended 31.03.2022 and that to the best of our knowledge and belief:
- i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee:-
- i) Significant changes in internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
  - iii) That we are not aware of any instance during the year of significant fraud with involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Gandhinagar, Gujarat  
Dated: 20th May, 2022

Sd/-  
**(Shelly Verma)**  
Director Finance-CFO

Sd/-  
**(Amitabh Banerjee)**  
Chairman & Managing Director - CEO





# Financial Statements



# Balance Sheet

as at 31 March 2022

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

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash And Cash Equivalents	3	1,464.92	2,971.91
Bank Balance Other Than Cash and Cash Equivalents	4	1,568.84	1,617.33
Derivative Financial Instruments	5	2,023.25	760.14
Receivables	6		
- Lease Receivables		20,06,924.99	16,55,689.91
Loans	7	68,248.05	69,698.15
Investments	8	100.03	119.82
Other Financial Assets	9	22,47,779.18	19,95,580.54
<b>Total Financial Assets</b>		<b>43,28,109.26</b>	<b>37,26,437.80</b>
<b>Non-financial assets</b>			
Current Tax Assets (Net)	10	6,373.08	9,333.87
Property, Plant And Equipment	11	138.86	109.45
Right of Use Assets	33.1	224.25	343.71
Other Intangible Assets	12	16.51	0.41
Other Non-Financial Assets	13	1,64,940.28	68,589.99
<b>Total Non-Financial Assets</b>		<b>1,71,692.98</b>	<b>78,377.43</b>
<b>Total Assets</b>		<b>44,99,802.24</b>	<b>38,04,815.23</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
Derivative Financial Instruments	5	5,669.33	3,601.28
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		10.02	3.78
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		235.69	503.83
Debt Securities	15	19,41,749.53	17,85,747.89
Borrowings (Other Than Debt Securities)	16	19,42,416.65	14,45,358.90
Lease Liabilities	33.1	233.52	345.88
Other Financial Liabilities	17	1,94,251.96	1,96,029.03
<b>Total Financial Liabilities</b>		<b>40,84,566.70</b>	<b>34,31,590.59</b>
<b>Non-Financial Liabilities</b>			
Current Tax Liabilities (Net)	10	-	-
Provisions	18	535.71	291.22
Deferred Tax Liabilities (Net)	19	-	-
Other Non-Financial Liabilities	20	4,736.43	13,799.60
<b>Total Non-Financial Liabilities</b>		<b>5,272.14</b>	<b>14,090.82</b>
<b>Total Liabilities</b>		<b>40,89,838.84</b>	<b>34,45,681.41</b>
<b>Equity</b>			
Equity Share Capital	21	1,30,685.06	1,30,685.06
Other Equity	22	2,79,278.34	2,28,448.76
<b>Total Equity</b>		<b>4,09,963.40</b>	<b>3,59,133.82</b>
<b>Total Liabilities And Equity</b>		<b>44,99,802.24</b>	<b>38,04,815.23</b>
Significant Accounting Policies	2		

The accompanying statement of significant accounting policies and notes to the financial information are an integral part of this Balance Sheet.

**For M/s. KBDS & Co.**

Chartered Accountants

FRN 323288E

Sd/-

**(CA Dashrath Kumar Singh)**

Partner

M.No. 060030

UDIN: 22060030AJMDLH6491

Place: Gandhinagar, Gujarat

Date: 20<sup>th</sup> May 2022**For and on behalf of the Board of Directors****Indian Railway Finance Corporation Limited**

Sd/-

**(Shelly Verma)**

Director Finance

DIN: 07935630

Sd/-

**(Amitabh Banerjee)**

Chairman &amp; Managing Director

DIN: 03315975

# Statement of Profit and Loss

for the year ended 31 March 2022

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

Particulars	Notes	Year ended 31 March 2022	Year ended 31 March 2021
<b>Revenue From Operations</b>			
Interest Income	23	72,946.72	39,436.59
Lease Income	24	1,30,035.96	1,18,265.62
		<b>2,02,982.68</b>	<b>1,57,702.21</b>
Dividend Income		9.96	2.51
Other Income	25	23.33	3.90
<b>Total Income</b>		<b>2,03,015.97</b>	<b>1,57,708.62</b>
<b>Expenses</b>			
Finance Costs	26	1,40,747.82	1,12,370.53
Impairment on Financial Instruments	27	4.61	27.15
Employee Benefit Expense	28	107.48	78.47
Depreciation, Amortization and Impairment	29	140.25	44.32
Other Expenses	30	1,114.26	1,026.84
<b>Total Expenses</b>		<b>1,42,114.42</b>	<b>1,13,547.31</b>
<b>Profit Before Exceptional Items and Tax</b>		<b>60,901.55</b>	<b>44,161.31</b>
Exceptional Items		-	-
<b>Profit Before Tax</b>		<b>60,901.55</b>	<b>44,161.31</b>
Tax Expense	31		
Current Tax		-	-
Deferred Tax		-	-
Adjustment for Earlier Years		3.19	-
<b>Total Tax Expenses</b>		<b>3.19</b>	<b>-</b>
<b>Profit for the Period from Continuing Operations</b>		<b>60,898.36</b>	<b>44,161.31</b>
Profit from Discontinued Operations		-	-
Tax Expense of Discontinued Operations		-	-
Profit from Discontinued Operations (After Tax)		-	-
<b>Profit for the Period</b>		<b>60,898.36</b>	<b>44,161.31</b>
<b>Other Comprehensive Income</b>			
(A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		5.61	0.01
- Remeasurement of Equity Instrument		(10.61)	14.75
(ii) Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		-	-
- Remeasurement of Equity Instrument		-	-
<b>Subtotal (A)</b>		<b>(5.00)</b>	<b>14.76</b>
(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		-	-
<b>Subtotal (B)</b>		<b>-</b>	<b>-</b>
<b>Other Comprehensive Income (A + B)</b>		<b>(5.00)</b>	<b>14.76</b>
<b>Total comprehensive income for the period (comprising profit (loss) and other comprehensive income for the period)</b>		<b>60,893.36</b>	<b>44,176.07</b>
<b>Earnings per equity share (for continuing operations)</b>	32		
Basic (Rs.)		4.66	3.66
Diluted (Rs.)		4.66	3.66
<b>Earnings per equity share (for discontinued operations)</b>			
Basic (Rs.)		-	-
Diluted (Rs.)		-	-
<b>Earnings per equity share (for continuing and discontinued operations)</b>	32		
Basic (Rs.)		4.66	3.66
Diluted (Rs.)		4.66	3.66
Significant Accounting Policies	2		

The accompanying statement of significant accounting policies and notes to the financial information are an integral part of this statement of Profit and Loss.

## For M/s. KBDS & Co.

Chartered Accountants  
FRN 323288E

Sd/-  
**(CA Dashrath Kumar Singh)**  
Partner  
M.No. 060030  
UDIN: 22060030AJMDLH6491

Place: Gandhinagar, Gujarat  
Date: 20<sup>th</sup> May 2022

Sd/-  
**(Vijay Babulal Shirode)**  
Company Secretary & JGM (Law)  
FCS: 6876

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

Sd/-  
**(Shelly Verma)**  
Director Finance  
DIN: 07935630

Sd/-  
**(Amitabh Banerjee)**  
Chairman & Managing Director  
DIN: 03315975

# Statement of Cash Flow

for the year ended 31 March 2022

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxes	60,901.55	44,161.31
<b>Adjustments for:</b>		
Remeasurement of Defined Benefit Plans	5.61	0.01
Depreciation and Amortisation (including adjustment to ROU assets)	140.25	44.32
Provision of Interest on Income Tax	-	5.33
Loss on Sale of Fixed Assets	0.03	0.25
Profit on Sale Of Fixed Assets	-	(0.01)
Discount of Commercial Paper	324.49	505.55
Adjustments Towards Effective Interest Rate	797.98	(3,217.08)
Interest Expense on lease liabilities	16.48	6.79
Dividend Income Received	(9.96)	(2.51)
Share Issue Expenses	(1.03)	-
<b>Operating Profit Before Working Capital Changes</b>	<b>62,175.40</b>	<b>41,503.96</b>
<b>Movements in Working Capital:</b>		
increase/(Decrease) in Payables	(261.90)	130.09
increase/(Decrease) in Provisions	244.49	193.76
increase/(Decrease) in Others Non Financial Liabilities	(9,063.17)	13,477.41
increase/(Decrease) in Other Financial Liabilities	(1,777.07)	68,357.31
Decrease/(Increase) in Receivables	(3,51,235.08)	(1,69,891.91)
Decrease/(Increase) in Loans and Advances	1,450.10	(5,464.44)
Decrease/(Increase) in Bank Balance Other Than Cash and Cash Equivalents	48.49	(623.50)
Decrease/(Increase) in Other Non Financial Assets	(96,350.29)	(53,895.20)
Decrease/(Increase) in Other Financial Assets	(2,52,311.39)	(7,89,813.21)
<b>Cash Generated From Operations</b>	<b>(6,47,080.42)</b>	<b>(8,96,025.73)</b>
Less: Direct Taxes Paid (Net of Refunds)	(2,957.60)	3,040.74
<b>Net Cash Flow/(Used) in Operating Activities (A)</b>	<b>(6,44,122.82)</b>	<b>(8,99,066.47)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property Plant & Equipments and Intangible Assets	(66.33)	(8.65)
Proceeds From Sale of Property Plant & Equipment	-	0.32
Proceeds From Realization of Pass Through Certificates / Sale of Investments	9.18	10.05
Dividend Income Received	9.96	2.51
<b>Net Cash Flow/(Used) in Investing Activities (B)</b>	<b>(47.19)</b>	<b>4.23</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Equity Share Capital	-	11,880.46
Proceeds from security Premium	-	19,008.74
Issue of Debt Securities (Net of Redemptions)	1,84,834.63	2,42,488.51
Raising of Rupee Term Loans/ Foreign Currency Borrowings (Net of Repayments)	4,97,314.74	6,57,781.22
Issue of Commercial Paper (Net of Repayments)	(29,294.76)	(10,169.37)
Payments for lease liabilities (including interest)	(128.84)	(40.24)
Share Issue Expenses	-	(207.04)
Final Dividend Paid	-	(5,000.00)
Interim Dividend Paid	(10,062.75)	(13,721.93)
<b>Net Cash Generated By/(Used In) Financing Activities (C)</b>	<b>6,42,663.02</b>	<b>9,02,020.35</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(1,506.99)</b>	<b>2,958.11</b>

# Statement of Cash Flow

for the year ended 31 March 2022

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Cash and Cash Equivalents at the beginning of the year	2,971.91	13.80
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>1,464.92</b>	<b>2,971.91</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	-	-
Balances with banks		
- on current accounts	1,464.82	2,971.81
- Balance in RBI-PLA	0.10	0.10
Cheques in hand	-	-
	<b>1,464.92</b>	<b>2,971.91</b>

The accompanying statement of significant accounting policies and notes to the financial information are an integral part of this statement.

## For M/s. KBDS & Co.

Chartered Accountants  
FRN 323288E

Sd/-

**(CA Dashrath Kumar Singh)**

Partner  
M.No. 060030

UDIN: UDIN: 22060030AJMDLH6491

Sd/-

**(Vijay Babulal Shirode)**

Company Secretary & JGM (Law)  
FCS: 6876

Sd/-

**(Shelly Verma)**

Director Finance  
DIN: 07935630

Sd/-

**(Amitabh Banerjee)**

Chairman & Managing Director  
DIN: 03315975

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

Place: Gandhinagar, Gujarat

Date: 20<sup>th</sup> May 2022



# Statement of Changes in Equity

for the year ended 31 March 2022

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

## A. Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid

Particulars	Notes	Amount
<b>Balance as at 1 April 2021</b>		<b>1,30,685.06</b>
Changes in Equity Share Capital due to prior period errors		-
<b>Restated Balance as at 1 April 2021</b>	21	<b>1,30,685.06</b>
Changes in equity share capital during the period		-
<b>Balance as at 31 March 2022</b>		<b>1,30,685.06</b>
<b>Balance as at 1 April 2020</b>		<b>1,18,804.60</b>
Changes in Equity Share Capital due to prior period errors		-
<b>Restated Balance as at 1 April 2020</b>	21	<b>1,18,804.60</b>
Changes in equity share capital during the period		11,880.46
<b>Balance as at 31 March 2021</b>		<b>1,30,685.06</b>

### For M/s. KBDS & Co.

Chartered Accountants  
FRN 323288E

Sd/-  
**(CA Dashrath Kumar Singh)**  
Partner  
M.No. 060030  
UDIN: 22060030AJMDLH6491

Place: Gandhinagar, Gujarat  
Date: 20<sup>th</sup> May 2022

Sd/-  
**(Vijay Babulal Shirode)**  
Company Secretary & JGM (Law)  
FCS: 6876

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

Sd/-  
**(Shelly Verma)**  
Director Finance  
DIN: 07935630

Sd/-  
**(Amitabh Banerjee)**  
Chairman & Managing Director  
DIN: 03315975

# Statement of Changes in Equity

for the year ended 31 March 2022  
(All amounts in millions of INR, unless stated otherwise)

## B. Other Equity

Particulars	Share issue expenses	Reserve and surplus			Equity instruments through other comprehensive income	Total other equity
		General Reserve	Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	Security Premium Reserve		
<b>Balance as at 1 April 2021</b>	(376.84)	1,74,032.28	20,726.61	19,008.74	77.66	2,28,448.76
Changes in accounting policy/prior period Errors	-	-	-	-	-	-
<b>Restated Balance as at 1 April 2021</b>	(376.84)	1,74,032.28	20,726.61	19,008.74	77.66	2,28,448.76
Total comprehensive income for the period	-	-	-	-	(10.61)	60,893.36
Addition during the period	(1.03)	-	-	-	-	(1.03)
Transfer to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	-	-	12,179.67	-	-	-
Interim Dividend	-	-	-	-	-	-
<b>Balance as at 31 March 2022</b>	(377.87)	1,74,032.28	32,906.28	19,008.74	67.05	2,79,278.34
<b>Balance as at 1 April 2020</b>	(169.80)	1,74,032.28	11,894.35	-	62.91	1,90,819.74
Changes in accounting policy/prior period Errors	-	-	-	-	-	(6,626.82)
<b>Restated Balance as at 1 April 2020</b>	(169.80)	1,74,032.28	11,894.35	-	62.91	1,84,192.92
Total comprehensive income for the period	-	-	-	-	14.75	44,176.07
Addition during the period	(207.04)	-	-	19,008.74	-	18,801.70
Transfer to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	-	-	8,832.26	-	-	-
Interim Dividend	-	-	-	-	-	-
Final Dividend	-	-	-	-	-	(13,721.93)
<b>Balance as at 31 March 2021</b>	(376.84)	1,74,032.28	20,726.61	19,008.74	77.66	2,28,448.76

The accompanying statement of significant accounting policies and notes to the financial information in are an integral part of this statement.

**For M/s. KBDS & Co.**  
Chartered Accountants  
FRN 323288E

Sd/-  
**(CA Dashrath Kumar Singh)**  
Partner  
M.No. 060030  
UDIN: 22060030AJMDLH6491

Sd/-  
**(Vijay Babulal Shirode)**  
Company Secretary & JGM (Law)  
FCS: 6876

Sd/-  
**(Shelly Verma)**  
Director Finance  
DIN: 07935630

Sd/-  
**(Amitabh Banerjee)**  
Chairman & Managing Director  
DIN: 03315975

Place: Gandhinagar, Gujarat  
Date: 20<sup>th</sup> May 2022

# Notes to Financial Statements

for the year ended 31 March 2022

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

## Statement of significant accounting policies

### 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 86.36% of the equity share capital.

The registered address and principal place of business of the Company is Room Nos. 1316 - 1349, 3rd Floor, Hotel The Ashok Diplomatic Enclave, 50-B, Chanakyapuri New Delhi -110021.

### 2. Significant Accounting Policies

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.

#### 2.1 Statement of Compliance

The financial statements have been prepared on going concern basis following accrual system of accounting in accordance with the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules 2015 and subsequent amendments thereto, read with Section 133 of the Companies Act, 2013 and other Accounting principles generally accepted in India.

#### 2.2 Basis for preparation of 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. Unless otherwise stated, all amounts are stated in Millions of Rupees.

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.

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

# Notes to Financial Statements

for the year ended 31 March 2022

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

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.

## 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.

## 2.4 Revenue

Company's revenues arise from lease income, dividend income, interest on lease advance, loans, deposits and investments. Revenue from other income comprise 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.

# Notes to Financial Statements

for the year ended 31 March 2022

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

## 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.

## 2.6 Employee Benefits

### Defined contribution plan

A Defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions in respect of the employees into an independent fund administrated by the government/ pension fund manager and will have no legal or constructive obligation to pay further amounts after its payment of the fixed contribution. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in statement of profit and loss in the period during which services are rendered by employees.

The company has a defined contribution plan which includes pension scheme and provident fund scheme. Company's contribution towards provident fund and pension scheme for the year are recognised as an expense and charged to the statement of profit and loss.

### Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The company's liability towards gratuity and post-retirement benefits such as medical benefits are in the nature of defined benefits plans.

The company's net obligation in respect of defined benefit plans is determined using the projected unit credit method, with actuarial valuations being carried out at the end of reporting period. Actuarial gain/loss on re-measurement of gratuity and other post-employment defined plans are recognised in other comprehensive income (OCI). Past service cost is recognised in the statement of Profit and Loss account in the period of a plan amendment.

### Other long-term employee benefits

The company's obligation towards leave encashment and employee family benefit scheme are in the nature of 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 and employee family benefit scheme are 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

Short term employee benefits such as salaries and wages are recognised on undiscounted basis in the statement of Profit and Loss account, 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



# Notes to Financial Statements

for the year ended 31 March 2022

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

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 Company is exercising the irrevocable option as permitted by section 115BAA of the Income – tax Act, 1961 whereby by foregoing certain exemptions, deductions and allowances, the tax rate applicable to the Company is lower than the normal tax rate that would have been otherwise applicable to the Company. Henceforth, minimum alternate tax provisions of section 115JB of the Income – tax Act, 1961 are not applicable to the Company.

## 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 provisions 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.

# Notes to Financial Statements

for the year ended 31 March 2022

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

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

# Notes to Financial Statements

for the year ended 31 March 2022

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

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

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.

# Notes to Financial Statements

for the year ended 31 March 2022

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

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 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:

- (a) presented as "Advance against Railway Infrastructure Assets to be leased"; and thereafter
- (b) transferred to "Project Infrastructure Assets under Finance Lease Arrangement" on receipt of utilization report from the lessee; and thereafter
- (c) transferred to lease receivable as per Ind AS 116 on execution of lease agreement.

## 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.

# Notes to Financial Statements

for the year ended 31 March 2022

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

## 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 Effective Interest Rate (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



# Notes to Financial Statements

for the year ended 31 March 2022

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

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.

# Notes to Financial Statements

for the year ended 31 March 2022

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

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

### **2.23 Standards issued but not yet effective:**

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. Below is a summary of such amendments:

1. Ind AS 16 Property, Plant and Equipment

Proceeds before intended use of property, plant, and equipment.

The amendment clarifies that an entity shall deduct from the cost of an item of property, plant, and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

# Notes to Financial Statements

for the year ended 31 March 2022

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

2. Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets

Onerous Contracts – Cost of fulfilling a contract.

The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

3. Ind AS 103 Business combinations

References to the conceptual framework.

The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

4. Ind AS 109 Financial Instruments

Fees included in the 10% test for de-recognition of financial liabilities.

The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees

paid or received by either the entity or the lender on the other's behalf.

5. Ind AS 101 First time adoption

Subsidiary as a first-time adopter.

Simplifies the application of Ind AS 101 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.

6. Ind AS 41 Agriculture

Taxation in fair value measurements.

The amendment removes the requirement in Ind AS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113, Fair Value Measurement.

These amendments have either no applicability to the Company or if applicable, the impact is either immaterial or presently being ascertained.

# Notes to Financial Statements

for the year ended 31 March 2022

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

## Note 3: Cash and Cash Equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks		
- in current accounts		
- For Statutory Dues	933.90	2,352.31
- For Time Deposits	-	-
- For Other than above	530.92	619.50
Deposits with Reserve Bank of India		
- in public deposit account	0.10	0.10
<b>Total</b>	<b>1,464.92</b>	<b>2,971.91</b>

## Note 4: Bank Balances Other Than Cash and Cash Equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks		
- in interest redemption accounts*	117.62	86.90
- in escrow pool account**	1,441.26	1,522.44
- in dividend payable account	9.96	7.99
<b>Total</b>	<b>1,568.84</b>	<b>1,617.33</b>

\*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).

# Notes to Financial Statements

for the year ended 31 March 2022

(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.

PART I	As at 31 March 2022			As at 31 March 2021		
	Notional amounts	Fair value-assets	Fair value-liabilities	Notional amounts	Fair value-assets	Fair value-liabilities
(i) Currency Derivatives						
Spot and forwards	44,122.23	-	933.31	-	-	-
Currency swaps	31,072.31	1,612.16	4,736.02	24,607.13	360.88	3,500.36
<b>Subtotal (A)</b>	<b>75,194.54</b>	<b>1,612.16</b>	<b>5,669.33</b>	<b>24,607.13</b>	<b>360.88</b>	<b>3,500.36</b>
(ii) Interest Rate Derivatives						
Forward rate agreements and interest rate swaps	13,934.06	411.09	-	13,520.63	399.26	100.92
<b>Subtotal (B)</b>	<b>13,934.06</b>	<b>411.09</b>	<b>-</b>	<b>13,520.63</b>	<b>399.26</b>	<b>100.92</b>
<b>Total Derivative Financial Instruments (A+B)</b>	<b>89,128.60</b>	<b>2,023.25</b>	<b>5,669.33</b>	<b>38,127.76</b>	<b>760.14</b>	<b>3,601.28</b>

Included in above (Part 1) are derivatives held for hedging and risk management purposes as follows:

PART II	As at 31 March 2022			As at 31 March 2021		
	Notional amounts	Fair value-assets	Fair value-liabilities	Notional amounts	Fair value-assets	Fair value-liabilities
(i) Fair Value Hedging						
Currency derivatives	75,194.54	1,612.16	5,669.33	24,607.13	360.88	3,500.36
Interest rate derivatives	-	-	-	-	-	-
<b>Subtotal (A)</b>	<b>75,194.54</b>	<b>1,612.16</b>	<b>5,669.33</b>	<b>24,607.13</b>	<b>360.88</b>	<b>3,500.36</b>
(ii) Cash Flow Hedging						
Currency derivatives	-	-	-	-	-	-
Interest rate derivatives	13,934.06	411.09	-	13,520.63	399.26	100.92
<b>Subtotal (B)</b>	<b>13,934.06</b>	<b>411.09</b>	<b>-</b>	<b>13,520.63</b>	<b>399.26</b>	<b>100.92</b>
<b>Total Derivative Financial Instruments (A+B)</b>	<b>89,128.60</b>	<b>2,023.25</b>	<b>5,669.33</b>	<b>38,127.76</b>	<b>760.14</b>	<b>3,601.28</b>

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

## Note 6 : Receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Lease Receivables*		
Rolling Stock Assets	17,83,785.25	16,40,339.59
Project Assets	2,23,139.74	15,350.32
(Unsecured, considered good due from Ministry of Railways, Government of India)		
<b>Total</b>	<b>20,06,924.99</b>	<b>16,55,689.91</b>

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



# Notes to Financial Statements

for the year ended 31 March 2022

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

## Note 7 : Loans

Particular	As at 31 March 2022				As at 31 March 2021				Total (A+B)	Subtotal E=(B+C+D)	Total (A+B)
	Amortised cost (A)	At Fair Value			Amortised cost (A)	At Fair Value					
		Through Other Comprehensive Income (B)	Through Profit or Loss (C)	Designated at Fair Value Through Profit or Loss (D)		Through Other Comprehensive Income (B)	Through Profit or Loss (C)	Designated at Fair Value Through Profit or Loss (D)			
<b>Loans</b>											
(A) Term Loans											
-Loan to Rail Vikas Nigam Limited	56,216.00	-	-	-	51,518.86	-	-	-	-	-	51,518.86
-Loan to Iroon International Limited	12,306.14	-	-	-	18,459.20	-	-	-	-	-	18,459.20
<b>Total (A) -Gross</b>	<b>68,522.14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,978.06</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,978.06</b>
Less: Impairment loss allowance*	274.09	-	-	-	279.91	-	-	-	-	-	279.91
<b>Total (A) - Net</b>	<b>68,248.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,698.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,698.15</b>
(B) (i) Secured by tangible assets	-	-	-	-	-	-	-	-	-	-	-
(ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-	-
(iii) Covered by Bank/ Government Guarantees	-	-	-	-	-	-	-	-	-	-	-
(iv) Unsecured	68,522.14	-	-	-	69,978.06	-	-	-	-	-	69,978.06
<b>Total (B)-Gross</b>	<b>68,522.14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,978.06</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,978.06</b>
Less: Impairment loss allowance*	274.09	-	-	-	279.91	-	-	-	-	-	279.91
<b>Total (B)-Net</b>	<b>68,248.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,698.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,698.15</b>
<b>(C) (I) Loans in India</b>											
(i) Public Sector	68,522.14	-	-	-	69,978.06	-	-	-	-	-	69,978.06
(ii) Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-
<b>Total (C)-Gross</b>	<b>68,522.14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,978.06</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,978.06</b>
Less: Impairment loss allowance*	274.09	-	-	-	279.91	-	-	-	-	-	279.91
<b>Total(C) (I)-Net</b>	<b>68,248.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,698.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,698.15</b>
<b>(C) (II) Loans outside India</b>											
Less: Impairment loss allowance*	-	-	-	-	-	-	-	-	-	-	-
<b>Total (C)(II) - Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (C)(I) and C(II)</b>	<b>68,248.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,698.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,698.15</b>

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

# Notes to Financial Statements

for the year ended 31 March 2022

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

## Note 8 : Investments

Particulars	As at 31 March 2022				As at 31 March 2021					
	Amortised cost (A)	At Fair Value			Amortised cost (A)	At Fair Value			Subtotal E = (B+C+D)	Total (A+B)
		Through Other Comprehensive Income (B)	Through Profit or Loss (C)	Designated at Fair Value Through Profit or Loss (D)		Through Other Comprehensive Income (B)	Through Profit or Loss (C)	Designated at Fair Value Through Profit or Loss (D)		
Debt Securities*	2.93	-	-	-	12.14	-	-	-	-	12.14
Equity Instruments#	-	97.11	-	-	-	107.73	-	-	107.73	107.73
<b>Total (A)</b>	<b>2.93</b>	<b>97.11</b>	<b>-</b>	<b>-</b>	<b>12.14</b>	<b>107.73</b>	<b>-</b>	<b>-</b>	<b>107.73</b>	<b>119.87</b>
Investments Outside India	-	-	-	-	-	-	-	-	-	-
Investments in India	2.93	97.11	-	-	12.14	107.73	-	-	107.73	119.87
<b>Total (B)</b>	<b>2.93</b>	<b>97.11</b>	<b>-</b>	<b>-</b>	<b>12.14</b>	<b>107.73</b>	<b>-</b>	<b>-</b>	<b>107.73</b>	<b>119.87</b>
Less: Allowance for Impairment (C)	0.01	-	-	-	0.05	-	-	-	-	0.05
<b>Total (A)-(C)</b>	<b>2.92</b>	<b>97.11</b>	<b>-</b>	<b>-</b>	<b>12.09</b>	<b>107.73</b>	<b>-</b>	<b>-</b>	<b>107.73</b>	<b>119.82</b>
<b>Details of Debt securities*</b>										
Numbers of Senior Pass through Certificates of NOVO X Trust Locos									5	15
Fair value of Senior Pass through Certificates of NOVO X Trust Locos									2.93	12.14
<b>Details of Equity Instruments#</b>										
Numbers of Equity Shares of IRCON International Limited									24,40,000	12,20,000
Fair value of Equity Shares of IRCON International Limited									97.11	107.73

The Company holds nominal Equity (less than 0.26%) in IRCON International Limited. The Equity shares of IRCON International Limited were listed on National Stock Exchange with effect from 28 September 2018. The Company had elected to classify its investment in IRCON International Limited as fair value through other comprehensive income. The fair value as on 31 March 2022 and 31 March 2021 has been measured as per the quotation on National Stock Exchange (Level 1 Input).

As on 3rd April 2020, IRCON international Limited splits its one share into 5 share each by decreasing its face value to Rs. 2/- per share from Rs. 10/- per share.

As on 21st May 2021, IRCON international Limited issued bonus share in the ratio of 1:1.

# Notes to Financial Statements

for the year ended 31 March 2022

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

## Note 9 : Other Financial Assets

Particulars	As at 31 March 2022	As at 31 March 2021
Amount recoverable from Ministry of Railways on account of exchange rate variation / derivatives <sup>#</sup>	11,037.15	5,498.25
Amount recoverable from Ministry of Railways - Leased Assets	-	-
Project Infrastructure Asset under Finance Lease Arrangements-EBR-IF (Refer Note No. 45)	15,09,946.57	13,07,795.17
Project Infrastructure Asset under Finance Lease Arrangements-EBR Special (Refer Note No. 45)	5,40,173.59	5,07,088.39
Advance Funding Against National Project (Refer Note No. 45)	27,083.62	84,815.82
Interest accrued but not due on advance for railway project to be leased	1,45,867.60	79,282.72
Security deposits	54.57	53.29
House building advance (secured)*	2.34	2.65
Advance to employees**	6.00	3.32
Interest accrued but not due on advance to employees***	1.30	1.04
Interest accrued but not due on loans	13,621.66	10,993.24
Interest accrued but not due on investment	5.10	18.22
Interest accrued but not due on 54 EC bond application money	28.80	24.26
Amount recoverable from others	5.39	48.21
<b>Gross Total</b>	<b>22,47,833.69</b>	<b>19,95,624.58</b>
Less: Impairment on interest accrued and due on loans & deposits/ investments ****	54.51	44.04
<b>Net Total</b>	<b>22,47,779.18</b>	<b>19,95,580.54</b>

\*Includes Rs. 1.89 million for 31 March 2022, Rs. 2.08 million for 31 March 2021 to Key Managerial Personnel.

\*\*Includes Rs. 0.33 million for 31 March 2022, Rs. 0.53 million for 31 March 2021 to Key Managerial Personnel.

\*\*\*Includes Rs. 0.33 million for 31 March 2022, 0.23 million for 31 March 2021 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)).

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

## Note 10 : Current Tax Assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
TDS & advance tax	6,497.70	15,821.44
Less: Provision for tax (Refer note no. 31)	(124.62)	(6,487.57)
<b>Total</b>	<b>6,373.08</b>	<b>9,333.87</b>

# Notes to Financial Statements

for the year ended 31 March 2022

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

## Note 11 : Property, Plant and Equipment

Particulars	Building	Leasehold Improvements	Office Equipment	Computer	Furniture and fixtures	Plant and equipment	Vehicles	Total
<b>Gross block</b>								
<b>Balance as on 1 April 2020</b>	<b>112.32</b>	-	<b>2.31</b>	<b>2.99</b>	<b>1.35</b>	<b>0.03</b>	<b>2.50</b>	<b>121.50</b>
Additions	-	-	2.18	1.67	0.70	-	-	4.55
Acquisitions through business combinations	-	-	-	-	-	-	-	-
Amount of change due to revaluation	-	-	-	-	-	-	-	-
Disposals	-	-	(0.46)	(0.37)	(0.20)	-	-	(1.03)
Adjustment	-	-	-	-	-	-	-	-
<b>Balance as on 31 March 2021</b>	<b>112.32</b>	-	<b>4.03</b>	<b>4.29</b>	<b>1.85</b>	<b>0.03</b>	<b>2.50</b>	<b>125.02</b>
<b>Balance as on 1 April 2021</b>	<b>112.32</b>	-	<b>4.03</b>	<b>4.29</b>	<b>1.85</b>	<b>0.03</b>	<b>2.50</b>	<b>125.02</b>
Additions	-	27.33	4.52	6.47	7.75	-	1.49	47.56
Acquisitions through business combinations	-	-	-	-	-	-	-	-
Amount of change due to revaluation	-	-	-	-	-	-	-	-
Disposals	-	-	(0.05)	-	-	-	-	(0.05)
Adjustment	-	-	-	-	-	-	-	-
<b>Balance as on 31 March 2022</b>	<b>112.32</b>	<b>27.33</b>	<b>8.50</b>	<b>10.76</b>	<b>9.60</b>	<b>0.03</b>	<b>3.99</b>	<b>172.53</b>
Accumulated depreciation								
<b>Balance as on 1 April 2020</b>	<b>8.65</b>	-	<b>0.65</b>	<b>1.09</b>	<b>0.38</b>	<b>0.03</b>	<b>0.66</b>	<b>11.46</b>
Depreciation expense	3.05	-	0.45	0.59	0.20	-	0.29	4.58
Elimination on disposals of assets	-	-	(0.23)	(0.19)	(0.05)	-	-	(0.47)
Impairment losses or reversals thereof	-	-	-	-	-	-	-	-
<b>Balance as on 31 March 2021</b>	<b>11.70</b>	-	<b>0.87</b>	<b>1.49</b>	<b>0.53</b>	<b>0.03</b>	<b>0.95</b>	<b>15.57</b>
<b>Balance as on 1 April 2021</b>	<b>11.70</b>	-	<b>0.87</b>	<b>1.49</b>	<b>0.53</b>	<b>0.03</b>	<b>0.95</b>	<b>15.57</b>
Depreciation expense	3.05	10.18	1.13	2.48	0.83	-	0.45	18.12
Elimination on disposals of assets	-	-	(0.02)	-	-	-	-	(0.02)
Impairment losses or reversals thereof	-	-	-	-	-	-	-	-
<b>Balance as on 31 March 2022</b>	<b>14.75</b>	<b>10.18</b>	<b>1.98</b>	<b>3.97</b>	<b>1.36</b>	<b>0.03</b>	<b>1.40</b>	<b>33.67</b>
Carrying amount								
<b>Net Block 31 March 2021</b>	<b>100.62</b>	-	<b>3.16</b>	<b>2.80</b>	<b>1.32</b>	-	<b>1.55</b>	<b>109.45</b>
<b>Net Block 31 March 2022</b>	<b>97.57</b>	<b>17.15</b>	<b>6.52</b>	<b>6.79</b>	<b>8.24</b>	-	<b>2.59</b>	<b>138.86</b>

# Notes to Financial Statements

for the year ended 31 March 2022

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

## Note 12 : Other Intangible Assets

Particulars	Software
<b>Gross block</b>	
<b>Balance as on 1 April 2020</b>	<b>0.74</b>
Additions	0.11
Acquisitions through business combinations	-
Amount of change due to revaluation	-
Disposals	-
Adjustment	-
<b>Balance as on 31 March 2021</b>	<b>0.85</b>
<b>Balance as on 1 April 2021</b>	<b>0.85</b>
Additions	18.77
Acquisitions through business combinations	-
Amount of change due to revaluation	-
Disposals	-
Adjustment	-
<b>Balance as on 31 March 2022</b>	<b>19.62</b>
<b>Accumulated Amortisation</b>	
<b>Balance as on 1 April 2020</b>	<b>0.31</b>
Amortisation expense	0.13
Elimination on disposals of assets	-
Impairment losses or reversals thereof	-
<b>Balance as on 31 March 2021</b>	<b>0.44</b>
<b>Balance as on 1 April 2021</b>	<b>0.44</b>
Amortisation expense	2.67
Elimination on disposals of assets	-
Impairment losses or reversals thereof	-
<b>Balance as on 31 March 2022</b>	<b>3.11</b>
<b>Net Block 31 March 2021</b>	<b>0.41</b>
<b>Net Block 31 March 2022</b>	<b>16.51</b>

## Note 13 : Other Non-Financial Assets

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Capital Advances</b>		
Advance to FA & CAO, Northern Railway	25.30	25.30
<b>Advances other than capital advances</b>		
Advance to others	111.05	112.67
<b>Others</b>		
Prepaid expenses	4.36	6.62
GST recoverable	14,664.47	14,664.47
GST Input- Project Assets*	1,50,123.59	53,770.59
Leave Encashment Funded Assets (Net)	0.06	0.34
Gratuity Funded Assets (Net)	11.45	10.00
<b>Total</b>	<b>1,64,940.28</b>	<b>68,589.99</b>

\*Includes GST inputs on rolling stock and infrastructure assets.



# Notes to Financial Statements

for the year ended 31 March 2022

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

## Note 14 : Payables

Particulars	As at 31 March 2022	As at 31 March 2021
(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 (Refer Note No. 51)	10.02	3.78
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	235.69	503.83
<b>Total</b>	<b>245.71</b>	<b>507.61</b>

## Note 15 : Debt Securities

Particular	As at 31 March 2022				As at 31 March 2021			
	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
<b>Others</b>								
Bonds from domestic capital market	16,94,491.39	-	-	16,94,491.39	15,53,752.18	-	-	15,53,752.18
Bonds from overseas capital market	2,47,258.14	-	-	2,47,258.14	2,03,025.44	-	-	2,03,025.44
Commercial Paper	-	-	-	-	28,970.27	-	-	28,970.27
<b>Total</b>	<b>19,41,749.53</b>	<b>-</b>	<b>-</b>	<b>19,41,749.53</b>	<b>17,85,747.89</b>	<b>-</b>	<b>-</b>	<b>17,85,747.89</b>
Debt securities in India	16,94,491.39	-	-	16,94,491.39	15,82,722.45	-	-	15,82,722.45
Debt securities outside India	2,47,258.14	-	-	2,47,258.14	2,03,025.44	-	-	2,03,025.44
<b>Total</b>	<b>19,41,749.53</b>	<b>-</b>	<b>-</b>	<b>19,41,749.53</b>	<b>17,85,747.89</b>	<b>-</b>	<b>-</b>	<b>17,85,747.89</b>

The borrowings have been utilised for the specific purpose for which the same has been drawn.

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.

# Notes to Financial Statements

for the year ended 31 March 2022

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

## 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 as on various dates is as set out below:

S.No	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2022	31 March 2021
1	157th series 6.80% Sec Red Non Cum Taxable bonds	6.80%	Annual	Bullet Repayment	30-Apr-41	13,750.00	13,750.00
2	156th series 7.21% sec Red Non-Cum Taxable Bonds	7.21%	Annual	Bullet Repayment	25-Feb-41	19,545.00	19,545.00
3	154 series 6.85% Secured Non-Cum Taxable	6.85%	Annual	Bullet Repayment	01-Dec-40	46,520.00	46,520.00
4	153 series 6.85% Taxable Bonds	6.85%	Annual	Bullet Repayment	29-Oct-40	59,912.00	59,912.00
5	104th 'A' Series Tax Free Bonds Public Issue	7.50%	Annual	Bullet Repayment	21-Dec-35	3,696.34	3,696.34
6	104th Series Tax Free Bonds Public Issue	7.25%	Annual	Bullet Repayment	21-Dec-35	2,944.16	2,944.16
7	151th Series Taxable Non-Cum. Bonds	6.73%	Annual	Bullet Repayment	06-Jul-35	30,000.00	30,000.00
8	150 Series Taxable Non-Cum. Bonds	6.90%	Annual	Bullet Repayment	05-Jun-35	25,650.00	25,650.00
9	71st "E" Taxable Non-Cum. Bonds	8.83%	Semi Annual	Bullet Repayment	14-May-35	2,200.00	2,200.00
10	70th "E" Taxable Non-Cum. Bonds	8.72%	Semi Annual	Bullet Repayment	04-May-35	150.00	150.00
11	141th Taxable Non-Cum. Bonds	7.48%	Annual	Bullet Repayment	29-Aug-34	21,070.00	21,070.00
12	139th Taxable Non-Cum. Bonds	7.54%	Annual	Bullet Repayment	29-Jul-34	24,556.00	24,556.00
13	138th Taxable Non-Cum. Bonds	7.85%	Annual	Bullet Repayment	01-Jul-34	21,200.00	21,200.00
14	71st "D" Taxable Non-Cum. Bonds	8.83%	Semi Annual	Bullet Repayment	14-May-34	2,200.00	2,200.00
15	70th "D" Taxable Non-Cum. Bonds	8.72%	Semi Annual	Bullet Repayment	04-May-34	150.00	150.00
16	71st "C" Taxable Non-Cum. Bonds	8.83%	Semi Annual	Bullet Repayment	14-May-33	2,200.00	2,200.00
17	70th "C" Taxable Non-Cum. Bonds	8.72%	Semi Annual	Bullet Repayment	04-May-33	150.00	150.00
18	71st "B" Taxable Non-Cum. Bonds	8.83%	Semi Annual	Bullet Repayment	14-May-32	2,200.00	2,200.00
19	70th "B" Taxable Non-Cum. Bonds	8.72%	Semi Annual	Bullet Repayment	04-May-32	150.00	150.00
20	71st "A" Taxable Non-Cum. Bonds	8.83%	Semi Annual	Bullet Repayment	14-May-31	2,200.00	2,200.00
21	76th "B" Taxable Non-Cum. Bonds	9.47%	Semi Annual	Bullet Repayment	10-May-31	9,950.00	9,950.00
22	70th "A" Taxable Non-Cum. Bonds	8.72%	Semi Annual	Bullet Repayment	04-May-31	150.00	150.00
23	152nd Series Taxable Non-Cum. Bonds	6.41%	Annual	Bullet Repayment	11-Apr-31	20,000.00	20,000.00
24	108th 'A' Series Tax Free Bonds Public Issue	7.64%	Annual	Bullet Repayment	22-Mar-31	11,943.13	11,943.13
25	108th Series Tax Free Bonds Public Issue	7.35%	Annual	Bullet Repayment	22-Mar-31	10,163.76	10,163.76
26	103rd 'A' Series Tax Free Bonds Public Issue	7.53%	Annual	Bullet Repayment	21-Dec-30	10,742.17	10,742.17
27	103rd Series Tax Free Bonds Public Issue	7.28%	Annual	Bullet Repayment	21-Dec-30	20,573.10	20,573.10
28	70th "AA" Taxable Non-Cum. Bonds	8.79%	Semi Annual	Bullet Repayment	04-May-30	14,100.00	14,100.00
29	144th Series Taxable Bonds (ETF)	7.55%	Annual	Bullet Repayment	12-Apr-30	15,800.00	15,800.00

# Notes to Financial Statements

for the year ended 31 March 2022

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

S.No	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2022	31 March 2021
30	146th Series Taxable Bonds	7.08%	Annual	Bullet Repayment	28-Feb-30	30,000.00	30,000.00
31	67th 'B' Taxable Non-Cum. Bonds	8.80%	Semi Annual	Bullet Repayment	03-Feb-30	3,850.00	3,850.00
32	143rd Taxable Non-Cum. Bonds	7.55%	Annual	Bullet Repayment	06-Nov-29	24,549.00	24,549.00
33	142th Taxable Non-Cum. Bonds	7.50%	Annual	Bullet Repayment	09-Sep-29	27,070.00	27,070.00
34	140th Taxable Non-Cum. Bonds	7.48%	Annual	Bullet Repayment	13-Aug-29	25,920.00	25,920.00
35	136th Series Taxable Bonds	7.95%	Annual	Bullet Repayment	12-Jun-29	30,000.00	30,000.00
36	135 Series Taxable Bonds	8.23%	Annual	Bullet Repayment	29-Mar-29	25,000.00	25,000.00
37	96th Series Tax Free Bonds Public Issue	8.63%	Annual	Bullet Repayment	26-Mar-29	9,479.13	9,479.13
38	96th A Series Tax Free Bonds Public Issue	8.63%/8.88%	Annual	Bullet Repayment	26-Mar-29	4,364.14	4,364.14
39	134 Series Taxable Bonds	8.30%	Annual	Bullet Repayment	25-Mar-29	30,000.00	30,000.00
40	133 Series Taxable Bonds	8.35%	Annual	Bullet Repayment	13-Mar-29	30,000.00	30,000.00
41	131st Series Taxable Bonds	8.55%	Annual	Bullet Repayment	21-Feb-29	22,365.00	22,365.00
42	92nd Series Tax Free Bonds Public Issue	8.40%	Annual	Bullet Repayment	18-Feb-29	10,901.87	10,901.87
43	92nd A Series Tax Free Bonds Public Issue	8.40%/8.65%	Annual	Bullet Repayment	18-Feb-29	6,883.59	6,883.59
44	94th A Series Tax Free Non-Cum Bonds	8.55%	Annual	Bullet Repayment	12-Feb-29	130.00	130.00
45	93rd A Series Tax Free Non-Cum Bonds	8.55%	Annual	Bullet Repayment	10-Feb-29	16,500.00	16,500.00
46	130th Series Taxable Bonds	8.40%	Annual	Bullet Repayment	08-Jan-29	28,454.00	28,454.00
47	129th Series Taxable Bonds	8.45%	Annual	Bullet Repayment	04-Dec-28	30,000.00	30,000.00
48	90th A Series Tax Free Non-Cum Bonds	8.48%	Annual	Bullet Repayment	27-Nov-28	550.00	550.00
49	89th A Series Tax Free Non-Cum Bonds	8.48%	Annual	Bullet Repayment	21-Nov-28	7,380.00	7,380.00
50	87th 'A' Series (Non-Retail), Tax Free Bonds Public Issue	7.04%	Annual	Bullet Repayment	23-Mar-28	2,237.71	2,227.99
51	87th 'A' Series (Retail), Tax Free Bonds Public Issue	7.54%	Annual	Bullet Repayment	23-Mar-28	401.13	410.85
52	86th 'A' Series (Non-Retail), Tax Free Bonds Public Issue	7.34%	Annual	Bullet Repayment	19-Feb-28	23,301.34	23,239.89
53	86th 'A' Series (Retail), Tax Free Bonds Public Issue	7.84%	Annual	Bullet Repayment	19-Feb-28	2,287.77	2,349.21
54	83rd 'A' Tax Free Non-Cum. Bonds	7.39%	Annual	Bullet Repayment	06-Dec-27	950.00	950.00
55	82nd 'A' Tax Free Non-Cum. Bonds	7.38%	Annual	Bullet Repayment	30-Nov-27	300.00	300.00
56	81st 'A' Tax Free Non-Cum. Bonds	7.38%	Annual	Bullet Repayment	26-Nov-27	667.00	667.00
57	124th Series Taxable Non-Cum Bonds	7.54%	Annual	Bullet Repayment	31-Oct-27	9,350.00	9,350.00
58	123rd Series Taxable Non-Cum Bonds	7.33%	Annual	Bullet Repayment	28-Aug-27	17,450.00	17,450.00
59	121st Taxable Non Cum - Bonds	7.27%	Annual	Bullet Repayment	15-Jun-27	20,500.00	20,500.00
60	54th 'B' Taxable Non-Cum. Bonds	10.04%	Semi Annual	Bullet Repayment	07-Jun-27	3,200.00	3,200.00
61	120th Taxable Non Cum - Bonds	7.49%	Annual	Bullet Repayment	30-May-27	22,000.00	22,000.00

# Notes to Financial Statements

for the year ended 31 March 2022

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

S.No	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2022	31 March 2021
62	118th Taxable Non Cum - Bonds	7.83%	Annual	Bullet Repayment	21-Mar-27	29,500.00	29,500.00
63	80th 'A' Series (Non-Retail), Tax Free Bonds Public Issue	8.10%	Annual	Bullet Repayment	23-Feb-27	27,971.49	27,889.45
64	80th 'A' Series (Retail), Tax Free Bonds Public Issue	8.30%	Annual	Bullet Repayment	23-Feb-27	2,985.03	3,067.07
65	53rd 'C' Taxable Non-Cum. Bonds	8.75%	Semi Annual	Bullet Repayment	29-Nov-26	4,100.00	4,100.00
66	79th 'A' Tax Free Non-Cum. Bonds	7.77%	Annual	Bullet Repayment	08-Nov-26	1,915.10	1,915.10
67	76th 'A' Taxable Non-Cum. Bonds	9.33%	Semi Annual	Bullet Repayment	10-May-26	2,550.00	2,550.00
68	75th Taxable Non-Cum. Bonds	9.09%	Semi Annual	Bullet Repayment	31-Mar-26	1,500.00	1,500.00
69	74th Taxable Non-Cum. Bonds	9.09%	Semi Annual	Bullet Repayment	29-Mar-26	10,760.00	10,760.00
70	107th 'A' Series Tax Free Bonds Public Issue	7.29%	Annual	Bullet Repayment	22-Mar-26	1,907.14	1,907.14
71	107th Series Tax Free Bonds Public Issue	7.04%	Annual	Bullet Repayment	22-Mar-26	485.97	485.97
72	106th Series Tax Free Bonds	7.04%	Annual	Bullet Repayment	03-Mar-26	10,500.00	10,500.00
73	102nd 'A' Series Tax Free Bonds Public Issue	7.32%	Annual	Bullet Repayment	21-Dec-25	3,689.49	3,689.49
74	102nd Series Tax Free Bonds Public Issue	7.07%	Annual	Bullet Repayment	21-Dec-25	3,674.74	3,674.74
75	100th Series Tax Free Non-Cum Bonds	7.15%	Annual	Bullet Repayment	21-Aug-25	3,290.00	3,290.00
76	99th Series Tax Free Non-Cum Bonds	7.19%	Annual	Bullet Repayment	31-Jul-25	11,390.00	11,390.00
77	147th Series Taxable Bonds	6.99%	Annual	Bullet Repayment	19-Mar-25	8,470.00	8,470.00
78	69th Taxable Non-Cum. Bonds	8.95%	Semi Annual	Bullet Repayment	10-Mar-25	6,000.00	6,000.00
79	67th 'A' Taxable Non-Cum. Bonds	8.65%	Semi Annual	Bullet Repayment	03-Feb-25	2,000.00	2,000.00
80	65th 'O' Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-24	600.00	600.00
81	95th Series Tax Free Bonds Public Issue	8.19%	Annual	Bullet Repayment	26-Mar-24	2,311.52	2,311.52
82	95th A Series Tax Free Bonds Public Issue	8.44%	Annual	Bullet Repayment	26-Mar-24	1,297.38	1,297.38
83	132 Series Taxable Bonds	8.25%	Annual	Bullet Repayment	28-Feb-24	25,000.00	25,000.00
84	91st Series Tax Free Bonds Public Issue	8.23%	Annual	Bullet Repayment	18-Feb-24	17,783.21	17,783.21
85	91st A Series Tax Free Bonds Public Issue	8.48%	Annual	Bullet Repayment	18-Feb-24	5,262.55	5,262.55
86	63rd 'B' Taxable Non-Cum. Bonds	8.65%	Semi Annual	Bullet Repayment	15-Jan-24	3,150.00	3,150.00
87	62nd 'B' Taxable Non-Cum. Bonds	8.50%	Semi Annual	Bullet Repayment	26-Dec-23	2,850.00	2,850.00
88	90th Series Tax Free Non-Cum Bonds	8.35%	Annual	Bullet Repayment	27-Nov-23	570.00	570.00
89	89th Series Tax Free Non-Cum Bonds	8.35%	Annual	Bullet Repayment	21-Nov-23	4,870.00	4,870.00
90	61st 'A' Taxable Non-Cum. Bonds	10.70%	Semi Annual	Bullet Repayment	11-Sep-23	6,150.00	6,150.00
91	155th series 5.04% Secured Bonds	5.04%	Annual	Bullet Repayment	05-May-23	30,000.00	30,000.00
92	149 Series Taxable Non-Cum. Bonds	6.19%	Annual	Bullet Repayment	28-Apr-23	31,900.00	31,900.00
93	65th 'N' Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-23	600.00	600.00
94	145th Series Taxable Bonds	6.59%	Annual	Bullet Repayment	14-Apr-23	30,000.00	30,000.00

# Notes to Financial Statements

for the year ended 31 March 2022

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

S.No	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2022	31 March 2021
95	88th Taxable Non-Cum. Bonds	8.83%	Annual	Bullet Repayment	25-Mar-23	11,000.00	11,000.00
96	87th Series (Non-Retail), Tax Free Bonds Public Issue	6.88%	Annual	Bullet Repayment	23-Mar-23	1,382.42	1,377.09
97	87th Series (Retail), Tax Free Bonds Public Issue	7.38%	Annual	Bullet Repayment	23-Mar-23	269.29	274.61
98	86th Series (Non-Retail), Tax Free Bonds Public Issue	7.18%	Annual	Bullet Repayment	19-Feb-23	26,717.90	26,686.78
99	86th Series (Retail), Tax Free Bonds Public Issue	7.68%	Annual	Bullet Repayment	19-Feb-23	1,426.90	1,458.03
100	85th Tax Free Non-Cum. Bonds	7.19%	Annual	Bullet Repayment	14-Dec-22	950.00	950.00
101	84th Tax Free Non-Cum. Bonds	7.22%	Annual	Bullet Repayment	07-Dec-22	4,999.00	4,999.00
102	83rd Tax Free Non-Cum. Bonds	7.22%	Annual	Bullet Repayment	06-Dec-22	300.00	300.00
103	82nd Tax Free Non-Cum. Bonds	7.22%	Annual	Bullet Repayment	30-Nov-22	410.00	410.00
104	81st Tax Free Non-Cum. Bonds	7.21%	Annual	Bullet Repayment	26-Nov-22	2,560.00	2,560.00
105	58th "A" Taxable Non-Cum. Bonds	9.20%	Semi Annual	Bullet Repayment	29-Oct-22	5,000.00	5,000.00
106	57th Taxable Non-Cum. Bonds	9.66%	Semi Annual	Redeemable on 28.09.2022, being the due date for the last instalment	28-Sep-22	2,000.00	4,000.00
107	54th "A" Taxable Non-Cum. Bonds	9.95%	Semi Annual	Bullet Repayment	07-Jun-22	1,500.00	1,500.00
108	55th "O" Taxable Non-Cum. Bonds	9.86%	Semi Annual	Bullet Repayment	07-Jun-22	330.00	330.00
109	65th "M" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-22	600.00	600.00
110	80th Series (Non-Retail) Tax Free Bonds Public Issue	8.00%	Annual	Bullet Repayment	23-Feb-22	-	28,424.69
111	80th Series (Retail) Tax Free Bonds Public Issue	8.15%	Annual	Bullet Repayment	23-Feb-22	-	3,307.69
112	53rd "B" Taxable Non-Cum. Bonds	8.68%	Semi Annual	Bullet Repayment	29-Nov-21	-	2,250.00
113	114th Taxable Non Cum - Bonds	6.70%	Annual	Bullet Repayment	24-Nov-21	-	20,000.00
114	113th Taxable Non Cum - Bonds	7.24%	Annual	Bullet Repayment	08-Nov-21	-	6,500.00
115	79th Tax Free Non-Cum. Bonds	7.55%	Annual	Bullet Repayment	08-Nov-21	-	5,396.00
116	78th Taxable Non-Cum. Bonds	9.41%	Semi Annual	Bullet Repayment	28-Jul-21	-	15,000.00
117	55th "N" Taxable Non-Cum. Bonds	9.86%	Semi Annual	Bullet Repayment	07-Jun-21	-	330.00
118	77th Taxable Non-Cum. Bonds	9.57%	Semi Annual	Bullet Repayment	31-May-21	-	12,450.00
119	52nd "B" Taxable Non-Cum. Bonds	8.64%	Semi Annual	Bullet Repayment	17-May-21	-	7,000.00
120	76th Taxable Non-Cum. Bonds	9.27%	Semi Annual	Bullet Repayment	10-May-21	-	3,900.00
121	65th "L" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-21	-	600.00
	<b>Total</b>					<b>12,14,386.47</b>	<b>13,21,544.84</b>

# Notes to Financial Statements

for the year ended 31 March 2022

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

## 54 EC Bonds Secured in markets

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

S.No	Description	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2022	31 March 2021
1	54 EC, Mar 2022 Bond Series	5.00%	Annual	Bullet Repayment	31-Mar-27	2,088.60	-
2	54 EC, Feb 2022 Bond Series	5.00%	Annual	Bullet Repayment	28-Feb-27	943.20	-
3	54 EC, Jan 2022 Bond Series	5.00%	Annual	Bullet Repayment	31-Jan-27	926.35	-
4	54 EC, Dec 2021 Bond Series	5.00%	Annual	Bullet Repayment	31-Dec-26	1,122.29	-
5	54 EC, Nov 2021 Bond Series	5.00%	Annual	Bullet Repayment	30-Nov-26	645.61	-
6	54 EC, Oct 2021 Bond Series	5.00%	Annual	Bullet Repayment	31-Oct-26	832.21	-
7	54 EC, Sep 2021 Bond Series	5.00%	Annual	Bullet Repayment	30-Sep-26	1,203.22	-
8	54 EC, Aug 2021 Bond Series	5.00%	Annual	Bullet Repayment	31-Aug-26	887.12	-
9	54 EC, July 2021 Bond Series	5.00%	Annual	Bullet Repayment	31-Jul-26	1,050.55	-
10	54 EC, Jun 2021 Bond Series	5.00%	Annual	Bullet Repayment	30-Jun-26	838.14	-
11	54 EC, May 2021 Bond Series	5.00%	Annual	Bullet Repayment	31-May-26	507.06	-
12	54 EC, Apr 2021 Bond Series	5.00%	Annual	Bullet Repayment	30-Apr-26	565.74	-
13	54 EC, Mar 2021 Bond Series	5.00%	Annual	Bullet Repayment	31-Mar-26	2,098.79	2,098.79
14	54 EC, Feb 2021 Bond Series	5.00%	Annual	Bullet Repayment	28-Feb-26	822.50	822.50
15	54 EC, Jan 2021 Bond Series	5.00%	Annual	Bullet Repayment	31-Jan-26	629.66	629.66
16	54 EC, Dec 2020 Bond Series	5.00%	Annual	Bullet Repayment	31-Dec-25	685.27	685.27
17	54 EC, Nov 2020 Bond Series	5.00%	Annual	Bullet Repayment	30-Nov-25	412.82	412.82
18	54 EC, Oct 2020 Bond Series	5.00%	Annual	Bullet Repayment	31-Oct-25	458.81	458.81
19	54 EC, Sep 2020 Bond Series	5.00%	Annual	Bullet Repayment	30-Sep-25	529.70	529.70
20	54 EC, Aug 2020 Bond Series	5.00%	Annual	Bullet Repayment	31-Aug-25	343.87	343.87
21	54 EC, July 2020 Bond Series	5.75%	Annual	Bullet Repayment	31-Jul-25	774.33	774.33
22	54 EC, Jun 2020 Bond Series	5.75%	Annual	Bullet Repayment	30-Jun-25	1,160.16	1,160.16
23	54 EC, May 2020 Bond Series	5.75%	Annual	Bullet Repayment	31-May-25	378.92	378.92
24	54 EC, Apr 2020 Bond Series	5.75%	Annual	Bullet Repayment	30-Apr-25	131.17	131.17
25	54 EC, Mar 2020 Bond Series	5.75%	Annual	Bullet Repayment	31-Mar-25	1,429.69	1,429.69
26	54 EC, Feb 2020 Bond Series	5.75%	Annual	Bullet Repayment	28-Feb-25	881.04	881.04
27	54 EC, Jan 2020 Bond Series	5.75%	Annual	Bullet Repayment	31-Jan-25	823.75	823.75
28	54 EC, Dec 2019 Bond Series	5.75%	Annual	Bullet Repayment	31-Dec-24	926.28	926.28
29	54 EC, Nov 2019 Bond Series	5.75%	Annual	Bullet Repayment	30-Nov-24	711.59	711.59
30	54 EC, Oct 2019 Bond Series	5.75%	Annual	Bullet Repayment	31-Oct-24	669.18	669.18



# Notes to Financial Statements

for the year ended 31 March 2022

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

S.No	Description	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2022	31 March 2021
31	54 EC, Sep 2019 Bond Series	5.75%	Annual	Bullet Repayment	30-Sep-24	543.41	543.41
32	54 EC, Aug 2019 Bond Series	5.75%	Annual	Bullet Repayment	31-Aug-24	571.15	571.15
33	54 EC, July 2019 Bond Series	5.75%	Annual	Bullet Repayment	31-Jul-24	633.99	633.99
34	54 EC, June 2019 Bond Series	5.75%	Annual	Bullet Repayment	30-Jun-24	596.14	596.14
35	54 EC, May 2019 Bond Series	5.75%	Annual	Bullet Repayment	31-May-24	436.60	436.60
36	54 EC, Apr 2019 Bond Series	5.75%	Annual	Bullet Repayment	30-Apr-24	249.71	249.71
37	54EC Bond Mar 2019 Series	5.75%	Annual	Bullet Repayment	31-Mar-24	692.68	692.68
38	54EC Bond Feb 2019 Series	5.75%	Annual	Bullet Repayment	29-Feb-24	145.31	145.31
39	54EC Bond Jan 2019 Series	5.75%	Annual	Bullet Repayment	31-Jan-24	133.35	133.35
40	54 EC, Dec 2018 Bond Series	5.75%	Annual	Bullet Repayment	31-Dec-23	135.12	135.12
41	54 EC, Nov 2018 Bond Series	5.75%	Annual	Bullet Repayment	30-Nov-23	98.69	98.69
42	54 EC, Oct 2018 Bond Series	5.75%	Annual	Bullet Repayment	31-Oct-23	116.94	116.94
43	54 EC, Sep 2018 Bond Series	5.75%	Annual	Bullet Repayment	30-Sep-23	71.01	71.01
44	54 EC, Aug 2018 Bond Series	5.75%	Annual	Bullet Repayment	31-Aug-23	81.17	81.17
45	54 EC, July 2018 Bond Series	5.75%	Annual	Bullet Repayment	31-Jul-23	137.02	137.02
46	54 EC, June 2018 Bond Series	5.75%	Annual	Bullet Repayment	30-Jun-23	127.56	127.56
47	54 EC, May 2018 Bond Series	5.75%	Annual	Bullet Repayment	31-May-23	83.58	83.58
48	54 EC, Apr 2018 Bond Series	5.75%	Annual	Bullet Repayment	30-Apr-23	54.52	54.52
	<b>Total</b>					<b>30,385.57</b>	<b>18,775.48</b>

# Notes to Financial Statements

for the year ended 31 March 2022

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

## Unsecured bonds from domestic capital market

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

S.No	Series	Interest rate*	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2022	31 March 2021
1	148th Series Taxable Bonds*	6.58% p.a.	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
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
4	122nd Series Taxable Bonds*	6.77% p.a.	Semi Annual	"Redeemable in forty equal half yearly instalments commencing from 15 April 2027"	27-Jun-47	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 2026"	22-Jun-46	43,364.00	30,000.00
6	109th Series Taxable Bonds*	8.02% p.a.	Semi Annual	"Redeemable in forty equal half yearly instalments commencing from 15 October 2026"	30-Mar-46	74,335.00	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	29,347.00	29,347.00
8	158th Series Taxable Bonds	6.99% p.a.	Annual	Bullet Repayment	04-Jun-2041	19,940.00	-
9	162nd Series Taxable Bonds	6.95% Pa	Annual	Bullet Repayment	24-Nov-2036	50,000.00	-
10	160th Series Taxable Bonds	7.03% Pa	Annual	Bullet Repayment	30-Jul-2036	46,930.00	-
11	163rd Series Taxable Bonds	6.87% Pa	Annual	Bullet Repayment	14-Apr-2032	11,800.00	-
12	161st Series Taxable Bonds	6.92% Pa	Annual	Bullet Repayment	31-Aug-2031	40,000.00	-
13	159th Series Taxable Bonds	6.89% Pa	Annual	Bullet Repayment	19-Jul-2031	29,809.00	-
	<b>Total</b>					<b>4,50,525.00</b>	<b>2,14,347.00</b>

\*Fixed Interest rate for 10 years. The interest rate would be reset at the end of each subsequent 10th year to the then prevailing benchmark 10 Year G-Sec Yield.

# Notes to Financial Statements

for the year ended 31 March 2022

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

## Reconciliation

<b>Particulars</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Secured Bonds from Domestic Capital Market	12,14,386.47	13,21,544.84
54EC Bonds Secured in Market	30,385.57	18,775.48
Unsecured Bonds from Domestic Capital Market	4,50,525.00	2,14,347.00
<b>Bonds in Domestic Market as per IGAAP</b>	<b>16,95,297.04</b>	<b>15,54,667.32</b>
Less: Unamortised transaction cost	(805.65)	(915.14)
<b>Bonds in Domestic Market as per Ind AS</b>	<b>16,94,491.39</b>	<b>15,53,752.18</b>

# Notes to Financial Statements

for the year ended 31 March 2022

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

## Unsecured bonds from overseas capital market

The Unsecured bonds issued from overseas capital market and outstanding as on various dates is as set out below:-

S.No	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2022	31 March 2021
1	REG-S/144A BONDS USD 300M 3.95% GMTM-2050	3.95% P.a	Semi Annual	Bullet Repayment	13-Feb-50	22,851.00	22,173.00
2	REG-S/144A GREEN BONDS USD 500M	3.57% p.a.	Semi Annual	Bullet Repayment	21-Jan-32	38,085.00	-
3	REG-S/144A BONDS USD 750 MILLION UNDER GMTN	2.80% p.a	Semi Annual	Bullet Repayment	10-Feb-31	57,127.50	55,432.50
4	REG-S/144A BONDS USD 700M 3.249% GMTM-2030	3.249% Pa	Semi Annual	Bullet Repayment	13-Feb-30	53,319.00	51,737.00
5	Reg-S Bonds Green Bond 1st Series (USD 500 Million)	3.835% p.a	Semi Annual	Bullet Repayment	13-Dec-27	38,085.00	36,955.00
6	Reg S Bonds USD 500M-EMTN	3.73% p.a	Semi Annual	Bullet Repayment	29-Mar-24	38,085.00	36,955.00
<b>Total Overseas bonds as per IGAAP</b>						<b>2,47,552.50</b>	<b>2,03,252.50</b>
Less: Unamortised transaction cost						(248.63)	(227.06)
Less: Fair value hedge adjustment- recoverable from Ministry of Railways						(45.73)	-
<b>Total Overseas bonds as per IND AS</b>						<b>2,47,258.14</b>	<b>2,03,025.44</b>

## 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	31 March 2022	31 March 2021
1	Commercial Paper Series XX	3.43% P.a	25 - April - 2021	-	29,000.00
Less: Unexpired discount				-	(29.73)
<b>Total</b>				<b>-</b>	<b>28,970.27</b>
Total Indian Bonds				16,94,491.39	15,53,752.18
Total Overseas Bonds				2,47,258.14	2,03,025.44
Commercial Paper				-	28,970.27
<b>Total Debt Borrowings</b>				<b>19,41,749.53</b>	<b>17,85,747.89</b>

# Notes to Financial Statements

for the year ended 31 March 2022

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

## Note 16: Borrowings (Other than Debt Securities)

Particular	As at 31 March 2022				As at 31 March 2021			
	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
<b>Term Loans</b>								
Secured Loans								
(i) From Banks (Indian)	12,81,444.40	-	-	12,81,444.40	8,88,268.00	-	-	8,88,268.00
(ii) From Bank (Foreign)	16,645.27	-	-	16,645.27	16,350.64	-	-	16,350.64
(iii) From Other*	1,85,000.00	-	-	1,85,000.00	1,75,000.00	-	-	1,75,000.00
<b>Unsecured Loans</b>								
(i) From Banks (Indian)	59,067.38	-	-	59,067.38	47,200.04	-	-	47,200.04
(ii) From Banks (Foreign)	4,00,259.60	-	-	4,00,259.60	3,18,540.22	-	-	3,18,540.22
<b>Total (A)</b>	<b>19,42,416.65</b>	<b>-</b>	<b>-</b>	<b>19,42,416.65</b>	<b>14,45,358.90</b>	<b>-</b>	<b>-</b>	<b>14,45,358.90</b>
Borrowings in India	15,25,511.78	-	-	15,25,511.78	11,10,468.04	-	-	11,10,468.04
Borrowings outside India	4,16,904.87	-	-	4,16,904.87	3,34,890.86	-	-	3,34,890.86
<b>Total (B) to tally with (A)</b>	<b>19,42,416.65</b>	<b>-</b>	<b>-</b>	<b>19,42,416.65</b>	<b>14,45,358.90</b>	<b>-</b>	<b>-</b>	<b>14,45,358.90</b>

\* These loans are from National Small Saving Fund and India Infrastructure Finance Company Limited.

The borrowings have been utilised for the specific purpose for which the same has been drawn.

# Notes to Financial Statements

for the year ended 31 March 2022

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

## Indian Railway Finance Corporation Limited Secured Rupee Term Loan

Rupee Term Loans availed from banks are secured by first pari passu charge on the present/future rolling stock assets/ lease receivables of the Company. Terms of repayment of secured term loans and amount outstanding as on various dates is as set out below :-

S.No	Description	Interest Type	Terms of Repayment	Date of Maturity of Loan	31 March 2022	31 March 2021
1	Union bank of India I Tranch (i), (ii) & (iii)	3M T-BILL + Spread	"Sanctioned Amount: Rs. 50,000 Million 1st Drawdown: Rs. 5,000 Million on 23 Dec 2021 2nd Drawdown: Rs. 10,000 Million on 22 Feb 2022 Last Drawdown: Rs. 35,000 Million on 23 March 2022 19 Equal Half Yearly instalments of Rs. 2500 Million each commencing from 23 June 2027. 20th and last instalment (Residual) of Rs. 2499.19 million"	23-Mar-37	49,999.19	-
2	PNB-VIII	Repo Rate	9 Equal Annual instalments of Rs. 800 Million each commencing from 31 March 2028. 10th and final instalment (Residual) of Rs. 799.99 Millions	31-Mar-28	7,999.99	-
3	Bank of Baroda-V	Overnight MCLR	18 Equal Half Yearly instalments of Rs. 1944.44 Million each commencing from 15 January 2028	15-Jan-28	35,000.00	-
4	Canara Bank VII	Repo Rate	9 equal annual instalments of Rs. 4,700 million commencing from 30 December 2027. 10th and final instalment (Residual) of Rs.4699.93 Millions	30-Dec-27	46,999.93	-
5	Canara Bank VI- Tranch (i), (ii) & (iii)	Repo Rate + Spread	9 Equal Annual instalments of Rs. 7000 million commencing from 8 November 2027. 10th and final instalment (Residual) of Rs.6999.89 Millions	08-Nov-27	69,999.89	-
6	Union bank of India II	T-BILL + Spread	"Sanctioned Amount: Rs. 35,000 Million Initial Drawdown: Rs. 25,500 Million 20 Equal Half Yearly instalments of Rs. 1275 Million each commencing from 23 September 2027 "	23-Sep-27	25,500.00	-
7	Bank of Baroda-IV	Overnight MCLR	17 Half yearly equal instalments of Rs.6.667 million commencing from 12th September 2027. 18th and final instalment (Residual) of Rs.6661 Millions	12-Sep-27	1,20,000.00	1,20,000.00
8	HDFC TL-VII	Repo Rate	20 Equal Half Yearly instalments of Rs. 1250 Million each commencing from 22 August 2027	22-Aug-27	25,000.00	-
9	J & K BANK	Repo Rate + Spread	20 Equal Half Yearly instalments of Rs. 250 Million each commencing from 18 August 2027	18-Aug-27	5,000.00	-



# Notes to Financial Statements

for the year ended 31 March 2022

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

S.No	Description	Interest Type	Terms of Repayment	Date of Maturity of Loan	31 March 2022	31 March 2021
10	UCO Bank I Tranch (i) & (ii)	Repo Rate + Spread	20 Equal Half Yearly instalments of Rs.1000 Million each commencing from 30 June 2027	30-Jun-27	20,000.00	-
11	PNB-VII	3Y G-Sec	9 Equal Yearly instalments of Rs.750 Million each commencing from 30th June 2027. 10th and final instalment (Residual) of Rs.749.98 Millions	30-Jun-27	7,499.98	-
12	HDFC TL-VIII	3M T-Bill + Spread	20 Equal Half Yearly instalments of Rs. 1250 Million each commencing from 16 April 2027	16-Apr-27	25,000.00	
13	State Bank Of India VI Tranch (i) & (ii)	3M T-BILL + Spread	19 Equal Half Yearly instalments of Rs. 3500 Million each commencing from 15 April 2027. 20th and final instalment (Residual) of Rs.3499.88 Millions	15-Apr-27	69,999.88	
14	Bank of India-(IV)	Repo Rate + Spread	19 Equal Half Yearly instalments of Rs. 550 Million each commencing from 11 April 2027. 20th and last instalment (Residual) of Rs. 548.18 Million	11-Apr-27	10,998.18	-
15	Canara Bank**	1M MCLR	"Sanctioned Amount: Rs. 50,000 Million with 10 Equal yearly instalments of Rs. 5,000 Million each commencing 31 March 2027 Initial Drawdown: Rs. 20,000 Million Undrawn Amount: Rs. 30,000 Million"	31-Mar-27	-	20,000.00
16	DEUTSCHE BANK TL-1	3M T-Bill	Bullet Repayment	28-Mar-27	20,000.00	
17	Punjab National Bank-VI	3Y G-Sec + Spread	9 Equal yearly instalments of Rs.3,000 Millions commencing from 31st December 2026. 10th and last instalment (Residual) of Rs. 2999.39 Million	31-Dec-26	29,999.39	30,000.00
18	Punjab National Bank (V)	3Y G-Sec + Spread	9 Equal Yearly instalments of Rs.2,500 Million each commencing from 30th September 2026. 10th and last instalment (Residual) of Rs. 2499.92 Million	30-Sep-26	24,999.92	25,000.00
19	ICICI Bank TL-IV	3M T-BILL + Spread	20 Equal Half Yearly instalments of Rs.1750 Million each commencing from 15th September 2026	15-Sep-26	35,000.00	35,000.00
20	Bank of India TL-I	Repo Rate + Spread	19 Half yearly equal instalments of Rs.1,500 million commencing from 27th July 2026. 20th and last instalment (Residual) of Rs. 1,495.02 Million	27-Jul-26	29,995.02	30,000.00
21	Bank of India TL-II	Repo Rate + Spread	19 Half yearly equal instalments of Rs.1,150 million commencing from 27th July 2026. 20th and last instalment (Residual) of Rs. 1,146.19 Million	27-Jul-26	22,996.19	23,000.00

## Notes to Financial Statements

for the year ended 31 March 2022

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

S.No	Description	Interest Type	Terms of Repayment	Date of Maturity of Loan	31 March 2022	31 March 2021
22	ICICI Bank TL-III	3M T-BILL + Spread	20 Equal Half Yearly instalments of Rs.5000 Million each commencing from 27th May 2026	27-May-26	1,00,000.00	1,00,000.00
23	ICICI Bank TL-II	3M T-BILL + Spread	20 Equal Half Yearly instalments of Rs.2500 Million each commencing from 22nd April 2026	22-Apr-26	50,000.00	50,000.00
24	HDFC Bank LTD (VI)-T II	Repo Rate +	20 Half yearly equal instalments of Rs. 182.50 million commencing from 30th March 2026	30-Mar-26	3,650.00	3,650.00
25	HDFC Bank LTD (VI)-T I	Repo Rate +	20 Half yearly equal instalments of Rs. 817.50 million commencing from 11th March 2026	11-Mar-26	16,350.00	16,350.00
26	Axis Bank	Repo Rate +	19 Equal Half Yearly instalments of Rs.2,000 Million each commencing from 28 February 2026 and last instalment (Residual) of Rs. 1,999.79 Million	28-Feb-26	39,999.79	40,000.00
27	ICICI Bank TL-I	3M T-BILL + Spread	20 Equal Half Yearly instalments of Rs.2,500 Million each commencing from 19th February 2026	19-Feb-26	50,000.00	50,000.00
28	HDFC-V-II	Repo Rate +	16 Equal Half Yearly instalments of Rs.1,125 Millions commencing from 30th December 2024	30-Dec-24	18,000.00	18,000.00
29	HDFC-V-I	Repo Rate +	16 Equal Half Yearly instalments of Rs.3,250 Millions commencing from 30th December 2024	30-Dec-24	52,000.00	52,000.00
30	HDFC-IV	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
31	Oriental bank of commerce	3Y G-Sec + Spread	"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. 1,062.34 Millions"	17-Aug-23	14,990.54	15,000.00
32	Punjab National Bank(IV)	3Y G-Sec + Spread	7 Equal yearly instalments of Rs. 1,000 Millions commencing from 30th March 2023. 8th and final instalment (Residual) of Rs.999.85 Millions	30-Mar-23	7,999.85	9,000.00
33	Punjab National Bank(III)	3Y G-Sec + Spread	7 Equal yearly instalments of Rs. 3,000 Millions commencing from 17th February 2023. 8th and last instalment (Residual) of Rs. 2999.64 Million	17-Feb-23	23,999.64	27,000.00
34	State bank of India (V) Tranch I & II*	Linked to MCLR	15 Equal yearly instalments of Rs. 3,890 Millions commencing from 15th October 2022. 15th and last instalment (Residual) of Rs. 3860.34 Million	15-Oct-22	62,210.34	70,000.00

# Notes to Financial Statements

for the year ended 31 March 2022

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

S.No	Description	Interest Type	Terms of Repayment	Date of Maturity of Loan	31 March 2022	31 March 2021
35	HDFC-I	3M T-BILL + Spread	15 Equal Half Yearly instalments of Rs. 500 Million each commencing from 30 Sep 2022	30-Sep-22	7,500.00	8,500.00
36	State Bank of India (II)*	Linked to MCLR	"Sanctioned Amount: Rs. 90,000 Million with 20 Equal Half Yearly instalments of Rs. 4,500 Million each commencing 3 July 2019 Initial Drawdown: Rs. 80,000 Million Final Drawdown: Rs. 10,000 Million on 26.12.2019 Balance Instalments: 11 Equal Half Yearly instalments Rs. 4500 Million commencing from 3rd July 2022. 13th Half Yearly instalment (Residual) of Rs. 1,256.68 millions."	03-Jul-22	50,756.68	59,768.00
37	HDFC-III	3M T-BILL + Spread	16 Equal Half Yearly instalments of Rs. 1,000 Million each commencing from 24 June 2022	24-Jun-22	16,000.00	18,000.00
38	HDFC-II	3M T-BILL + Spread	16 Equal Half Yearly instalments of Rs. 1,000 Million each commencing from 4 May 2022	04-May-22	16,000.00	18,000.00
	<b>Total</b>				<b>12,61,444.40</b>	<b>8,88,268.00</b>

\* As per the supreme court order, the interest amount paid during the moratorium period has been adjusted against the principal.

\*\* Prepaid on 11th November 2021

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

## Secured Rupee Term Loan

Terms of repayment of the Secured Rupee Term Loans from banks and amount outstanding as on various dates is as set out below:-

S.No	Description	Interest rate	Interest Type	Terms of Repayment	Date of Maturity of Loan	31 March 2022	31 March 2021
1	State Bank of India Tranch (i)	3.79%	Fixed Rate	Bullet Repayment	28-Apr-22	8,200.00	-
2	State Bank of India Tranch (ii)	3.99%	Fixed Rate	Bullet Repayment	28-Apr-22	11,800.00	-
	<b>Total Overseas bonds as per IND AS</b>					<b>20,000.00</b>	<b>-</b>

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

# Notes to Financial Statements

for the year ended 31 March 2022

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

## Secured foreign currency term loan

Foreign Currency Loan are secured by first pari passu charge on the present/ future rolling stock assets/ lease receivables of the Company. Terms of Repayment of the foreign currency term loan and amount outstanding as on various dates is as set out below:-

S.No	Description	Interest rate	Interest Payment Frequency	Terms of Repayment	Date of Maturity of Loan	31 March 2022	31 March 2021
1	SBI USD 2BN-II MAR'21-7 YRS	6M USD LIBOR+ 1.30% pa	Semi Annual	Bullet Repayment	24-Mar-28	16,757.40	16,260.20
2	Bank of India	6M USD LIBOR+ 1.25%	Semi Annual	Semi Annual	30-Apr-21	-	221.73
<b>Total as per IGAAP</b>						<b>16,757.40</b>	<b>16,481.93</b>
Unamortised transaction cost						(112.13)	(131.29)
<b>Secured Foreign Currency Term Loan as per Ind AS</b>						<b>16,645.27</b>	<b>16,350.64</b>

## Secured rupee term loan from Others

Rupee term loan from National Small Saving fund is secured by the first pari passu charge on the present/ future rolling stock assets/ lease receivables of the Company.

Terms of repayment and the amount outstanding as on various dates is as set out below:-

S.No	Description	Interest rate (p.a.)	Interest payment frequency	Terms of Repayment	Date of Maturity of Loan	31 March 2022	31 March 2021
1	IIFCL I	3M T-Bill 5.82% p.a.	Semi Annual	18 equal semi instalments commencing from 30.09.2027 (555.56 Million)	31-Mar-36	10,000.00	-
2	National Small Saving Fund (NSSF)-II	8.11%	Semi Annual	Bullet Repayment	07-Feb-29	75,000.00	75,000.00
3	National Small Saving Fund (NSSF)-I	8.01%	Semi Annual	Bullet Repayment	28-Mar-28	1,00,000.00	1,00,000.00
<b>Total</b>						<b>1,85,000.00</b>	<b>1,75,000.00</b>

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

# Notes to Financial Statements

for the year ended 31 March 2022

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

## Unsecured Rupee Term Loan

Terms of repayment of the Unsecured Rupee Term Loans from banks and amount outstanding as on various dates is as set out below:-

S.No	Description	Interest rate	Interest Type	Terms of Repayment	Date of Maturity of Loan	31 March 2022	31 March 2021
1	Karnataka Bank	3.98%	Linked to 3 Month T Bill	Bullet Repayment	26-Jun-22	7,500.00	-
2	Union Bank Tranch (i)	4.00%	3M T-Bill	Bullet Repayment	26-Jun-22	8,699.03	-
3	IDBI Bank Tranch (ii)	4.00%	Fixed Rate	Bullet Repayment	05-May-22	3,000.00	-
4	HDFC Bank Tranch (ii)	4.00%	Linked to 2M T-Bill Rate with bi monthly reset. Benchmark to be taken on T-1 basis	Bullet Repayment	03-May-22	2,500.00	-
5	HDFC Bank Tranch (i)	4.00%	Linked to 2M T-Bill Rate with bi monthly reset. Benchmark to be taken on T-1 basis	Bullet Repayment	02-May-22	5,770.00	-
6	IndusInd Bank	4.00%	Linked to 1M T-Bill	Bullet Repayment	30-Apr-22	3,000.00	-
7	ICICI Bank Ltd Tranch (ii)	4.00%	Linked to REPO Rate	Bullet Repayment	29-Apr-22	1,200.00	-
8	ICICI Bank Ltd Tranch (i)	4.00%	Linked to REPO Rate	Bullet Repayment	28-Apr-22	5,900.00	-
9	IDBI Bank Tranch (i)	4.00%	Fixed Rate	Bullet Repayment	28-Apr-22	1,999.99	-
10	RBL Bank	3.99%	Linked to 14 Days MIBOR	Bullet Repayment	13-Apr-22	4,700.00	-
11	Union Bank Tranch (iv)	3.79%	Linked to 3Month T Bill	Bullet Repayment	13-Apr-22	1,369.84	-
12	Union Bank Tranch (iii)	3.79%	Linked to 3Month T Bill	Bullet Repayment	12-Apr-22	12,998.56	-
13	Union Bank Tranch (ii)	3.79%	Linked to 3Month T Bill	Bullet Repayment	08-Apr-22	429.96	-
14	Axis Bank	3.89%	Fixed Rate	Bullet Repayment	23-Jun-21	-	6,950.00
15	Axis Bank	3.89%	Fixed Rate	Bullet Repayment	22-Jun-21	-	6,050.00
16	Axis Bank	3.92%	Fixed Rate	Bullet Repayment	17-Jun-21	-	10,000.00
17	Union Bank of India	3.94%	Fixed Rate	Bullet Repayment	03-Jun-21	-	23,350.00
18	IndusInd Bank	3.90%	Fixed Rate	Bullet Repayment	29-Apr-21	-	850.00
19	HDFC Bank	4.00%	Fixed Rate	Bullet Repayment	27-Apr-21	-	0.04
	<b>Total</b>					<b>59,067.38</b>	<b>47,200.04</b>

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

# Notes to Financial Statements

for the year ended 31 March 2022

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

## Unsecured foreign currency term loan

Terms of repayment of the unsecured foreign currency loan from banks and amount outstanding as on various dates is as set out below:

S.No	Description	Interest rate (p.a.)	Interest payment frequency	Terms of Repayment	Date of Maturity of Loan	31 March 2022	31 March 2021
1	SYND GREEN FCL JPY EQ. USD 700M MAR'22	6M TONA+0.93% pa	Semi Annual	Bullet Repayment	24-Mar-32	52,101.02	-
2	SYND FCL JPY-IV EQ USD 325M MAR'21	3M TONA+0.85% pa	Semi Annual	Bullet Repayment	31-Mar-31	22,185.57	23,775.06
3	USD 1BN-II FCL MAR'21-10 YRS PS	6M USD LIBOR+1.35% pa	Semi Annual	Bullet Repayment	10-Mar-31	76,170.00	73,910.00
4	Syndicated Foreign Currency Loan-JPY 33,189 Mio SBI-SMBC (Equivalent to USD 300M)	3M TONA+ 0.935% pa	Semi Annual	Bullet Repayment	31-Mar-30	20,799.55	22,289.73
5	Foreign Currency Loan-USD 300M-SBI BAHRAIN	6M USD LIBOR + 1.30% pa	Semi Annual	Bullet Repayment	26-Mar-30	22,851.00	22,173.00
6	SYND GREEN FCL JPY EQ. USD 400M MAR'22	6M TONA+0.81% pa	Semi Annual	Bullet Repayment	24-Mar-29	29,772.01	-
7	Syndicated Foreign Currency Loan-JPY 26231.25 Mio (Equivalent to USD 250M)	3M TONA+0.80%	Semi Annual	Bullet Repayment	28-Mar-28	16,439.12	17,616.91
8	SBI USD 2BN-II FCL MAR'21-7 YRS PS	6M USD LIBOR+1.30% pa	Semi Annual	Bullet Repayment	24-Mar-28	1,35,582.60	1,31,559.80
9	Syndicated Foreign Currency Loan-JPY 32,856 (Equivalent to USD 300M)	3M TONA + 0.90% pa	Semi Annual	Bullet Repayment	04-Jun-26	20,590.86	22,066.09
10	Loan From AFLAC-2 (Equivalent to JPY 3 Bn)	2.90%	Semi Annual	Bullet Repayment	30-Mar-26	2,821.11	2,737.41
11	Loan From AFLAC-1 (Equivalent to JPY 12 Bn)	2.85%	Semi Annual	Bullet Repayment	10-Mar-26	11,112.95	10,783.22
<b>Total as per IGAAP</b>						<b>4,10,425.79</b>	<b>3,26,911.22</b>
Less: Unamortised transaction cost						(6,154.75)	(5,231.52)
Less: Fair value hedge adjustment- recoverable from Ministry of Railways						(4,011.44)	(3,139.48)
<b>Unsecured Foreign Currency Term Loan as per Ind AS</b>						<b>4,00,259.60</b>	<b>3,18,540.22</b>

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.



# Notes to Financial Statements

for the year ended 31 March 2022

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

## Note 17 : Other Financial Liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Amount payable to Ministry of Railways-Leased Assets	31,350.88	30,754.58
Amount payable to Ministry of Railways -Project Assets	57,136.98	43,041.77
Amount payable to Ministry of Railways	88,487.86	73,796.35
Interest accrued but not due	1,05,636.33	1,22,137.27
Liability for matured and unclaimed bonds and interest accrued thereon	117.62	86.90
Liability for unclaimed dividend	9.96	7.99
Security Deposits	0.19	
Earnest money deposit	-	0.52
<b>Total</b>	<b>1,94,251.96</b>	<b>1,96,029.03</b>

## Note 18 : Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits	16.99	14.58
Provision for corporate social responsibility*	518.72	276.64
<b>Total</b>	<b>535.71</b>	<b>291.22</b>
Provision on asset as per Reserve Bank of India norms presented as a reduction being impairment loss allowance from		
- Note 7 - Loans	274.09	279.91
- Note 8 - Investments	0.01	0.05
- Note 9 - Other financial assets	54.51	44.04
<b>Total</b>	<b>328.61</b>	<b>324.00</b>

\*refer note 49 for Movement in Provision for corporate social responsibility

## Note 19 : Deferred Tax Liabilities (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax liability (net) (Refer accounting policy Note no. 2.7)	-	-
Less: Adjusted in retained earnings due to change in accounting policy (Refer accounting policy note no. 2.7)		-
<b>Total</b>	<b>-</b>	<b>-</b>

## Note 20 : Other Non-Financial Liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory dues	3,592.19	543.20
GST Payable under RCM*	-	10,660.19
Tax deducted at source payable-Income Tax	763.56	1,337.09
Tax deducted at source payable-GST	380.68	1,259.12
<b>Total</b>	<b>4,736.43</b>	<b>13,799.60</b>

\*On account of Project Infrastructure Asset under Finance Lease Arrangements-EBR Special

# Notes to Financial Statements

for the year ended 31 March 2022

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

## Note 21: Share Capital

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Authorised Share Capital</b>		
No. of shares	25,00,00,00,000	25,00,00,00,000
Par value per share (Rs.)	10	10
<b>Amount (in millions)</b>	<b>2,50,000</b>	<b>2,50,000</b>

The authorised share capital of the company was enhanced from Rs. 150,000 millions comprising 15,000 millions share of Rs. 10 each to Rs. 250,000 millions comprising 25,000 millions share of Rs. 10 each in the annual general meeting held on 30th September 2020.

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Issued, Subscribed and Fully Paid-Up</b>		
No of Shares	13,06,85,06,000	11,88,04,60,000
Issued during the period	-	1,18,80,46,000
Total no of shares	13,06,85,06,000	13,06,85,06,000
Par value per share (Rs.)	10	10
<b>Amount (in millions)</b>	<b>1,30,685.06</b>	<b>1,30,685.06</b>

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount (in millions)	Number of shares	Amount (in millions)
Shares outstanding at the beginning of the period	13,06,85,06,000	1,30,685.06	11,88,04,60,000	1,18,804.60
Shares issued during the period	-	-	1,18,80,46,000	11,880.46
<b>Shares outstanding at the end of the period</b>	<b>13,06,85,06,000</b>	<b>1,30,685.06</b>	<b>13,06,85,06,000.00</b>	<b>1,30,685.06</b>

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

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% Holding	Number of shares	% Holding
The President of India and his nominees (through Ministry of Railways)	11,28,64,37,000	86.36%	11,28,64,37,000	86.36%

# Notes to Financial Statements

for the year ended 31 March 2022

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

(iv) Details of shares held by Promoters :

Name of the Promoter	As at 31 March 2022			As at 31 March 2021		
	Number of shares	% Holding	% Change During the Year	Number of shares	% Holding	% Change During the Year
The President of India and his nominees (through Ministry of Railways)	11,28,64,37,000	86.36%	0.00%	11,28,64,37,000	86.36%	-13.64%

(v) The company has not, for a period of 5 years immediately preceding the balance sheet date:

- issued equity share without payment being received in cash.
- issued equity share by way of bonus share.
- bought back any of its share.

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

(vii) The Company has completed its Initial Public Offering (IPO) of 1,78,20,69,000 equity shares of face value of Rs.10/- each at an issue price of Rs.26/- per equity share aggregating to Rs. 46,333.79 millions, consisting of fresh issue 1,18,80,46,000 equity shares aggregating to Rs. 30,889.20 millions and an offer for sale of 59,40,23,000 equity shares aggregating to Rs. 15,444.60 millions by the Government of India. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on 29th January 2020.

The utilisation of IPO proceeds is summarised as below:

Particulars	Upto the date of Board Meeting approving these results		
	Amount Raised	Utilised	Unutilised
Augmenting our equity capital base to meet our future capital requirement arising out of growth in our business	30,118.76	30,118.76	-
General Corporate Purpose	500.00	464.02	35.98
<b>Net Proceeds*</b>	<b>30,618.76</b>	<b>30,582.78</b>	<b>35.98</b>

\*Net of Issue expense of Rs. 270.44 millions (Utilised till the date of board meeting Rs. 270.44 millions).

## Note 22 : Other Equity

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Share issue expenses</b>	(377.87)	(376.84)
Securities Premium Reserve-Equity	19,008.74	19,008.74
Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	32,906.28	20,726.61
General reserve	1,74,032.28	1,74,032.28
Retained earnings	53,641.86	14,980.31
Equity instruments through other comprehensive income	67.05	77.66
<b>Total</b>	<b>2,79,278.34</b>	<b>2,28,448.76</b>

# Notes to Financial Statements

for the year ended 31 March 2022

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

## Note 22.1: Share Issue Expenses

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Balance at the beginning of the period</b>	(376.84)	(169.80)
Changes in accounting policy/prior period Errors	-	-
<b>Restated balance at the beginning of the period</b>	<b>(376.84)</b>	<b>(169.80)</b>
Addition during the period*	(1.03)	(207.04)
<b>Closing balance at the end of the period</b>	<b>(377.87)</b>	<b>(376.84)</b>

\*Share issue expenses includes stamp duty fees and listing fees for the amount of Rs. 123.84 millions (As at 31 March 2021: 123.84 Million) and 254.03 millions (As at 31 March 2021: 253.00 millions), respectively.

## Note 22.2: Securities Premium Reserve-Equity

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Balance at the beginning of the period</b>	19,008.74	-
Changes in accounting policy/prior period Errors	-	-
<b>Restated balance at the beginning of the period</b>	<b>19,008.74</b>	-
Addition during the period	-	19,008.74
<b>Closing balance at the end of the period</b>	<b>19,008.74</b>	<b>19,008.74</b>

Securities Premium Reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purpose such as issuance of bonus shares, writing off the preliminary expenses in accordance with the provisions of section 52 the Companies Act, 2013.

## Note 22.3: Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Balance at the beginning of the period</b>	20,726.61	11,894.35
Changes in accounting policy/prior period Errors	-	-
<b>Restated balance at the beginning of the period</b>	<b>20,726.61</b>	<b>11,894.35</b>
Addition during the period	12,179.67	8,832.26
<b>Closing balance at the end of the period</b>	<b>32,906.28</b>	<b>20,726.61</b>

\*Refer Note 42 (a) (ii)

## Note 22.4: General Reserve

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Balance at the beginning of the period</b>	1,74,032.28	1,74,032.28
Changes in accounting policy/prior period Errors	-	-
<b>Restated balance at the beginning of the period</b>	<b>1,74,032.28</b>	<b>1,74,032.28</b>
Addition during the period	-	-
<b>Closing balance at the end of the period</b>	<b>1,74,032.28</b>	<b>1,74,032.28</b>

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.

# Notes to Financial Statements

for the year ended 31 March 2022

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

## Note 22.5: Retained Earnings

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Balance at the beginning of the period</b>	14,980.31	5,000.00
Changes in accounting policy/prior period Errors	-	(6,626.82)
<b>Restated balance at the beginning of the period</b>	<b>14,980.31</b>	<b>(1,626.82)</b>
Profit for the year	60,903.97	44,161.32
Transfer to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	(12,179.67)	(8,832.26)
Final Dividend	-	(5,000.00)
Interim Dividend	(10,062.75)	(13,721.93)
Dividend tax	-	-
<b>Closing balance at the end of the period</b>	<b>53,641.86</b>	<b>14,980.31</b>

Retained earnings represent the amount of accumulated earnings of the Company.

The Board of Directors of the Company have declared that the final Dividend of Rs. 8233.160 Million (31st March 2021: Rs. NIL Million) in the board meeting held on 20th May 2022 subject to approval of shareholders in the forthcoming Annual General Meeting.

## Note 22.6: Equity instruments Through Other Comprehensive Income

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Balance at the beginning of the period</b>	77.66	62.91
Changes in accounting policy/prior period Errors	-	-
<b>Restated balance at the beginning of the period</b>	<b>77.66</b>	<b>62.91</b>
Total comprehensive income for the period	(10.61)	14.75
<b>Closing balance at the end of the period</b>	<b>67.05</b>	<b>77.66</b>

The change in fair value of equity instrument as at FVTOCI excluding dividends, are recognized in the OCI.

## Note 23 : Interest Income

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
<b>On financial assets measured at amortised cost :</b>		
- Interest on loans	6,392.05	5,956.70
- Interest income from deposits	144.88	163.22
- Interest income from investments	1.31	3.26
- Pre commencement lease - Interest Income	66,373.60	33,290.38
- Interest income on application money	34.88	23.03
<b>Total</b>	<b>72,946.72</b>	<b>39,436.59</b>

## Note 24 : Lease Income

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
<b>Lease income</b>		
Rolling Stock	1,18,284.63	1,17,164.30
Project Assets	11,751.33	1,101.32
<b>Total</b>	<b>1,30,035.96</b>	<b>1,18,265.62</b>

# Notes to Financial Statements

for the year ended 31 March 2022

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

## Note 25 : Other Income

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
Profit on sale of fixed assets	-	0.01
Interest Income on security deposit given towards lease	1.18	0.37
Miscellaneous income	22.15	3.52
<b>Total</b>	<b>23.33</b>	<b>3.90</b>

## Note 26: Finance Cost

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
On financial liabilities measured at amortised cost :		
Interest on debt securities	1,34,526.82	1,23,263.43
Interest on borrowings	85,640.07	52,112.37
Discount on commercial paper	324.49	505.55
Interest on delayed payments to Ministry of Railways	796.22	1,036.17
Interest to Income Tax Authorities	-	5.33
Interest Expenses Accrued on Lease Liabilities	16.48	6.79
Other borrowing cost	168.26	145.62
<b>Sub-Total</b>	<b>2,21,472.34</b>	<b>1,77,075.26</b>
Less: Borrowing costs capitalized on Railway Infrastructure Assets	80,724.52	64,704.73
<b>Total</b>	<b>1,40,747.82</b>	<b>1,12,370.53</b>

## Note 27: Impairment on Financial Instruments Measured at Amortised Cost

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
Loans & Interest accrued thereon	4.61	27.15
<b>Total</b>	<b>4.61</b>	<b>27.15</b>

\*The Company being a government owned NBFC, hitherto exempt, is subject to provisioning norms vide Reserve Bank of India circular no. RBI/2017-18/181\_DNBR (PD) CC. No. 092/03.10.001/2017-18 dated 31 May 2018. Income Recognition and Asset Classification (IRAC) norms to be complied by 31 March 2019. However RBI had vide letter no DNRB (PD). CO.No.1271/03.10.001/2018-19 dated 21 December 2018 had exempted the Company from the aforesaid requirements to the extent of its direct exposure on the sovereign. Therefore the company had not applied impairment requirements to its exposure with MOR. The computation of impairment is as under:

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
Loan to IRCON International Limited	12,306.14	18,459.20
Loan to Rail Vikas Nigam Limited	56,216.00	51,518.86
Debt Securities	2.93	12.14
Interest accrued on above	13,626.76	11,011.46
<b>Total</b>	<b>82,151.83</b>	<b>81,001.66</b>
<b>Provision @ 0.4%</b>	328.61	324.00
<b>Less: ECL already created</b>	324.00	296.85
<b>Change in impairment</b>	<b>4.61</b>	<b>27.15</b>

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



# Notes to Financial Statements

for the year ended 31 March 2022

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

## Note 28 : Employee Benefit Expense

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
<b>Salaries and wages</b>	84.31	62.33
Contribution to provident and others funds	22.10	13.28
Staff welfare expenses	1.07	2.86
<b>Total</b>	<b>107.48</b>	<b>78.47</b>

## Note 29: Depreciation, Amortisation and Impairment

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
<b>Depreciation on property, plant and equipment</b>	18.12	4.58
Depreciation on ROU Assets	119.46	39.61
Amortisation of intangible assets	2.67	0.13
<b>Total</b>	<b>140.25</b>	<b>44.32</b>

## Note 30 : Other Expenses

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
Fee & subscription	2.14	2.49
Travelling	2.55	1.11
Rent	3.94	12.07
Printing & stationery	2.13	1.43
Director's fees, allowances and expenses	3.73	1.60
Transport hire charges	6.45	5.05
Insurance	5.30	3.18
Manpower Services	28.34	19.95
Legal & professional charge	16.57	17.32
Loss on sale of fixed assets	0.03	0.25
Payment to auditors (refer note (i) below)	3.63	3.56
Property tax	0.28	0.28
Office maintenance charges	6.30	4.01
Office equipment maintenance	4.85	2.22
Advertisement & publicity	25.39	3.73
Sponsorship/Donation	1.63	-
Newspaper, books and periodicals	0.28	0.15
Electricity charges	2.11	2.37
Exchange rate variation	0.15	0.12
Miscellaneous expenses	41.88	11.50
Corporate social responsibility expenses (Refer note no. 49)	956.58	934.45
<b>Total</b>	<b>1,114.26</b>	<b>1,026.84</b>
(i) Payment to the Auditors Comprises net of GST input credit, where applicable)		
(a) Annual Audit fees	1.33	1.53
(b) Tax audit fees	0.38	0.33
(c) Quarterly Review fees	0.87	0.79
(d) Internal Audit Fees	0.24	0.44
(e) Certification fees	0.66	0.47
(f) GST Audit Fees	0.15	-
<b>Total</b>	<b>3.63</b>	<b>3.56</b>

# Notes to Financial Statements

for the year ended 31 March 2022

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

## Note 31: Income Taxes

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
<b>Income Taxes Recognised in Profit and Loss</b>		
<b>Current Tax</b>		
In respect of the current period	-	-
Adjustments for prior periods	3.19	-
	<b>3.19</b>	-
<b>Deferred Tax</b>		
In respect of the current period	-	-
	3.19	-
<b>Total Income Tax Expense Recognised in the Current Period</b>	<b>3.19</b>	-

The Company has decided to exercise the option permitted under section 115BAA of the Income Tax Act, 1961. 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 is 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.

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

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
<b>Profit before tax</b>	<b>60,901.55</b>	<b>44,161.31</b>
Tax rate	25.168%	25.168%
Tax thereon	15,327.70	11,114.52
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'	(15,327.70)	(11,114.52)
Minimum alternate tax on book profits as per section 115JB(1) of Income Tax Act, 1961 (see note 1 below)	-	-
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)	-	-
Tax on items recognised in other comprehensive income	-	-
Tax on adjustment for earlier years on finalization of assessments by the assessing authorities	-	-
<b>Total tax expense</b>	<b>-</b>	<b>-</b>

# Notes to Financial Statements

for the year ended 31 March 2022

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

**Note -1**

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
<b>Profit for the period as per Ind AS</b>	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
Less: Ind AS adjustments		
<b>Total (A)</b>		
<b>Add:-</b>		
Expenses u/s 14A of Income Tax Act		
Interest u/s 234 B & C		
Provision for post retirement employee benefits		
Standard asset provision		
<b>Total (B)</b>		
<b>Total (A+B)</b>		
<b>Less:-</b>		
Dividend income		
<b>Total (C)</b>		
<b>Book Profit((A+B)-C)</b>		
<b>Tax rate</b>		
<b>Tax thereon</b>		

**Note -2**

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
Other equity as per Ind AS on date of conversion i.e., 01 April 2018	-	-
Adjustment on account of fair value change in the value of investments measured at FVTOCI	-	-
<b>Total</b>	-	-
Other equity as per AS on date of conversion i.e., 01 April 2018	-	-
<b>Difference</b>	-	-
<b>Tax rate</b>	-	-
Tax thereon	-	-
<b>Proportionate amount of tax payable during the period ended</b>	-	-

**Income Tax Recognised in Other Comprehensive Income**

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
Remeasurement of defined benefit obligation	-	-
<b>Total Income Tax Recognised in Other Comprehensive Income</b>	-	-

# Notes to Financial Statements

for the year ended 31 March 2022

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

## Note 32: Earning Per Share

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
Net Profit	60,898.36	44,161.31
Weighted average number of equity shares outstanding		
Opening balance at the beginning of the period	13,06,85,06,000	11,88,04,60,000
Issued during the period	-	20,18,05,074
Brought back during the period	-	-
Add: Number of potential equity shares on account of receipt of share application money pending allotment	-	-
Weighted average number of equity shares [including diluted equity share] outstanding at the end of the period	13,06,85,06,000	12,08,22,65,074
Earning per share- Basic [Face value of Rs. 10/- per share]	4.66	3.66
Earning per share- Diluted [Face value of Rs. 10/- per share]	4.66	3.66

## 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.

Reconciliation of the lease receivable amount on the gross value of leased assets worth Rs. 30,12,491.02 millions (31 March 2021 :Rs.25,23,718.69 millions) owned by the Company and leased to the Ministry of Railways (MoR) is as under:

Particulars	As at 31 March 2022	As at 31 March 2021
Gross value of assets acquired & leased upto the end of previous financial year	25,23,718.69	22,38,107.84
Less: Capital recovery provided upto last Year	(8,68,028.78)	(7,52,309.84)
Capital recovery outstanding on leased assets as at the end of last year	<b>16,55,689.91</b>	<b>14,85,798.00</b>
Add: Gross value of assets acquired and leased during the period	4,88,772.33	2,85,610.85
	<b>21,44,462.24</b>	<b>17,71,408.85</b>
Less: Capital recovery for the period	(1,37,537.25)	(1,15,718.94)
<b>Net investment in Lease Receivables</b>	<b>20,06,924.99</b>	<b>16,55,689.91</b>

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

Particulars	As at 31 March 2022	As at 31 March 2021
Gross investment in lease	26,05,820.09	24,01,254.93
Unearned finance income	5,98,895.10	7,45,565.02
Present value of minimum lease payment (MLP)	<b>20,06,924.99</b>	<b>16,55,689.91</b>

# Notes to Financial Statements

for the year ended 31 March 2022

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

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

## Gross investment in lease

Particulars	As at 31 March 2022	As at 31 March 2021
Not later than one year	2,75,632.55	2,48,964.10
Later than one year and not later than two years	2,68,447.25	2,44,209.35
Later than two year and not later than three years	2,58,315.35	2,37,024.05
Later than three year and not later than four years	2,48,160.40	2,26,892.15
Later than four year and not later than five years	2,34,742.18	2,16,737.21
Later than five years	13,20,522.36	12,27,428.07
<b>Total</b>	<b>26,05,820.09</b>	<b>24,01,254.93</b>

## Present value of MLP

Particulars	As at 31 March 2022	As at 31 March 2021
Not later than one year	1,53,821.41	1,29,055.37
Later than one year and not later than two years	1,59,421.18	1,34,587.64
Later than two year and not later than three years	1,62,564.46	1,38,709.77
Later than three year and not later than four years	1,64,698.78	1,40,261.08
Later than four year and not later than five years	1,64,347.57	1,40,680.22
Later than five years	12,02,071.59	9,72,395.83
<b>Total</b>	<b>20,06,924.99</b>	<b>16,55,689.91</b>

## Unearned Finance Income & Unguaranteed Residual Income

Particulars	As at 31 March 2022	As at 31 March 2021
Unearned finance income	5,98,895.10	7,45,565.02
Unguaranteed residual income	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. Further, the Company had funded railway projects under EBR-IF and National Projects in the financial years 2015-16 and 2018-19, respectively, in respect of which the lease has commenced during financial year 2021-22.

# Notes to Financial Statements

for the year ended 31 March 2022

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

## Note 33.1

### Company as a Lessee

The Company has lease contracts for office premises. The Company has recognised Right of Use Asset and Lease Liability for all the leases. Refer to Note 2.14 significant accounting policy on leases.

The escalation clause includes escalations generally ranging from 7% to 10%. Lease term includes the renewal term wherever the lessee has the option to renew the lease as it is reasonably certain for the lessee to exercise the option. However, the Company is not reasonably certain to exercise the termination option after the expiry of the lock in period. There are no restrictions imposed by lease arrangements.

Set out below are the carrying amounts of right of use assets recognised during and movement during the year

Office Premises	As at 31 March 2022	As at 31 March 2021
Closing Net Carrying Balance	224.25	343.71
<b>Movement during the period</b>		
Opening Net Carrying Value	343.71	-
Additions	-	383.32
Deletions	-	-
Depreciation	119.46	39.61
Impairment/Adjustment	-	-
<b>Closing Net Carrying Balance</b>	<b>224.25</b>	<b>343.71</b>

Set out below are the carrying amounts of lease liabilities and movement during the year.

Particulars	As at 31 March 2022	As at 31 March 2021
Closing Net Carrying Balance	233.52	345.88
<b>Movement during the period</b>		
Opening Net Carrying Value	345.88	-
Additions	-	379.33
Deletions	-	-
Accretion of Interest	16.48	6.79
Payments	128.84	40.24
<b>Closing Net Carrying Balance</b>	<b>233.52</b>	<b>345.88</b>

### Cash Flows

Particulars	As at 31 March 2022	As at 31 March 2021
Total Cash Outflow of Lease	128.84	40.24

### Amount Recognised in statement of Profit & Loss

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Depreciation Expenses</b>		
Depreciation	119.46	39.61
<b>Finance Cost</b>		
Interest Expenses on lease liabilities	16.48	6.79



# Notes to Financial Statements

for the year ended 31 March 2022

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

## Current and non-current lease liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Current	122.05	112.35
Non Current	111.47	233.53
	<b>233.52</b>	<b>345.88</b>

## Maturity Profile of Company's future lease liabilities based on contractual undiscounted payments

Particulars	As at 31 March 2022	As at 31 March 2021
Less than 12 Months	131.85	128.84
1 to 3 Years	98.68	227.45
3 to 5 years	7.11	10.19
> 5 years	12.50	12.50
	<b>250.14</b>	<b>378.98</b>

## Note 34: Contingent liabilities and Commitments

### Contingent liabilities

a.

Particulars	As at 31 March 2022	As at 31 March 2021
Claims against the Company not acknowledged as debt – Claims by bondholders in the consumer / civil courts	4.22	4.22

- 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 16-4-2019 on the company alleging contravention of the provision of sec 67,68 and 70 of the Finance Act, 1994 by the company and as to why service tax of Rs26,537.65 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 the provision of any of the above-stated section of the Finance Act, 1994. Against the reply given by the company, vide letter dt 21-10-20, Commissioner, CGST, Delhi East, seeking comments given by the DGGI, Chennai Zonal unit and the company filed 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 disputed demand of tax including interest thereon for the AY 2015-16 was Rs. 9.48 million. Against the said demand, the Company has filed a rectification application u/s 154. 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.

# Notes to Financial Statements

for the year ended 31 March 2022

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

## Note 34: Contingent liabilities and Commitments (Contd..)

- f. The income tax assessment of the Company has been completed up to the AY 2019-20. During the year, an intimation u/s 143(1) for FY 2018-19 was received from the CPC. In the said intimation, TDS credit has been short granted by Rs. 1502.46 million despite it appearing in Form 26AS. Further, the book profit has been increased by Rs. 1,462.42 million without any reason and a demand of additional tax and interest thereon has been raised. The demand of Rs. 2,043.26 million has been adjusted against the refund claimed for AY 2020-21. Against the said demand issued by the CPC u/s 143 (1), an appeal was filed at CIT (A) on 28 January 2022 for consideration of TDS credit and removal of additional demand, and also rectification application u/s 154 was filed on 1 February 2022 for consideration of TDS credit. Pending disposal of the appeal, management is of the view that no provision is required.

## Note 35: Expenditure in Foreign Currency

Particulars	As at 31 March 2022	As at 31 March 2021
a) Interest/Swap Cost on foreign currency borrowings	13,549.76	10,377.21
b) Processing agent/ fiscal Agent/ admin fees	10.32	6.50
c) International credit rating agencies fees	36.09	91.37
d) Others	31.50	25.86
<b>Total</b>	<b>13,627.67</b>	<b>10,500.94</b>

## 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 as under:

Particulars	As at 31 March 2022	As at 31 March 2021
Revenue from MOR & entities under the control of MOR		
- Lease Income	1,30,035.96	1,18,265.62
- Interest Income	6,392.05	5,956.70
- Pre Commencement lease interest income	66,373.60	33,290.38
<b>Total</b>	<b>2,02,801.61</b>	<b>1,57,512.70</b>

## Note 37: Employee benefits

37.1

Particulars	As at 31 March 2022	As at 31 March 2021
Contribution to provident fund and National Pension Fund	11.36	5.56
Contribution to gratuity	0.63	0.54
Contribution to leave encasement	2.33	0.46
Contribution to post retirement medical and pension	2.05	2.77
Contribution to family benefit scheme	1.08	3.94

# Notes to Financial Statements

for the year ended 31 March 2022

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

## 37.2 The Company operates a funded gratuity benefit plan.

### A) Actuarial Assumptions

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Economic Assumptions</b>		
Discount rate	6.90%	6.55% p.a.
Salary escalation	6.00% p.a	6.00% p.a
<b>Demographic Assumptions</b>		
Retirement age	60	60
Attrition rate	0.00%	0.00%
Mortality table used	100% of IALM (2012-14)	100% of IALM (2012-14)

#### 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 in the employment market.
3. The expected return is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

### B) Movements in present value of the defined benefit obligation

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of obligation as at the beginning of the year	13.25	10.26
Acquisition adjustment out	2.06	2.57
Interest cost	0.86	0.63
Past service cost	-	-
Current service cost	1.32	1.01
Benefit paid	(0.39)	(1.34)
Components of actuarial gain/losses on obligations:		
Actuarial (gain)/loss on obligations due to change in financial assumptions	-0.40	-
Actuarial (gain)/loss on obligations- due to experience	(1.22)	0.12
Actuarial (gain)/loss on obligations- demographic changes	-	-
<b>Liability at the end of the year</b>	<b>15.49</b>	<b>13.25</b>

### C) Movements in the fair value of plan assets

Particulars	As at 31 March 2022	As at 31 March 2021
Fair value of plan assets at the beginning of the year	23.25	17.04
Contribution from the employer	2.06	4.98
Interest income	1.56	1.10
Return on plan assets excluding amounts included in interest income	0.07	0.13
Benefits paid	-	-
Reimbursement paid by the insurer	-	-
Actuarial gain/(loss) for the year on asset	-	-
<b>Fair value of the plan assets for the period ending</b>	<b>26.94</b>	<b>23.25</b>

# Notes to Financial Statements

for the year ended 31 March 2022

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

## D) Amount recognised in the Balance Sheet

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of funded obligation at the end of the year	15.49	13.25
Fair value of plan assets at the end of the year	(26.94)	(23.25)
<b>Net liability/ (assets) recognised in the Balance Sheet</b>	<b>(11.45)</b>	<b>(10.00)</b>

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

Particulars	As at 31 March 2022	As at 31 March 2021
Current service cost	1.32	1.01
Past service cost	-	-
Net interest cost (Income)	(0.70)	(0.47)
Expected return on plan assets	-	-
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>0.63</b>	<b>0.54</b>

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

Particulars	As at 31 March 2022	As at 31 March 2021
Net cumulative unrecognised actuarial gain/(loss) opening		
Actuarial (gain) / loss for the year on PBO	(1.62)	0.12
Actuarial (gain) / loss for the year on Asset	(0.07)	(0.13)
<b>Unrecognised actuarial (gain) / loss for the year end</b>	<b>(1.69)</b>	<b>(0.01)</b>

## G) Composition of the plan assets:

Particulars	As at 31 March 2022	As at 31 March 2021
Policy of insurance	100.00%	100.00%

## H) Change in Net benefit obligations

Particulars	As at 31 March 2022	As at 31 March 2021
Net defined benefit liability at the start of the year	(10.00)	(6.78)
Acquisition adjustment	2.06	2.57
Total service cost	0.63	0.54
Net interest cost (income)	-	-
Re-measurements	(1.69)	(0.01)
Reimbursement paid by the insurer	-	-
Contribution to the plan assets	(2.06)	(4.98)
Benefit paid directly by the enterprise	(0.39)	(1.34)
<b>Net defined benefit liability/ (assets) for the period ending</b>	<b>(11.45)</b>	<b>(10.00)</b>

# Notes to Financial Statements

for the year ended 31 March 2022

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

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

Particulars	As at 31 March 2022	As at 31 March 2021
Current liability (Amount due within one year)	(1.41)	(1.29)
Non-Current liability (Amount due over one year)	(10.04)	(8.71)
<b>Total PBO at the end of year</b>	<b>(11.45)</b>	<b>(10.00)</b>

## J) Bifurcation of defined benefit obligation

Particulars	As at 31 March 2022	As at 31 March 2021
Vested	14.72	12.45
Non- Vested	0.77	0.80
	<b>15.49</b>	<b>13.25</b>

## K) Sensitivity analysis of the defined benefit obligation

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

Particulars	As at 31 March 2022	As at 31 March 2021
a) Impact of the change in discount rate		
- Impact due to increase of 0.50 %	14.95	12.75
- Impact due to decrease of 0.50 %	16.07	13.78
b) Impact of the change in salary increase		
- Impact due to increase of 0.50 %	15.73	13.53
- Impact due to decrease of 0.50 %	15.25	13.04

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

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

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

Particulars	As at 31 March 2022	As at 31 March 2021
Expected contribution of the next year	1.41	1.29

# Notes to Financial Statements

for the year ended 31 March 2022

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

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

Actuarial Riskw	<p>It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:</p> <p><b>Adverse Salary Growth Experience:</b> Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.</p> <p><b>Variability in mortality rates:</b> 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 cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.</p> <p><b>Variability in withdrawal rates:</b> 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.</p>
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 cash flows.
Market Risk	Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
Legislative Risk	Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

## 37.3 The Company operates a funded gratuity benefit plan.

### A) Actuarial Assumptions

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Economic Assumptions</b>		
Discount rate	6.90% p.a	6.55% p.a
Salary escalation	6.00% p.a	6.00% p.a
<b>Demographic Assumptions</b>		
Retirement age	60 Years	60 Years
Attrition rate	0.00% p.a.	0.00% p.a.
Mortality table used	100% of IALM (2012-14)	100% of IALM (2012-14)
<b>Leave Availment and Encashment Rate</b>		
Leave Availment Rate	10% p.a.	10% p.a.
Encashment in service	0.00% p.a.	0.00% p.a.



# Notes to Financial Statements

for the year ended 31 March 2022

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

## B) Movements in present value of the defined benefit obligation

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of obligation as at the beginning of the year	14.73	12.21
Acquisition adjustment out	0.93	6.88
Interest cost	0.96	0.69
Past service cost	-	-
Current service cost	2.58	1.61
Benefit paid	(2.79)	(5.54)
Actuarial (gain)/loss on obligations- due to change in financial assumptions	(0.32)	-
Actuarial (gain)/loss on obligations- due to experience adjustments	0.88	(1.12)
Actuarial (gain)/loss on obligations- due to change in demographic assumption	-	-
<b>Liability at the end of the year</b>	<b>16.97</b>	<b>14.73</b>

## C) Movements in the fair value of plan assets

Particulars	As at 31 March 2022	As at 31 March 2021
Fair value of plan assets at the beginning of the year	15.06	9.29
Contribution by employer	0.93	5.06
Interest income	1.21	0.63
Return on plan assets excluding amounts included in interest income	(0.18)	0.08
Benefits paid	-	-
Actuarial gain/(loss) for the year on asset	-	-
<b>Fair value of the plan assets at the end of the year</b>	<b>17.02</b>	<b>15.06</b>

## D) Amount recognised in the Balance Sheet

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of funded obligation at the end of the year	16.97	14.73
Fair value of plan assets at the end of the year	17.02	15.06
<b>Net liability recognised in the Balance Sheet</b>	<b>(0.05)</b>	<b>(0.33)</b>

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

Particulars	As at 31 March 2022	As at 31 March 2021
Current service cost	2.58	1.61
Past service cost	-	-
Net interest cost (Income)	(0.25)	0.06
Net value of re measurements on the obligation and planned assets	-	(1.21)
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>2.33</b>	<b>0.46</b>

# Notes to Financial Statements

for the year ended 31 March 2022

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

## F) Components of actuarial gain/loss on obligation

Particulars	As at 31 March 2022	As at 31 March 2021
Due to change in financial assumptions	(0.32)	-
Due to change in demographic assumption	-	-
Due to experience adjustments	0.88	(1.12)
Return on plan assets excluding amounts included in interest income	0.18	(0.08)
<b>Unrecognised actuarial (gain) / loss for the year end</b>	<b>0.74</b>	<b>(1.20)</b>

## G) Composition of the plan assets:

Particulars	As at 31 March 2022	As at 31 March 2021
Policy of insurance	100%	100%

## H) Change in Net benefit obligations

Particulars	As at 31 March 2022	As at 31 March 2021
Net defined benefit liability at the start of the year	(0.34)	2.92
Acquisition adjustment	0.93	6.88
Total service cost	2.58	1.61
Net interest cost (Income)	(0.25)	0.63
Re-measurements	0.74	(1.78)
Contribution paid to the fund	(0.93)	(5.06)
Benefit paid directly by the enterprise	(2.79)	(5.54)
<b>Net defined benefit liability at the end of the year</b>	<b>(0.06)</b>	<b>(0.34)</b>

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

Particulars	As at 31 March 2022	As at 31 March 2021
Current liability (Amount due within one year)	(0.06)	(0.34)
Non-Current liability (Amount due over one year)	-	-
<b>Total PBO at the end of year</b>	<b>(0.06)</b>	<b>(0.34)</b>

# Notes to Financial Statements

for the year ended 31 March 2022

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

## K) Sensitivity analysis of the defined benefit obligation

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

Particulars	As at 31 March 2022	As at 31 March 2021
a) Impact of the change in discount rate		
- Impact due to increase of 0.50 %	16.55	14.37
- Impact due to decrease of 0.50 %	17.42	15.09
b) Impact of the change in salary increase		
- Impact due to increase of 0.50 %	17.42	15.09
- Impact due to decrease of 0.50 %	16.54	14.36

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

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

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

Actuarial Risk	<p>It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:</p> <p><b>Adverse Salary Growth Experience:</b> 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 cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.</p> <p><b>Variability in withdrawal rates:</b> 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.</p> <p><b>Variability in Availment rates:</b> 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.</p>
Investment Risk	<p>For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.</p>
Liquidity Risk	<p>Employees with high 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 cash flows.</p>
Market Risk	<p>Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits &amp; vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.</p>

# Notes to Financial Statements

for the year ended 31 March 2022

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

## 37.4 The Company operates a Family Benefit Scheme Plan.

### A) Actuarial Assumptions

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Economic Assumptions</b>		
Discount rate	6.90% p.a	6.55% p.a
Salary escalation	6.00% p.a	6.00% p.a
<b>Demographic Assumptions</b>		
Retirement age	60 Years	60 Years
Attrition rate	0.00% p.a.	0.00% p.a.
Mortality table used	100% of IALM (2012-14)	100% of IALM (2012-14)

### B) Movements in present value of the defined benefit obligation

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of obligation as at the beginning of the year	3.94	-
Acquisition adjustment out	-	-
Interest cost	0.23	-
Past service cost	-	-
Current service cost	0.85	3.94
Benefit paid	-	-
Actuarial (gain)/loss on obligations- due to change in financial assumptions	(0.15)	-
Actuarial (gain)/loss on obligations- due to experience adjustments	(0.31)	-
Actuarial (gain)/loss on obligations- due to change in demographic assumption	-	-
Liability at the end of the year	4.56	3.94

### C) Movements in the fair value of plan assets

Particulars	As at 31 March 2022	As at 31 March 2021
Fair value of plan assets at the beginning of the year	-	-
Contribution by employer	-	-
Interest income	-	-
Return on plan assets excluding amounts included in interest income	-	-
Benefits paid	-	-
Actuarial gain/(loss) for the year on asset	-	-
<b>Fair value of the plan assets at the end of the year</b>	<b>-</b>	<b>-</b>

# Notes to Financial Statements

for the year ended 31 March 2022

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

## D) Amount recognised in the Balance Sheet

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of funded obligation at the end of the year	4.56	3.94
Fair value of plan assets at the end of the year	-	-
<b>Net liability recognised in the Balance Sheet</b>	<b>4.56</b>	<b>3.94</b>

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

Particulars	As at 31 March 2022	As at 31 March 2021
Current service cost	0.85	3.94
Past service cost	-	-
Net interest cost (Income)	0.23	-
Net value of re measurements on the obligation and planned assets	-	-
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>1.08</b>	<b>3.94</b>

## F) Components of actuarial gain/loss on obligation

Particulars	As at 31 March 2022	As at 31 March 2021
Due to change in financial assumptions	(0.15)	-
Due to change in demographic assumption	-	-
Due to experience adjustments	(0.31)	-
Return on plan assets excluding amounts included in interest income	-	-
<b>Unrecognised actuarial (gain) / loss for the year end</b>	<b>(0.46)</b>	<b>-</b>

## G) Composition of the plan assets:

Particulars	As at 31 March 2022	As at 31 March 2021
Policy of insurance	0%	0%

## H) Change in Net benefit obligations

Particulars	As at 31 March 2022	As at 31 March 2021
Net defined benefit liability at the start of the year	3.94	-
Acquisition adjustment	-	-
Total service cost	1.08	3.94
Net interest cost (Income)	-	-
Re-measurements	(0.46)	-
Contribution paid to the fund	-	-
Benefit paid directly by the enterprise	-	-
<b>Net defined benefit liability at the end of the year</b>	<b>4.55</b>	<b>3.94</b>

# Notes to Financial Statements

for the year ended 31 March 2022

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

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

Particulars	As at 31 March 2022	As at 31 March 2021
Current liability (Amount due within one year)	0.94	0.85
Non-Current liability (Amount due over one year)	3.61	3.09
<b>Total PBO at the end of year</b>	<b>4.55</b>	<b>3.94</b>

## K) Sensitivity analysis of the defined benefit obligation

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

Particulars	As at 31 March 2022	As at 31 March 2021
a) Impact of the change in discount rate		
- Impact due to increase of 0.50 %	4.35	3.77
- Impact due to decrease of 0.50 %	4.77	4.11
b) Impact of the change in salary increase		
- Impact due to increase of 0.50 %	4.66	4.02
- Impact due to decrease of 0.50 %	4.45	3.85
c) Impact of the change in withdrawal rate		
- Impact due to increase of 0.50 %	4.55	3.94
- Impact due to decrease of 0.50 %	4.55	3.94

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

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

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

Actuarial Risk	<p>It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:</p> <p><b>Adverse Salary Growth Experience:</b> Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.</p> <p><b>Variability in mortality rates:</b> If actual mortality rates are higher than assumed mortality rate assumption than the Employees' Family Benefit Scheme will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.</p> <p><b>Variability in withdrawal rates:</b> If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Employees' Family Benefit Scheme will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.</p>
Investment Risk	<p>For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.</p>
Liquidity Risk	<p>Employees with high 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 cash flows.</p>



# Notes to Financial Statements

for the year ended 31 March 2022

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

Market Risk	Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
Legislative Risk	Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

## 37.5 The Company operates a Post Retirement Medical Benefits

### A) Actuarial Assumptions

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Economic Assumptions</b>		
Discount rate	7.30% p.a.	N.A.
Salary escalation	6.00% p.a.	N.A.
<b>Medical Inflation Rate</b>	7.30% p.a.	8.90% p.a.
<b>Demographic Assumptions</b>		
Retirement age	60 Years	60 Years
Attrition rate	0.00% p.a.	0.00% p.a.
Mortality table used	100% of IALM (2012-14)	100% of IALM (2012-14)

### B) Movements in present value of the defined benefit obligation

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of obligation as at the beginning of the year	14.58	10.26
Acquisition adjustment out	-	-
Interest cost	0.95	0.67
Past service cost	-	-
Current service cost	1.10	0.73
Benefit paid	-	-
Actuarial (gain)/loss on obligations- due to change in financial assumptions	(2.51)	-
Actuarial (gain)/loss on obligations- due to experience adjustments	(1.69)	2.91
Actuarial (gain)/loss on obligations- due to change in demographic assumption	-	-
<b>Liability at the end of the year</b>	<b>12.43</b>	<b>14.58</b>

# Notes to Financial Statements

for the year ended 31 March 2022

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

## C) Movements in the fair value of plan assets

Particulars	As at 31 March 2022	As at 31 March 2021
Fair value of plan assets at the beginning of the year	-	-
Contribution by employer	-	-
Interest income	-	-
Return on plan assets excluding amounts included in interest income	-	-
Benefits paid	-	-
Actuarial gain/(loss) for the year on asset	-	-
<b>Fair value of the plan assets at the end of the year</b>	<b>-</b>	<b>-</b>

## D) Amount recognised in the Balance Sheet

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of funded obligation at the end of the year	12.43	14.58
Fair value of plan assets at the end of the year	-	-
<b>Net liability recognised in the Balance Sheet</b>	<b>12.43</b>	<b>14.58</b>

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

Particulars	As at 31 March 2022	As at 31 March 2021
Current service cost	1.10	0.73
Past service cost	-	-
Net interest cost (Income)	0.95	0.67
Net value of re measurements on the obligation and planned assets	-	-
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>2.05</b>	<b>1.40</b>

## F) Components of actuarial gain/loss on obligation

Particulars	As at 31 March 2022	As at 31 March 2021
Due to change in financial assumptions	(2.51)	-
Due to change in demographic assumption	-	-
Due to experience adjustments	(1.69)	2.91
Return on plan assets excluding amounts included in interest income	-	-
<b>Unrecognised actuarial (gain) / loss for the year end</b>	<b>(4.20)</b>	<b>2.91</b>

## G) Composition of the plan assets:

Particulars	As at 31 March 2022	As at 31 March 2021
Policy of insurance	0%	0%

# Notes to Financial Statements

for the year ended 31 March 2022

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

## H) Change in Net benefit obligations

Particulars	As at 31 March 2022	As at 31 March 2021
Net defined benefit liability at the start of the year	14.58	10.26
Acquisition adjustment	-	-
Total service cost	2.05	0.73
Net interest cost (Income)	-	0.67
Re-measurements	(4.20)	2.91
Contribution paid to the fund	-	-
Benefit paid directly by the enterprise	-	-
<b>Net defined benefit liability at the end of the year</b>	<b>12.43</b>	<b>14.58</b>

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

Particulars	As at 31 March 2022	As at 31 March 2021
Current liability (Amount due within one year)	-	-
Non-Current liability (Amount due over one year)	12.43	14.58
<b>Total PBO at the end of year</b>	<b>12.43</b>	<b>14.58</b>

## K) Sensitivity analysis of the defined benefit obligation

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

Particulars	As at 31 March 2022	As at 31 March 2021
a) Impact of the change in discount rate		
- Impact due to increase of 0.50 %	11.17	13.16
- Impact due to decrease of 0.50 %	13.88	16.19
b) Impact of the Change Medical inflation rate		
- Impact due to increase of 0.50 %	13.90	13.40
- Impact due to decrease of 0.50 %	11.15	15.89
c) Impact of the change in Mortality rate		
- Impact due to increase of 0.50 %	11.81	13.83
- Impact due to decrease of 0.50 %	13.13	15.38

# Notes to Financial Statements

for the year ended 31 March 2022

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

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

Actuarial Risk	<p>It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:</p> <p><b>Adverse Salary Growth Experience:</b> Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.</p> <p><b>Variability in mortality rates:</b> If actual mortality rates are higher than assumed mortality rate assumption than the Employees' Family Benefit Scheme will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.</p> <p><b>Variability in withdrawal rates:</b> If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Employees' Family Benefit Scheme will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.</p>
Investment Risk	<p>For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.</p>
Liquidity Risk	<p>Employees with high 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 cash flows.</p>
Market Risk	<p>Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits &amp; vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.</p>
Legislative Risk	<p>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.</p>

## 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.

# Notes to Financial Statements

for the year ended 31 March 2022

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

## 38.1.1 Gearing ratio

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

Particulars	As at 31 March 2022	As at 31 March 2021
Debt (See note 'i' below)	38,84,166.18	32,31,106.79
Cash and cash equivalents	1,464.92	2,971.91
<b>Net debt</b>	<b>38,82,701.26</b>	<b>32,28,134.88</b>
<b>Total equity</b>	<b>4,09,963.40</b>	<b>3,59,133.82</b>
<b>Net debt to equity ratio (in times)</b>	<b>9.47</b>	<b>8.99</b>

## 38.1.2 Net Worth

Particulars	As at 31 March 2022	As at 31 March 2021
Total Assets	44,99,802.24	38,04,815.23
Total Liabilities	40,89,838.84	34,45,681.41
<b>Net Worth</b>	<b>4,09,963.40</b>	<b>3,59,133.82</b>

## 38.1.3 Debt Equity Ratio

Particulars	As at 31 March 2022	As at 31 March 2021
Debt	38,84,166.18	32,31,106.79
Equity	4,09,963.40	3,59,133.82
	<b>9.47</b>	<b>9.00</b>

### Note:

i) Debt computed as under:

Particulars	As at 31 March 2022	As at 31 March 2021
Debt Securities (Note 15)	19,41,749.53	17,85,747.89
Borrowing (other than debt securities) (Note 16)	19,42,416.65	14,45,358.90
<b>Total Debt</b>	<b>38,84,166.18</b>	<b>32,31,106.79</b>

# Notes to Financial Statements

for the year ended 31 March 2022

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

## 38.2 Financial Instruments - Accounting classification and fair value measurement

### 38.2.1 Categories of financial instruments

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Financial assets</b>		
<b>Measured at amortised cost</b>		
Cash and cash equivalents	1,464.92	2,971.91
Bank balance other than above	1,568.84	1,617.33
Investments ( Pass through certificates)	2.92	12.09
Loans	68,248.05	69,698.15
Other financial assets	22,47,779.18	19,95,580.54
Receivables (Lease Receivables)	20,06,924.99	16,55,689.91
<b>Measured at fair value through Profit and Loss</b>		
Derivative financial instruments	2,023.25	760.14
<b>Measured at fair value through Other Comprehensive Income</b>		
Investments (IRCON)	97.11	107.73
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
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	10.02	3.78
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	235.69	503.83
Debt securities	19,41,749.53	17,85,747.89
Borrowings (Other than debt securities)	19,42,416.65	14,45,358.90
Other financial liabilities (Interest accrued but not due, amount payable to MoR etc.)	1,94,251.96	1,96,029.03
<b>Measured at fair value through Profit and Loss</b>		
Derivative financial instruments	5,669.33	3,601.28

### 38.2.2: Fair value measurements

#### Fair value hierarchy

The Fair value hierarchy reflects the significance of the input used in making the measurements and hence the following levels:

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

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

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

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2022:

Particular	As at 31 March 2022	Fair Value measurement at end of the reporting period/ year using		
		Level 1	Level 2	Level 3
Investment in IRCON International Limited	97.11	97.11	-	-



# Notes to Financial Statements

for the year ended 31 March 2022

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

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2021:

Particular	As at 31 March 2021	Fair Value measurement at end of the reporting period/ year using		
		Level 1	Level 2	Level 3
Investment in IRCON International Limited	107.73	107.73	-	-

## Valuation technique used to determine fair value

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

The Company holds nominal Equity (less than 0.26%) in IRCON International Limited. The equity shares of IRCON International Limited were listed on National Stock Exchange (NSE) with effect from 28 September 2018. The Company had elected to classify its investment in IRCON International Limited as fair value through other comprehensive income (OCI). The fair value as on 31 March 2022, 31 March 2021 has been measured as per the quoted on National Stock Exchange (Level 1 Input).

## Dividend received

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Dividend received (IRCON International Limited)	9.96	2.51

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

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

## 38.3 Financial risk management

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

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

## 38.4: Market risk

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

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

# Notes to Financial Statements

for the year ended 31 March 2022

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

## 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		Assets	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Secured foreign currency term loan	16,645.27	16,350.64	-	-
Unsecured bonds from overseas capital market	2,47,258.14	2,03,025.44	-	-
Unsecured foreign currency term loans	4,00,259.60	3,18,540.22	-	-
<b>Total</b>	<b>6,64,163.01</b>	<b>5,37,916.30</b>	<b>-</b>	<b>-</b>

## 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 31 March 2022		As at 31 March 2021	
	INR strengthens by 10%	INR weakens by 10%	INR strengthens by 10%	INR weakens by 10%
Profit or (loss)	66,416.30	(66,416.30)	53,791.63	(53,791.63)

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 analyses 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.

# Notes to Financial Statements

for the year ended 31 March 2022

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

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

- i) Profit for the year ended 31 March 2022 would decrease/increase by Rs. 9318.74 millions (31 March 2021: decrease/increase Rs. 8,346.63 millions). This is mainly attributable to the Company's exposure to interest rates on its variable rate debt securities;
- ii) Profit for the year ended 31 March 2022 would decrease/increase by Rs. 8469.44 millions (31 March 2021: decrease/increase Rs. 5,590.55 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 31st March 2022, 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'.

# Notes to Financial Statements

for the year ended 31 March 2022

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

## 38.7: Other price risks

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

## 38.8: Credit risk management

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

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

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

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

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

## 38.9: Liquidity risk management

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

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short, medium, and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Besides, there is a provision in the lease agreements with the Ministry of Railways (MOR) whereby 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.

# Notes to Financial Statements

for the year ended 31 March 2022

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

## 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 unamortised cost using effective interest rate method	Fair value hedge adjustment-recoverable from Ministry of Railways	Carrying Amount(Balance Sheet amount as per IND AS
<b>31 March 2022</b>								
Trade Payables-Other Payables	245.71	-	-	-	245.71	-	-	245.71
-Lease Liabilities	122.05	94.72	5.31	11.44	233.52	-	-	233.52
<b>Other Financial Liabilities</b>	<b>1,86,806.94</b>	<b>3,984.54</b>	<b>3,460.48</b>	-	<b>1,94,251.96</b>	-	-	<b>1,94,251.96</b>
-Interest accrued but not due	98,191.31	3,984.54	3,460.48	-	1,05,636.33	-	-	1,05,636.33
-Amount payable to Ministry of Railways	88,487.86	-	-	-	88,487.86	-	-	88,487.86
-Liability for unclaimed dividend	9.96	-	-	-	9.96	-	-	9.96
-Security Deposits	0.19	-	-	-	0.19	-	-	0.19
-Unclaimed mature debentures and interest accrued thereon	117.62	-	-	-	117.62	-	-	117.62
<b>Debt Securities</b>	<b>59,445.50</b>	<b>2,08,429.66</b>	<b>1,38,363.91</b>	<b>15,36,610.46</b>	<b>19,42,849.53</b>	<b>(1,054.27)</b>	<b>(45.73)</b>	<b>19,41,749.53</b>
-Bonds in Domestic Market	59,445.50	1,70,344.66	1,38,363.91	13,27,142.96	16,95,297.03	(805.64)	-	16,94,491.39
-Commercial Paper	-	-	-	-	-	-	-	-
-Bonds in Overseas Market	-	38,085.00	-	2,09,467.50	2,47,552.50	(248.63)	(45.73)	2,47,258.14
<b>Borrowing (Other than Debt Securities)</b>	<b>1,04,847.35</b>	<b>66,470.60</b>	<b>1,86,170.51</b>	<b>15,95,206.50</b>	<b>19,52,694.96</b>	<b>(6,266.88)</b>	<b>(4,011.43)</b>	<b>19,42,416.65</b>
Borrowings in India	1,04,847.35	66,470.60	1,51,645.60	12,02,548.23	15,25,511.78	-	-	15,25,511.78
Borrowings outside India	-	-	34,524.91	3,92,658.27	4,27,183.18	(6,266.88)	(4,011.43)	4,16,904.87
<b>31 March 2021</b>								
Trade Payables-Other Payables	507.61	-	-	-	507.61	-	-	507.61
-Lease Liabilities	112.35	214.82	4.35	14.36	345.88	-	-	345.88
<b>Other Financial Liabilities</b>	<b>1,37,173.55</b>	-	-	<b>58,855.48</b>	<b>1,96,029.03</b>	-	-	<b>1,96,029.03</b>
-Interest accrued but not due	63,281.79	-	-	58,855.48	1,22,137.27	-	-	1,22,137.27

## Notes to Financial Statements

for the year ended 31 March 2022

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

Particulars	0-1 year	1-3 years	3-5 years	5+ years	Total	Recognition of borrowings at unamortised cost using effective interest rate method	Fair value hedge adjustment-recoverable from Ministry of Railways	Carrying Amount( Balance Sheet amount as per IND AS
-Amount payable to Ministry of Railways	73,796.35	-	-	-	73,796.35	-	-	73,796.35
Liability for unclaimed dividend	7.99	-	-	-	7.99	-	-	7.99
-Liability for matured and unclaimed bonds and interest accrued thereon	86.90	-	-	-	86.90	-	-	86.90
-Earnest Money Deposit	0.52	-	-	-	0.52	-	-	0.52
<b>Debt Securities</b>	<b>1,36,128.65</b>	<b>2,60,022.11</b>	<b>81,165.87</b>	<b>13,09,573.46</b>	<b>17,86,890.09</b>	<b>(1,142.20)</b>	-	<b>17,85,747.89</b>
-Bonds in Domestic Market	1,07,158.38	2,23,067.11	81,165.87	11,43,275.96	15,54,667.32	(915.14)	-	15,53,752.18
-Commercial Paper	28,970.27	-	-	-	28,970.27	-	-	28,970.27
-Bonds in Overseas Market	-	36,955.00	-	1,66,297.50	2,03,252.50	(227.06)	-	2,03,025.44
<b>Borrowing (Other than Debt Securities)</b>	<b>73,201.77</b>	<b>53,702.80</b>	<b>1,00,491.23</b>	<b>12,26,465.39</b>	<b>14,53,861.19</b>	<b>(5,362.81)</b>	<b>(3,139.48)</b>	<b>14,45,358.90</b>
Borrowings in India	72,980.04	53,702.80	86,970.60	8,96,814.60	11,10,468.04	-	-	11,10,468.04
Borrowings outside India	221.73	-	13,520.63	3,29,650.79	3,43,393.15	(5,362.81)	(3,139.48)	3,34,890.86



# Notes to Financial Statements

for the year ended 31 March 2022

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

## 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 hedges is to minimize the volatility of INR cash flows of highly probable forecast transaction.

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

### As on 31 March 2022

Types of hedge and risks	Nominal value ( Foreign Currency)		Carrying/ Fair amount of hedging instruments	Maturity date	Hedge ratio	Weighted average strike price/rate
	USD/JPY					USD/JPY
	No. of Outstanding Contracts	Amount				
Forward Contract						
1. Sell	-	-	-	-	-	-
2. Buy (USD)	4	200.00	-45.73	29 March 2024	1:1	81.81
3. Buy (JPY)	6	32,856.00	-887.57	03 June 2026	1:1	0.8449
Swap Contracts (USD)						
1. Buy	2	291.79	-3,424.97	10 March 2026	1:1	N/A
2. Buy	2	74.07	-899.95	30 March 2026	1:1	N/A
3. Buy	1	25.00	220.42	26 March 2030	1:1	N/A
4. Buy	1	25.00	214.24	26 March 2030	1:1	N/A
5. Buy	1	25.00	222.73	26 March 2030	1:1	N/A
6. Buy	1	25.00	217.73	26 March 2030	1:1	N/A
7. Buy	1	25.00	219.74	26 March 2030	1:1	N/A
8. Buy	1	25.00	208.05	26 March 2030	1:1	N/A
9. Buy	1	25.00	148.03	26 March 2030	1:1	N/A
10. Buy	1	25.00	96.67	26 March 2030	1:1	N/A
11. Buy	1	25.00	64.56	26 March 2030	1:1	N/A

### As on 31 March 2021

Types of hedge and risks	Nominal value ( Foreign Currency)		Carrying amount of hedging instruments	Maturity date	Hedge ratio	Weighted average strike price/rate
	USD					USD
	No. of Outstanding Contracts	Amount				
Forward Contract						
1. Sell	-	-	-	-	-	-
2. Buy	-	-	-	-	-	-
Swap Contracts						
1. Buy	2	291.79	-2,367.91	10 March 2026	1:1	N/A
2. Buy	2	74.07	-834.11	30 March 2026	1:1	N/A
3. Buy	1	25.00	66.84	26 March 2030	1:1	N/A
4. Buy	1	25.00	62.98	26 March 2030	1:1	N/A
5. Buy	1	25.00	69.51	26 March 2030	1:1	N/A
6. Buy	1	25.00	62.87	26 March 2030	1:1	N/A
7. Buy	1	25.00	64.88	26 March 2030	1:1	N/A
8. Buy	1	25.00	33.80	26 March 2030	1:1	N/A

# Notes to Financial Statements

for the year ended 31 March 2022

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

## Disclosure of effects of hedge accounting on financial performance

Cash Flow hedge	Opening	Changes during the year	Closing	Receivables/ (Payables) from MOR	Impact on financial performance
31 March 2022	298.34	112.75	411.09	(112.75)	-
31 March 2021	(974.93)	1,273.27	298.34	(1,273.27)	-

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

Particulars	As at 31 March 2022	As at 31 March 2021
Capital Fund-Tier I	4,09,942.53	3,59,049.13
Capital Fund-Tier II	-	-
Risk weighted assets along-with adjusted value of off balance sheet items	93,225.83	85,394.56
CRAR		
CRAR-Tier I Capital	439.73%	420.46%
CRAR-Tier II Capital	NA	NA
Liquidity Coverage Ratio with total Weighted value	0.50%	3.13%
Liquidity Coverage Ratio with total Unweighted value	0.58%	3.60%
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

# Notes to Financial Statements

for the year ended 31 March 2022

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

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

S.No.	Name of Party	As at 31 March 2022				As at 31 March 2021			
		Amount of loan outstanding	Loan Given during the year	Terms	Purpose of Utilization by Recipient	Amount of loan outstanding	Loan Given during the year	Terms	Purpose of Utilization by Recipient
1	Rail Vikas Nigam Limited (RVNL)-I	39,556.00	7,000.00	3 + 12 years	Regular Project Work	41,858.86	14,296.90	3 + 12 years	Regular Project Work
2	IRCON International Limited	12,306.14	-	5 years	Station Development	18,459.20	-	5 years	Station Development
3	Rail Vikas Nigam Limited (RVNL)-II	9,660.00	-	3 + 12 years	Regular Project Work	9,660.00	-	3 + 12 years	Regular Project Work
	<b>Total</b>	<b>61,522.14</b>	<b>7,000.00</b>			<b>69,978.06</b>	<b>14,296.90</b>		

## 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 year ended 31 March 2022, such differential has resulted in an amount of Rs. 1,453.75 millions refundable by the Company (31 March 2021: Rs. 1198.93 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 year ended 31 March 2022 in respect of these foreign currency borrowings, the Company has recovered a sum of Rs. 14,117.53 millions (31 March 2021: Rs.5,254.72 millions) on this account from MOR against a sum of Rs. NIL millions (31 March 2021 :Rs. NIL millions) incurred towards hedging cost and the balance amount of Rs. 14,117.53 millions (31 March 2021: Rs. 5,254.72 millions) is refundable from 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. 2,74,839.73 millions during the year ended 31st March 2022 (Previous year ended 31 March 2021: Rs. 2,85,610.85 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 year plus the margin equivalent to the margin as decided for the financial year 2021-22. The lease agreement in respect of these assets will be executed in due course of time.

# Notes to Financial Statements

for the year ended 31 March 2022

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

## 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.
- (a) (ii) Till the financial year 2017-18, the Company, being a government NBFC, was exempt from creation and maintenance of Reserve Fund as specified u/s 45-IC of Reserve Bank of India Act, 1934. However, the said exemption has been withdrawn by the Reserve Bank of India (RBI) vide Notification No. DNBR (PD) CC.NO.092/0310.001/2017-18 dated 31st May 2018. Accordingly, the Company is now creating the Reserve Fund as required u/s 45IC of RBI Act, 1934, wherein at least 20% of net profit every year will be transferred before the declaration of dividend. No appropriation is allowed to be made from the reserve fund except for the purpose as may be specified by the Bank from time to time and further, any such appropriation is also required to be reported to the Bank within 21 days from the date of such withdrawal.

The Company created a reserve of Rs.12179.67 millions as on 31st March 2022 (Rs. 8832.26 in 31 March 2021) u/s 45IC.

## Note 43:

- i The Finance Act, 2001 provides for levy of service tax on the finance and interest charges recovered through lease rental instalments on the Financial Leases entered on or after 16-07-2001. The Central Government vide Order No.1/1/2003-ST dated 30 April 2003 and subsequent clarification dated 15-12-2006 issued by Ministry of Finance has exempted the Lease Agreements entered between the Company and Ministry of Railways from levy of Service Tax thereon u/s 93(2) of Finance Act, 1994.
- ii The GST Council in their meeting held on 19 May 2017 has exempted the services of leasing of assets (rolling stock assets including wagons, coaches, locos) by Indian Railways Finance Corporation to Indian Railways from the levy of Goods & Service Tax (GST), Notification No. 12/2017 (Heading 9973) which has been made applicable with effect from 1 July 2017. Vide notification no. 07/2021 dated 30.09.2021 issued by Ministry of Finance, the said GST exemption on leasing of rolling stock by Indian Railways Finance Corporation to Indian Railways is withdrawn w.e.f. 1 October 2021.
- 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 from 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 the said deposit of Rs 14,664.47 millions. However, vide orders dated 22 September 2020 and 30 September 2020, the said refund applications have been rejected by the additional commissioner (Department of Trade and Taxes), GNCT of Delhi. The Company has filed 6 appeals before first appellate authority through its attorney, New Delhi against the rejection of refund orders on 24 December 2020 and 29 December 2020.

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 leased to MoR or other GST liability in future.

# Notes to Financial Statements

for the year ended 31 March 2022

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

## 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. 11,188.84 millions (31 March 2021 : (Rs. 3,009.70 million)) 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. 16,441.20 millions (31 March 2021 : Rs. 8,145.93 millions) is refundable to Ministry of Railways for the year ended 31 March 2022. Further, a sum of Rs. 105.87 Millions (31 March 2021 : Rs. 106.82 millions) has been recovered towards crystallised exchange rate variation on foreign currency loans repaid during the year ended 31st March 2022. The amount recoverable from MoR on account of exchange rate variation net of notional hedging cost and crystallised exchange rate variation is Rs. 11,448.24 million (31 March 2021: Rs. 5,796.59 million).

Effective portion of (loss)/gain on account of decrease/increase in the fair value of the derivative assets (hedging instruments) amounting to Rs. 112.75 million for the year ended 31st March 2022 (31st March 2021 : Rs.1,273.27 million) 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 Life Insurance Corporation of India (LIC) in consultation with MOR for funding of Railway Projects in line with finance leasing methodology adopted by Company for funding Railway Projects in past. In addition to funds raised from LIC, the Company has also funded MoR from other borrowings and internal accruals. Pending execution of the Lease Documents, the Company had entered into a Memorandum of Understanding with the Ministry of Railways on 23 May 2017 containing principal terms of the lease transactions. The Company has now entered into a fresh Memorandum of Understanding with Ministry of Railways on 2 March 2021 superseding all the earlier MoU's/arrangement's.

The Lease Agreement(s) for Project assets funded under EBR IF 2015-16 and National Projects 2018-19 between MOR and the Company with respect to aforesaid infrastructure assets have been executed on 28th March 2022. The accounting as per Ind AS 116 has been carried out for the same during the current financial year.

During the year ended 31 March 2022 a sum of Rs. 80,724.51 millions (31 March 2021: Rs. 64,704.73 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 'Project Infrastructure Asset under Finance Lease Arrangements-EBR-IF', 'Project Infrastructure Asset under Finance Lease Arrangements-EBR Special' and 'Advance funding against National Project'. The same would be recovered through lease rentals in future over the life of the leases as per lease agreement(s) to be entered. Details are as under:

### Project Infrastructure Asset under Finance Lease Arrangements-EBR-IF

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Opening Balance</b>	13,07,795.17	10,31,195.28
Add: Advance paid against infrastructure assets to be leased	3,10,631.09	2,18,396.80
Add: Borrowing cost capitalised on borrowed funds	45,512.80	58,194.97
Add: Exchange variation to be recoverable from MOR	81.39	8.12
Add: Transfer from Project Infrastructure Asset under Finance Lease Arrangements-EBR-Special	356.51	
<b>Total</b>	<b>16,64,376.96</b>	<b>13,07,795.17</b>
Less: Transferred to Lease Receivables	(1,54,430.39)	-
<b>Total</b>	<b>15,09,946.57</b>	<b>13,07,795.17</b>

# Notes to Financial Statements

for the year ended 31 March 2022

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

## Project Infrastructure Asset under Finance Lease Arrangements-EBR-Special

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Opening Balance</b>	5,07,088.39	-
Add: Advance paid against infrastructure assets to be leased	-	5,05,509.51
Add: Borrowing cost capitalised on borrowed funds	33,441.71	1,578.88
<b>Total</b>	<b>5,40,530.10</b>	<b>5,07,088.39</b>
Less: Transferred to Project Infrastructure Assets under leasing arrangement	-	-
Less: Transfer to Project Infrastructure Asset under Finance Lease Arrangements-EBR-IF	(356.51)	-
<b>Total</b>	<b>5,40,173.59</b>	<b>5,07,088.39</b>

## National Projects

Particulars	As at 31 March 2022	As at 31 March 2021
Opening Balance	84,815.82	79,884.94
Add: Advance funding against National Project	-	-
Add: Borrowing cost capitalised during the year on borrowed funds	1,770.00	4,930.88
<b>Total</b>	<b>86,585.82</b>	<b>84,815.82</b>
Less: Transferred to Lease Receivables	(59,502.20)	-
<b>Total</b>	<b>27,083.62</b>	<b>84,815.82</b>

## Capitalisation rate used to determine the borrowing cost for 'Advance against Railway Infrastructure Projects to be leased' & Advance against Railway Infrastructure Projects – Special - to be leased' & 'National Projects':

Particulars	As at 31 March 2022	As at 31 March 2021
Capitalisation rate	4.62%	5.95%

### Note 46:

#### (a) Reconciliation with Ministry of Railways (MOR)

The Company has completed reconciliation with Ministry of Railways, Government of India (MoR) upto 31 March 2019. The Reconciliation for the financial year 2019-20 and 2020-21 are in process. The Reconciliation could not be completed earlier owing to the unprecedented situation arising out of Covid 19. The Company has carried out adjustment in the financial statement of the year 2020-21 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
As on 1st April 2019	(2,067.90)	444.36	(1,623.54)
For the year ended 31 March 2020	(5,003.28)	Nil*	(5,003.28)
<b>Grand Total</b>	<b>(7,071.18)</b>	<b>444.36</b>	<b>(6,626.82)</b>

\*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.

The disbursement to MOR for project infrastructure assets for which Lease Agreements are yet to be executed is Rs. 18,96,207.56 millions against which utilisation of Rs. 19,29,075.32 million has been received from MoR till 31st March 2022.



# Notes to Financial Statements

for the year ended 31 March 2022

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

## (b) Estimation of uncertainty relating to the Global Health Pandemic COVID-19

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

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

### Note 47:

- (a) The Company discharges its obligation towards payment of interest and redemption of bonds, for which warrants are issued, by depositing the respective amounts in the designated bank accounts. Reconciliation of such accounts is an ongoing process and has been completed upto 31 March 2022. The Company does not foresee any additional liability on this account. The total balance held in such specified bank accounts as on 31 March 2022 is Rs. 117.62 millions (31 March 2021: Rs. 86.90 millions).
- (b) The Company is required to transfer any amount remaining unclaimed and unpaid in such interest and redemption accounts after completion of 7 years to Investor Education Protection Fund (IEPF) administered by the Ministry of Corporate Affairs, Government of India. During the year ended 31 March 2022, a sum of Rs.5.30 millions was deposited in IEPF (31 March 2021: Rs. 0.15 million)

### 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. 166.84 millions have matured till 31 March 2022 ( 31 March 2021: Rs. 157.63 millions) leaving a balance of Rs. 2.93 millions ( 31 March 2021: 12.14 millions). Details of the amount invested in Pass Through Certificates (PTCs) and outstanding as on 31st March 2022 is as follows:

#### As on 31 March 2022

Series	Date of Maturity	Nos of PTC	Face value per PTC	Total amount
W	15-Apr-22	5	0.59	2.93
<b>Total *</b>		<b>5</b>		<b>2.93</b>

\*Impairment loss as per Ind AS 109 has been made for an amount of Rs. 0.01 millions

# Notes to Financial Statements

for the year ended 31 March 2022

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

## As on 31 March 2021

Series	Date of Maturity	Nos of PTC	Face value per PTC	Total amount
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
<b>Total*</b>		<b>15</b>		<b>12.14</b>

\*Impairment loss as per Ind AS 109 has been made for an amount of Rs. 0.05 millions

## Note 49: Corporate Social Responsibility

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

Ministry of Corporate Affairs (MCA) has notified the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("amendment") and had also notified the effective date as 22.01.2021 for the amendments of section 135 of the Companies Act made vide companies Amendment Act, 2019 and Companies Amendment Act, 2020.

In accordance with the amendment under the said notifications, any unspent CSR amount, other than for any ongoing project, shall be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Any unspent amount pursuant to any ongoing project must be transferred to unspent CSR Account in any scheduled bank within a period of thirty days from the end of the financial year, to be utilised within a period of three financial years, failing which it shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year. Further, if the company spends an amount in excess of the requirement under statute, the excess amount may be set off for three succeeding financial years against the amount to be spent.

The Company is complying with the aforesaid amended provisions of Section 135 of the Companies Act, 2013. Accordingly, the company created provision towards unspent amount for ongoing projects amounting to Rs.250.42 million for the FY 2021-22 (Rs. 197.71 million in FY 2020-21).

i) Gross amount paid by the company for the year ended 31.03.2022 is Rs 700.30 million (Rs. 250.12 million pertains to prior years) ; 31/03/2021 Rs. 729.18 million (Rs. 314.06 million pertains to prior years) ; Gross amount required to be spent for the year ended 31.03.2022 Rs.700.60 million against which the Board approved total CSR projects for amounting to Rs.700.60 million (As on 31/03/2021, Gross amount required to be spent by the company was Rs. 612.30 million against which the Board approved total CSR projects for amounting to Rs.612.83 million). As on 31.03.2022, CSR Unspent amount allocated towards various CSR Projects for the Financial Year(s) 2018-19, 2019-20, 2020-21 and 2021-22 are Rs.86.97 million, Rs. 96.12 million, Rs. 189.36 million and 250.42 million respectively.

### ii) Amount spent during the year on:

#### As on 31 March 2022

Sl. No	Particulars	In cash	Yet to be paid in cash	Total
<b>i)</b>	<b>Construction/Acquisition of any assets</b>			-
<b>ii)</b>	<b>On Purpose other than (i) above</b>	700.30	256.29	956.59
ii a)	Sanitation and safe drinking water (Item No. (i) of Schedule - VII)	20.00	-	20.00
ii b)	Health Care (Item No. (i) of Schedule - VII)	46.44	188.16	234.61
ii c)	Promoting Education (Item No. (ii) of Schedule – VII)	14.68	34.13	48.81
ii d)	Social Welfare (Item No.(iii) of Schedule-VII)	-	-	-

# Notes to Financial Statements

for the year ended 31 March 2022

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

SI. No	Particulars	In cash	Yet to be paid in cash	Total
iie)	Forest & Environment, animal welfare etc. (Item No. (iv) of Schedule-VII)	2.10	24.00	26.09
iif)	Contribution to 'Clean Ganga Fund' (Item No.(iv) of Schedule-VII)	30.00	-	30.00
iig)	Ensuring environment sustainability item No. (iv) of Schedule - (VII)	-	-	-
iih)	Measures for armed forces veterans, (Item No. (vi) of ScheduleVII)	-	10.00	10.00
iii)	Contribution to the prime minister's CARE fund (Item No (viii) of Schedule-VII)	587.08	-	587.08
<b>Grand Total (i+ii)</b>		<b>700.30</b>	<b>256.29</b>	<b>956.59</b>

## Details in respect of amount deposited in Specified Fund of Schedule VII , for the financial years per section 135 (5) of the Companies Act, 2013.

Opening Balance	Amount deposited in Specified Fund of Schedule VII within 6 Months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
Nil	Nil	700.60	700.60	Nil

## Details in respect of excess amount spent for the financial year as per section 135 (5) of the Companies Act, 2013.

Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
Nil	700.60	700.60	

## Details in respect of excess amount spent for the financial year as per section 135 (5) of the Companies Act, 2013.

Opening Balance		Amount required to be spent during the year	**Total Transferred to Separate CSR Unspent Bank Account	Amount spent during the year		Closing Balance	
*with company	In Separate CSR Unspent A/c			From Company's Bank A/c	From Separate CSR unspent A/c	with company	In separate CSR unspent A/c
197.18	Nil	700.60	467.15	450.18	66.51	250.42	400.64

\*Gross amount required to be spent for the year ended 31.03.2022 Rs.700.60 million against which the Board approved total CSR projects for amounting to Rs.700.60 million against which Rs. 450.18 million paid in the financial year and balancing Rs. 250.42 million CSR Unspent amount against ongoing projects for the financial year is transferred to separate bank A/c on 30 April 2022. Whereas Gross amount required to be spent for the year ended 31 March 2021 Rs 612.30 million against which the Board approved total CSR projects for amounting to Rs 612.83 million against which Rs 415.12 million paid in the financial year and balancing Rs 197.71 million CSR Unspent amount against ongoing projects for the financial year is transferred to separate bank A/c on 30 April 2021

\*\*Includes unspent amount for 2018-19 (Rs 173.32 Million), for 2019-20 (Rs 96.12 Million) and for 2020-21 (Rs 197.71 Million).

# Notes to Financial Statements

for the year ended 31 March 2022

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

## As on 31 March 2021

Sl. No	Particulars	In cash	Yet to be paid in cash	Total
<b>i)</b>	<b>Construction/Acquisition of any assets</b>	-	-	-
<b>ii)</b>	<b>On Purpose other than (i) above</b>	<b>720.09</b>	<b>214.35</b>	<b>934.44</b>
iiia)	"Sanitation and safe drinking water (Item No. (i) of Schedule - VII)"	-	-	-
iiib)	"Health Care (Item No. (i) of Schedule – VII)"	25.87	50.93	76.80
iiic)	"Promoting Education (Item No. (ii) of Schedule – VII)"	13.84	0.12	13.96
iiid)	"Forest & Environment, animal welfare etc. (Item No. (iv) of Schedule-VII)"	232.63	163.30	395.93
iiie)	"Contribution to 'Clean Ganga Fund' (Item No.(iv) of Schedule-VII)"	-	-	-
iiif)	"Ensuring environment sustainability (item No. (iv) of Schedule - (VII))"	-	-	-
iiig)	"Measures for armed forces veterans, (Item No. (vi) of ScheduleVII)"	10.00	-	10.00
iiih)	Contribution to the prime minister's national relief fund (Item No (viii) of Schedule-VII)*	437.75	-	437.75
<b>Grand Total (i+ii)</b>		<b>720.09</b>	<b>214.35</b>	<b>934.44</b>

## Details in respect of amount deposited in Specified Fund of Schedule VII , for the financial years per section 135 (5) of the Companies Act, 2013.

Opening Balance	Amount deposited in Specified Fund of Schedule VII within 6 Months	Amount required to be spent during the year	*Amount spent during the year	Closing Balance
Nil	Nil	612.30	612.83	Nil

\*excess amount spent against the statutory requirement is Rs.0.53 million

## Details in respect of excess amount spent for the financial year as per section 135 (5) of the Companies Act, 2013.

Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
Nil	612.30	612.83	0.53

## Details in respect of ongoing projects for the financial year as per section 135 (5) of the Companies Act, 2013.

Opening Balance		Amount required to be spent during the year	Transferred to Separate CSR Unspent Bank Account	Amount spent during the year		Closing Balance	
with company	In Separate CSR Unspent A/c			From Company's bank A/c	From Separate CSR Unspent A/c	*with Company	In Separate CSR Unspent A/c
Nil	Nil	612.30	Nil	415.12	Nil	197.18	Nil

\*Gross amount required to be spent for the year ended 31.03.2021 Rs.612.30 million against which the Board approved total CSR projects for amounting to Rs. 612.83 million against which Rs. 415.12 million paid in the financial year and balancing Rs. 197.71 million CSR Unspent amount against ongoing projects for the financial year is transferred to separate bank A/c on 30 April 2021

# Notes to Financial Statements

for the year ended 31 March 2022

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

## Additional requirement in pursuant to schedule III of the companies act 2013.

Sl. No	Particulars	As at 31 March 2022	As at 31 March 2021
(a)	<b>Amount required to be spent by the company during the year</b>	700.60	612.83
(b)	<b>Amount of expenditure incurred,</b>	700.60	612.83
(c)	Shortfall at the end of the year,	-	-
(d)	Total of previous years shortfall	-	-
(e)	Reason for shortfall	Not Applicable	
(f)	Nature of CSR activities	Promoting Healthcare & Education, Measures for the benefit of armed forces and Environment Sustainability.	
(g)	Details of related party transactions	Not Applicable	
(h)	Movements in provision with respect to a liability incurred by entering into a contractual obligation during the year is as under:		
	<b>Particulars</b>	<b>Amount in Million</b>	<b>Amount in Million</b>
	<b>Opening Balance</b>	314.95	111.35
	Add: Provisions made during the year	304.04	253.83
	Less: Provision withdrawn during the year	(72.78)	(50.23)
	<b>Closing Balance</b>	<b>546.21</b>	<b>314.95</b>

**Note 50:** Interest on deposit & Investment include Tax Deducted at Source amounting to Rs. 5.87 millions for the year ended 31 March 2022 (31 March 2021: Rs 0.45 Millions). Ministry of Railways has also deducted tax at source amounting to Rs. Nil millions (31 March 2021: Rs. 3,232.85 millions) on lease rentals.

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

Particulars	As at 31 March 2022	As at 31 March 2021
Principal amount remaining unpaid as at year end	10.20	3.78
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.

# Notes to Financial Statements

for the year ended 31 March 2022

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

## 53.1 Related party disclosures

### Related parties and their relationships

#### i. Transaction with Key Management personnel

##### Key Management Personnel

##### Relationship:

As on 31.03.2022

Designation	Name	Period
Chairman & Managing Director	Sh. Amitabh Banerjee	(From 12 October 2019)*
Director - Finance	Ms. Shelly Verma	(From 1 September 2020)
Govt Nominee Director	Sh. Baldeo Purushartha	(From 03 June 2020)
Govt Nominee Director	Sh. Bhaskar Choradia	(From 27 November 2020)
Non- Official Independent Director	Sh. Ashok Kumar Singhal	(From 20 July 2018 to 20 July 2021)**
Non- Official Independent Director	Sh. Vallabhbhai Maneklal Patel	(From 10 November 2021)
Non- Official Independent Director	Smt. Sheela Pandit	(From 22 November 2021)
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.

\*\*Sh. Ashok Kumar Singhal ceased to be Non official Independent Director of IRFC w.e.f 20th July 2021 due to completion of his tenure.

As on 31.03.2021

Designation	Name	Period
Chairman & Managing Director	Sh. Amitabh Banerjee	(From 12 October 2019)*
Director - Finance	Sh. Niraj Kumar	(From 1 July 2015 to 31st July 2020)**
Director - Finance	Ms. Shelly Verma	(From 1 September 2020)***
Govt Nominee Director	Shri Anand Prakash	(From 22 July 2020 to 26 October 2020)****
Govt Nominee Director	Sh. Baldeo Purushartha	(From 03 June 2020)
Govt Nominee Director	Sh. Bhaskar Choradia	(From 27 November 2020)
Non- Official Independent Director	Smt. Aditi Sengupta Ray	(From 19 September 2017 to 18 September 2020)*****
Non- Official Independent Director	Shri. Chetan Venugopal	(From 08 March 2018 to 07 March 2021)*****
Non- Official Independent Director	Sh. Ashok Kumar Singhal	(From 20 July 2018)
Company Secretary	Sh. Vijay Babulal Shirode	(From 9 March 2018)

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

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

\*\*\*Mrs. Shelly Verma has been appointed as Director Finance from 1st September 2020

\*\*\*\*Sh. Anand Prakash ceased to be Govt. Nominee Director w.e.f 26th October 2020 as per MoR Order dated 26.10.2020.

\*\*\*\*\*Smt. Aditi Sengupta Ray ceased to be Non official Independent Director of IRFC w.e.f 18 September 2020 due to completion of her tenure.

\*\*\*\*\*Shri. Chetan Venugopal ceased to be Non official Independent Director of IRFC w.e.f 07 March 2021 due to completion of his tenure.



# Notes to Financial Statements

for the year ended 31 March 2022

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

## Transactions:

Particulars	As at 31 March 2022	As at 31 March 2021
Salary/Allowances	14.13	12.46
Reimbursements	0.56	0.42
Incentives	5.63	2.54
Sitting Fees	0.82	1.36
<b>Totals</b>	<b>21.14</b>	<b>16.78</b>

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

Particulars	As at 31 March 2022	As at 31 March 2021
Lease Receivables	20,06,924.99	16,55,689.91
Project Infrastructure Asset under Finance Lease Arrangements-EBR-IF	15,09,946.57	13,07,795.17
Project Infrastructure Asset under Finance Lease Arrangements-EBR Special	5,40,173.59	5,07,088.39
Advance for National Project	27,083.62	84,815.82
Interest accrued but not due on advance for railway project to be leased	1,45,867.60	79,282.72
Other (Payable)	(88,487.86)	(73,796.35)
Other Receivables	11,037.15	5,498.25

Particulars	As at 31 March 2022	As at 31 March 2021
- Lease Income	1,30,035.96	1,18,265.62
- Pre-commencement Lease-interest income	66,373.60	33,290.38

## 53.2 Transaction with Government related entities

- 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 exempted from disclosure in para 25 of Ind AS 24, 'Related Party Transactions' being a government related entity.
- Details of significant transactions with Rail Vikas Nigam Limited and IRCON International Limited .

Particulars	As at 31 March 2022	As at 31 March 2021
- Closing Balances of Loan to Rail Vikas Nigam Ltd	56,216.00	51,518.86
- Closing Balances of Loan to IRCON International Ltd.	12,306.14	18,459.20
- Interest Income received thereon	6,392.05	5,956.70
- Interest Receivables	13,621.66	10,993.24

# Notes to Financial Statements

for the year ended 31 March 2022

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

## Note 54: 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 :

### a) Classification of balance sheet as at 31 March 2022

Particulars Line Item	As at 31 March 2022		
	Amount	Current	Non-current
<b>Assets</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	1,464.92	1,464.92	-
Bank balance other than (a) above	1,568.84	1,568.84	-
Derivative financial instruments	2,023.25		2,023.25
Receivables			
- Lease receivables	20,06,924.99	1,53,821.41	18,53,103.58
Loans	68,248.05	8,916.78	59,331.27
Investments	100.03	2.92	97.11
Other financial assets	22,47,779.18	7,452.73	22,40,326.45
<b>Total financial assets</b>	<b>43,28,109.26</b>	<b>1,73,227.60</b>	<b>41,54,881.66</b>
<b>Non-financial assets</b>			
Current tax assets (net)	6,373.08	6,373.08	-
Property, plant and equipment	138.86	-	138.86
Right of Use Assets	224.25	-	224.25
Other Intangible assets	16.51	-	16.51
Other non-financial assets	1,64,940.28	1,64,904.94	35.34
<b>Total non-financial assets</b>	<b>1,71,692.98</b>	<b>1,71,278.02</b>	<b>414.96</b>
<b>Total Assets</b>	<b>44,99,802.24</b>	<b>3,44,505.62</b>	<b>41,55,296.62</b>
<b>Liabilities</b>			
<b>Financial liabilities</b>			
Derivative financial instruments	5,669.33	-	5,669.33
Trade payable	245.71	245.71	(0.00)
Debt securities	19,41,749.53	59,429.90	18,82,319.63
Borrowings (other than debt securities)	19,42,416.65	1,04,847.35	18,37,569.30
Lease Liabilities	233.52	122.05	111.47
Other financial liabilities	1,94,251.96	1,86,806.94	7445.02
<b>Total financial liabilities</b>	<b>40,84,566.70</b>	<b>3,51,451.95</b>	<b>37,33,114.75</b>
<b>Non-financial liabilities</b>			
Provisions	535.71	519.66	16.05
Other non-financial liabilities	4,736.43	4,736.43	-
<b>Total non-financial liabilities</b>	<b>5,272.14</b>	<b>5,256.09</b>	<b>16.05</b>
<b>Total liabilities</b>	<b>40,89,838.84</b>	<b>3,56,708.04</b>	<b>37,33,130.80</b>
<b>Equity</b>			
Equity share capital	1,30,685.06	-	1,30,685.06
Other equity	2,79,278.34	-	2,79,278.34
<b>Total equity</b>	<b>4,09,963.40</b>	<b>-</b>	<b>4,09,963.40</b>
<b>Total Liabilities and Equity</b>	<b>44,99,802.24</b>	<b>3,56,708.04</b>	<b>41,43,094.20</b>

# Notes to Financial Statements

for the year ended 31 March 2022

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

## b) Classification of balance sheet as at 31 March 2021

Particulars Line Item	As at 31 March 2021		
	Amount	Current	Non-current
<b>Assets</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	2,971.91	2,971.91	-
Bank balance other than (a) above	1,617.33	1,617.33	-
Derivative financial instruments	760.14	-	760.14
Receivables			
- Lease receivables	16,55,689.91	1,29,055.37	15,26,634.54
Loans	69,698.15	8,422.10	61,276.05
Investments	119.82	9.17	110.65
Other financial assets	19,95,580.54	3,821.33	19,91,759.21
<b>Total financial assets</b>	<b>37,26,437.80</b>	<b>1,45,897.21</b>	<b>35,80,540.59</b>
<b>Non-financial assets</b>			
Current tax assets (net)	9,333.87	9,333.87	-
Property, plant and equipment	109.45	-	109.45
Right of Use Assets	343.71	-	343.71
Other Intangible assets	0.41	-	0.41
Other non-financial assets	68,589.99	68,555.98	34.01
<b>Total non-financial assets</b>	<b>78,377.43</b>	<b>77,889.85</b>	<b>487.58</b>
<b>Total Assets</b>	<b>38,04,815.23</b>	<b>2,23,787.06</b>	<b>35,81,028.17</b>
<b>Liabilities</b>			
<b>Financial liabilities</b>			
Derivative financial instruments	3,601.28	-	3,601.28
Trade payable	507.61	507.61	-
Debt securities	17,85,747.89	1,36,119.71	16,49,628.18
Borrowings (other than debt securities)	14,45,358.90	77,201.36	13,68,157.54
Lease Liabilities	345.88	112.35	233.53
Other financial liabilities	1,96,029.03	1,37,173.55	58,855.48
<b>Total financial liabilities</b>	<b>34,31,590.59</b>	<b>3,51,114.58</b>	<b>30,80,476.01</b>
<b>Non-financial liabilities</b>			
Provisions	291.22	288.13	3.09
Other non-financial liabilities	13,799.60	13,799.60	-
<b>Total non-financial liabilities</b>	<b>14,090.82</b>	<b>14,087.73</b>	<b>3.09</b>
<b>Total liabilities</b>	<b>34,45,681.41</b>	<b>3,65,202.31</b>	<b>30,80,479.10</b>
<b>Equity</b>			
Equity share capital	1,30,685.06	-	1,30,685.06
Other equity	2,28,448.76	-	2,28,448.76
<b>Total equity</b>	<b>3,59,133.82</b>	<b>-</b>	<b>3,59,133.82</b>
<b>Total Liabilities and Equity</b>	<b>38,04,815.23</b>	<b>3,65,202.31</b>	<b>34,39,612.92</b>

# Notes to Financial Statements

for the year ended 31 March 2022

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

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 been exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non current.

- ii) The Company classify a liability as current when,
- It expects to settle the liability in its normal operating cycle;
  - It holds the liability primarily for the purpose of trading;
  - The liability is due to be settled within twelve months after the reporting period or;
  - It does not have an unconditional right to defer settlements of the liability for at least twelve months after the reporting period (see paragraph 73). Terms of a liability that could at the option of the counterparty, result in its settlement by the issue of equity instruments do not affects its classification.

All other liabilities are classified as non current.

## Note No. 55: Additional Regulatory Information

- (i) The Company holds Office building including parking area which has been capitalised from the date of taking possession. However, the sale/transfer deed is still pending for execution in favour of the Company. The required details are as under:

Sl. No.	Relevant line item in the Balance sheet	Gross carrying value	Title deeds held in the name of	Whether title deed holder is promoter, director or relative # of promoter/director or employee of promoter/director	Description of item of property	Property held since which date	Reason for not being held in the name of the Company**
(a)	Property, Plant and Equipment*	112.32	MMTC Limited and NBCC Limited	No	Upper Ground Floor, East Tower, NBCC Place, Pragati Vihar, Lodhi Road, New Delhi-110003	April 11 2002	Required permission of the Government

\*Stamp duty payable on the registration of office building works out to about Rs. 9.15 millions (as certified by approved valuer) ( 31 March 2021: Rs. 9.15 millions) which will be accounted for on registration.

# Notes to Financial Statements

for the year ended 31 March 2022

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

- (ii) The Company does not hold any Investment Property in its books of accounts, so fair valuation of investment property is not applicable.
- (iii) During the year the Company has not revalued any of its Property, plant and equipment.
- (iv) During the year, the Company has not revalued any of its Intangible assets.
- (v) The Company has not granted any loans or advances to promoters, directors, KMP's and the related parties that are repayable on demand or without specifying any terms or period of repayment.
- (vi) The Company does not hold any Capital Work-in-Progress in its books of accounts, so ageing of Capital Work-in-Progress is not applicable.
- (vii) The Company does not hold any Intangible Assets under Development in its books of accounts, so ageing of Intangible Assets under Development is not applicable.
- (viii) No proceedings have been initiated or pending against the Company under the Benami Transactions (Prohibition) Act, 1988.
- (ix) The quarterly returns / statement of current assets filed by the Company with banks / financial institutions are in agreement with the books of accounts.
- (x) The Company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.

## (xi) Relationship with Struck off Companies

Si. No.	Name of Struck off Company	Nature of transactions	Transactions during the year	Balance outstanding at the end of the year as at March 31, 2022	Relationship with the Struck off Company, if any, to be disclosed
---------	----------------------------	------------------------	------------------------------	---	---

There is no transaction and outstanding balances with struck off companies

- (xii) The Company has no cases of any charges or satisfaction yet to be registered with ROC beyond the statutory time limits.
- (xiii) There is no investment made by the Company involving layers as per provisions of clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 hence are not applicable to the Company as per Section 2(45) of the Companies Act, 2013.

# Notes to Financial Statements

for the year ended 31 March 2022

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

## Note No. 55:

### (xiv) Analytical Ratios

Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% Variance	Reason for Variance (if more than 25%)
Capital to risk-weighted asset ratio	Total Capital Fund	Risk weighted assets along with adjusted value of off balance sheet items	439.73%	420.46%	-4.58	Not Applicable
Tier I CRAR	Capital Fund-Tier I		439.73%	420.46%	-4.58	Not Applicable
Tier II CRAR	Capital Fund-Tier II		0.00%	0.00%	-	Not Applicable
Liquidity Coverage Ratio with total Weighted value	High Quality Liquid Assets (HQLA)	Total Net Cash Outflows (Weighted Value of Total Cash Outflows(-) Minimum of (Weighted Value Total Cash Inflows, 75% of Weighted Value of Total Cash Outflows)	0.50%	3.13%	83.96	Refer to note below*
Liquidity Coverage Ratio with total Unweighted value	High Quality Liquid Assets (HQLA)	Total Net Cash Outflows (Unweighted Value of Total Cash Outflows(-) Minimum of (Unweighted Value Total Cash Inflows, 75% Of Unweighted Value of Total Cash Outflows)	0.58%	3.60%	83.96	Refer to note below*

Note: RBI vide its liquidity framework dated 4 November 2019 has stipulated the implementation of liquidity coverage ratio (LCR) for non-deposit taking NBFs with asset size of more than Rs. 10,000 crore w.e.f. 1 December 2020. LCR aims to ensure that Company has an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately to meet its liquidity needs for a 30 calendar day liquidity stress scenario.

However, with reference to the RBI's letter no. S62/21.07.007/2021/22 dated April 26, 2021, IRFC is exempted from applicability of Liquidity Coverage Ratio (LCR) Norms.

- (xv) No scheme of Arrangements has been approved by competent authority in terms of sections 230 to 237 of the Companies Act, 2013 in respect of the Company.
- (xvi) The Company has not provided nor taken any loan or advance to/from any other person or entity with the understanding that benefit of the transaction will go to a third party, the ultimate beneficiary.
- (xvii) The Company records all the transaction in the books of accounts properly and has no undisclosed income during the year or in previous years in the tax assessments under the Income Tax Act, 1961.
- (xviii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.



# Notes to Financial Statements

for the year ended 31 March 2022

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

## Note 56 SCHEDULE TO THE BALANCE SHEET OF A NON-BANKING FINANCIAL COMPANY AS REQUIRED BY PARA 19 UNDER MASTER DIRECTION - NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016

(a)

S. No.	Particulars	As at 31 March 2022		As at 31 March 2021	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
<b>Liabilities Side:</b>					
<b>1) Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid :</b>					
	(a) Debentures/ Bonds :				
	- Secured	12,44,110.82	-	13,39,542.75	-
	- Unsecured	6,97,638.71	-	4,17,234.87	-
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	19,42,416.65	-	14,45,358.90	-
	(d) Inter-corporate loans and Other Borrowings	-	-	-	-
	(e) Commercial Paper	-	-	28,970.27	-
	(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	-	-	-	-
<b>2) Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :</b>					
	(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	-	-	-	-
<b>Asset side:</b>					
<b>3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>					
	(a) Secured	-	-	-	-
	(b) Unsecured	23,15,923.75	-	20,65,127.77	-
<b>4) Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities :</b>					
	(i) Lease assets including lease rentals under sundry debtors :				
	(a) Financial lease	20,06,924.99	-	16,55,689.91	-
	(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	-	-	-	-

# Notes to Financial Statements

for the year ended 31 March 2022

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

S. No.	Particulars	As at 31 March 2022		As at 31 March 2021	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
<b>5) Break-up of Investments :</b>					
<b>Current Investments :</b>					
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	-	-	-	-
<b>Long Term Investments :</b>					
1. Quoted :					
	(i) Shares: (a) Equity	97.11	-	107.73	-
	(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	2.93	-	12.14	-

# Notes to Financial Statements

for the year ended 31 March 2022

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

## (b) Disclosures of Restructured accounts during the year

Si. No.	Asset Classification	Others				Total
		Standard	Sub-Standard	Doubtful	Loss	
1	Restructured Accounts as on 1 April 2021	-	-	-	-	-
	No. of borrowers					
	Amount outstanding					
	Provision thereon					
2	Fresh restructuring during the year	-	-	-	-	-
	No. of borrowers					
	Amount outstanding					
	Provision thereon					
3	Upgradations	-	-	-	-	-
	No. of borrowers					
	Amount outstanding					
	Provision thereon					
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of the next year	-	-	-	-	-
	No. of borrowers					
	Amount outstanding					
	Provision thereon					
5	Down gradations of restructured accounts during the year	-	-	-	-	-
	No. of borrowers					
	Amount outstanding					
	Provision thereon					
6	Write-offs of restructured accounts during the year	-	-	-	-	-
	No. of borrowers					
	Amount outstanding					
	Provision thereon					
7	Restructured Accounts as on 31 March 2022	-	-	-	-	-
	No. of borrowers					
	Amount outstanding					
	Provision thereon					

# Notes to Financial Statements

for the year ended 31 March 2022

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

## (c) Investments

Particulars	As at 31 March 2022	As at 31 March 2021
1 Value of investments		
i Gross value of investments		
(a) In India	100.04	119.87
(b) Outside India	-	-
ii Provisions for depreciation		
(a) In India	0.01	0.05
(b) Outside India	-	-
iii Net value of investments		
(a) In India	100.03	119.82
(b) Outside India	-	-
2 Movement of provisions held towards depreciation on investments		
i Opening balance	0.05	0.09
ii Add: Provisions made during the year	(0.04)	(0.04)
iii Less: Write-off/ write-back of excess provisions during the year	-	-
iv Closing balance	0.01	0.05

## (d): Derivatives

### A) Forward rate agreement/ Interest rate swap

Particulars	As at 31 March 2022	As at 31 March 2021
i The notional principal of swap agreements	45,006.37	38,127.76
ii Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	2,023.25	760.14
iii Collateral required by the NBFC upon entering into swaps	-	-
iv Concentration of credit risk arising from the swaps	-	-
v The fair value of the swap book	(2,712.77)	(2,841.14)

### B) Exchange Traded Interest Rate (IR) Derivatives

Particulars	As at 31 March 2022	As at 31 March 2021
i Notional Principal amount of exchange traded IR Derivatives undertaken during the year	-	-
ii Notional Principal amount of exchange traded IR Derivatives Outstanding	-	-
iii Notional Principal amount of exchange traded IR Derivatives Outstanding and not highly effective	-	-
iv Mark to Market Value of exchange traded IR Derivatives outstanding and not highly effective	-	-

# Notes to Financial Statements

for the year ended 31 March 2022

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

## C) Risk Exposure in Derivatives (currency and interest rate 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, analyse and control the currency and interest rate risk in respect of ECBs.

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

### Quantitative disclosures

#### As at 31 March 2022

SI. No	Particulars	Currency derivatives	Cross Currency & Interest Rate Derivatives	Interest rate derivatives
i	Derivatives ( notional principal amount)	44,122.23	31,072.31	13,934.06
	For hedging			
ii	Marked to market positions			
	a) Asset	-	-	411.09
	b) Liability	933.31	3,123.86	-
iii	Credit exposure	4,612.03	5,576.30	550.43
iv	Unhedged exposure	6,38,910.83	-	6,43,663.38

#### As at 31 March 2021

SI. No	Particulars	Currency derivatives	Cross Currency & Interest Rate Derivatives	Interest rate derivatives
i	Derivatives ( notional principal amount)	-	24,607.13	13,520.63
	For hedging			
ii	Marked to market positions			
	a) Asset	-	-	298.34
	b) Liability	-	3,139.48	-
iii	Credit exposure	-	3,375.92	534.46
iv	Unhedged exposure	-	-	5,22,038.52

## D) 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.

# Notes to Financial Statements

for the year ended 31 March 2022

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

- (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 31 March 2022				As at 31 March 2021		
No. of Contracts	Borrowing outstanding in foreign Currency (USD/JPY Million)	Currency	INR equivalent (million)	No. of Contracts	Borrowing outstanding in foreign Currency (USD Million)	INR equivalent (million)
4	200.00	USD	15,234.00	-	-	-
11	32,856.00	JPY	20,590.86	-	-	-

- (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 31 March 2022			As at 31 March 2021			Remarks
No. of Contracts	Borrowing outstanding in foreign Currency	Notional USD equivalent	No. of Contracts	Borrowing outstanding in foreign Currency	Notional USD equivalent	
1	JPY 12000 Million	145.90 Million	1	JPY 12000 Million	145.90 Million	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	Back to back recovery of INR/USD exchange rate variation from MOR.
1	USD 25 Million	25 Million	1	USD 25 Million	25 Million	Back to back recovery of INR/USD exchange rate variation from MOR.
1	USD 25 Million	25 Million	1	USD 25 Million	25 Million	Back to back recovery of INR/USD exchange rate variation from MOR.
1	USD 25 Million	25 Million	1	USD 25 Million	25 Million	Back to back recovery of INR/USD exchange rate variation from MOR.
1	USD 25 Million	25 Million	1	USD 25 Million	25 Million	Back to back recovery of INR/USD exchange rate variation from MOR.
1	USD 25 Million	25 Million	1	USD 25 Million	25 Million	Back to back recovery of INR/USD exchange rate variation from MOR.
1	USD 25 Million	25 Million	1	USD 25 Million	25 Million	Back to back recovery of INR/USD exchange rate variation from MOR.



# Notes to Financial Statements

for the year ended 31 March 2022

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

As at 31 March 2022			As at 31 March 2021			Remarks
No. of Contracts	Borrowing outstanding in foreign Currency	Notional USD equivalent	No. of Contracts	Borrowing outstanding in foreign Currency	Notional USD equivalent	
1	USD 25 Million	25 Million				Back to back recovery of INR/USD exchange rate variation from MOR.
1	USD 25 Million	25 Million				Back to back recovery of INR/USD exchange rate variation from MOR.
1	USD 25 Million	25 Million				Back to back recovery of INR/USD exchange rate variation from MOR.

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

As at 31 March 2022		As at 31 March 2021		Remarks
No of Contracts	Borrowing outstanding in foreign Currency	No of Contracts	Borrowing outstanding in foreign Currency	
1	REG S/144A Green Bonds USD 500 Million	1	USD 3 Million	Back to back recovery of exchange rate variation from MOR.
1	USD 500 Million	1	USD 500 Million	
1	USD 500 Million	1	USD 500 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	USD 300 Million	1	USD 300 Million	
1	USD 700 Million	1	USD 700 Million	
1	USD 75 Million	1	USD 150 Million	
1	JPY 33,189 million (Equivalent to USD 300 Million)	1	JPY 33,189 million (Equivalent to USD 300 Million)	
1	USD 750 Million	1	USD 750 Million	
1	USD 1 Billion	1	USD 1 Billion	
1	USD 2 Billion	1	USD 2 Billion	
1	JPY 35,400.63 Million (Equivalent to USD 325 Million)	1	JPY 35,400.63 Million (Equivalent to USD 325 Million)	
1	SYND Green FCL JPY EQ. USD 400M MAR'22			
1	SYND Green FCL JPY EQ. USD 700M MAR'22			

# Notes to Financial Statements

for the year ended 31 March 2022

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

- (d) 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) at 31 March 2022	Fair Value Asset / (liability) at 31 March 2021
2	Cross Currency Interest Rate Swap (JPY Fixed Interest Rate Liability to USD Floating Rate Liability)	JPY 12 Bn. / USD Mio 145.90; JPY 3 Bn. / USD Mio 37.04	(4,736.02)	(3,500.36)
2	Foreign Currency Interest Rate Swap (Floating Rate USD Libor to Fixed Rate )	JPY 12 Bn. / USD Mio 145.90; JPY 3 Bn. / USD Mio 37.04	411.09	298.34
1	Cross Currency Interest Rate Swap (USD Floating to INR Fixed)	USD 25 Million	220.42	66.84
1	Cross Currency Interest Rate Swap (USD Floating to INR Fixed)	USD 25 Million	214.24	62.98
1	Cross Currency Interest Rate Swap (USD Floating to INR Fixed)	USD 25 Million	222.73	69.51
1	Cross Currency Interest Rate Swap (USD Floating to INR Fixed)	USD 25 Million	217.73	62.87
1	Cross Currency Interest Rate Swap (USD Floating to INR Fixed)	USD 25 Million	219.74	64.88
1	Cross Currency Interest Rate Swap (USD Floating to INR Fixed)	USD 25 Million	208.05	33.80
1	Cross Currency Interest Rate Swap (USD Floating to INR Fixed)	USD 25 Million	148.03	
1	Cross Currency Interest Rate Swap (USD Floating to INR Fixed)	USD 25 Million	96.67	
1	Cross Currency Interest Rate Swap (USD Floating to INR Fixed)	USD 25 Million	64.56	

# Notes to Financial Statements

for the year ended 31 March 2022

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

## (e) Securitization/Assignments

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.

### A) Securitization of Minimum Retention Requirement

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 MRR in respect of its second securitization transaction executed in 2011. The present exposure on account of securitization transaction at 31 March 2022 is Rs.2.93 millions (31 March 2021: Rs. 12.14 millions). The details are as below:

Particulars	As at 31 March 2022	As at 31 March 2021
1 No. of SPVs sponsored by the NBFC for securitisation transactions	2	2
2 Total amount of securitised asset as per books of the SPVs sponsored	75.90	513.88
3 Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet *	2.93	12.14
a) Off-balance sheet exposures		
First loss	-	-
Others	2.93	12.14
b) On-balance sheet exposures		
First loss	-	-
Others	-	-
4 Amount of exposures to securitisation transactions other than MRR	NIL	NIL

\*Impairment loss as per Ind AS 109 has been made for an amount of Rs. (.01 million) for the year ended 31 March 2022 (31 March 2021: Rs. (0.05 million))

### B) Detail of financial assets sold to securitisation/reconstruction company for asset reconstruction

Company has not sold any financial assets to Securitization / Reconstruction Company for asset construction during the year ended on 31 March 2022. (31 March 2021: Rs. NIL).

### C) Detail of assignments transaction undertaken by company

Company has not undertaken any assignment transaction during the year ended on 31 March 2022. (31 March 2021: Rs. NIL.).

## (f) Details of non-Performing financial assets purchased or sold

Company has neither purchased nor sold any non-performing financial assets during the year ended on 31 March 2022. (31 March 2021: Rs. NIL)

## (g) Exposures

### (I): Exposure to real Estate sector

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

# Notes to Financial Statements

for the year ended 31 March 2022

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

## (II): Exposure to capital market

Particulars	As at 31 March 2022	As at 31 March 2021
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
- At Fair Value	97.11	107.73
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 Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix Financing to stockbrokers for margin trading	-	-
x All exposures to Alternative Investment Funds:	-	-
(i) Category I		
(ii) Category II		
(iii) Category III		
xi All exposures to Venture Capital Funds (both registered and unregistered)	-	-
<b>Total exposure to capital market</b>	<b>97.11</b>	<b>107.73</b>

# Notes to Financial Statements

for the year ended 31 March 2022

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

## (h) Details of financing of parent company product

The company has no parent company hence this detail is not applicable to company.

## (i) 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.

## (j) Details of unsecured loans, advances, lease income and interest income receivables

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

Particulars	As at 31 March 2022	As at 31 March 2021
Ministry of Railways, Government of India		
- Lease receivables	20,06,924.99	16,55,689.91
- Other receivables/(payables)	-	-
Rail Vikas Nigam Limited, a wholly owned entity of Ministry of Railways, Govt. of India	56,216.00	51,518.86
IRCON International Limited	12,306.14	18,459.20
Interest accrued thereon( RVNL & IRCON)	13,621.66	10,993.24
<b>Total</b>	<b>20,89,068.79</b>	<b>17,36,661.21</b>

## (k) Registration obtained from other financial regulator sector

Particulars	As at 31 March 2022	As at 31 March 2021
Registration obtained from other financial sector regulators	NIL	NIL

## (l) Disclosure of penalties imposed by RBI and other financial regulator

Particulars	As at 31 March 2022	As at 31 March 2021
Disclosure of Penalties imposed by RBI and other regulators	NIL	NIL

## (m) Related Party Transactions

For Related party transactions, refer note no. 53 of the financial statements

## (n) Remuneration of Directors

For Remuneration of directors, refer note no. 53 of the financial statements

# Notes to Financial Statements

for the year ended 31 March 2022

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

## (o) 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	Particulars	As at 31 March 2022	As at 31 March 2021
	<b>Long Term Rating</b>		
1	CRISIL	CRISIL AAA / Stable	CRISIL AAA / Stable
2	ICRA	ICRA AAA / Stable	ICRA AAA / Stable
3	CARE	CARE AAA / Stable	CARE AAA / Stable
	<b>Short Term Rating</b>		
1	CRISIL	CRISIL A1+	CRISIL A1+
2	ICRA	ICRA A1+	ICRA A1+
3	CARE	CARE A1+	CARE A1+

### b. Long term foreign currency issuer rating assigned to the Company

S.No	Particulars	As at 31 March 2022	As at 31 March 2021
	<b>Long Term Rating</b>		
1	Fitch Rating	BBB-/ Negative	BBB-/ Negative
2	Standard & Poor	BBB-/ Stable	BBB-/ Stable
3	Moody's	Baa3/Stable	Baa3/Negative
4	Japanese Credit Rating Agency	BBB+/Stable	BBB+/Stable

## (p) Revenue Recognition

Refer accounting policy in note no. 2 for Significant Accounting Policies.

## (q) Provisions & Contingencies

Particulars	As at 31 March 2022	As at 31 March 2021
Provisions and Contingencies	Refer Note 34	Refer Note 34

## (r) Draw-Down from Reserves

Particulars	As at 31 March 2022	As at 31 March 2021
Drawn down from reserves	NIL	NIL



# Notes to Financial Statements

for the year ended 31 March 2022

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

## (s) Concentration of advances, exposures and NPAs

### (I) Concentration of Deposits

Particulars	As at 31 March 2022	As at 31 March 2021
Concentration of Deposits (for deposit taking NBFCs)	Company is a non deposit accepting NBFC	Company is a non deposit accepting NBFC

### (II) Concentration of advances

Particulars	As at 31 March 2022	As at 31 March 2021
Total advances to twenty largest borrowers	41,52,376.82	36,25,087.44
Percentage of advances to twenty largest borrowers to total advances of the NBFC	100%	100%

### (III) Concentration of exposures

Particulars	As at 31 March 2022	As at 31 March 2021
Total exposure to twenty largest borrowers/ customers	41,52,473.93	36,25,195.17
Percentage of exposure to twenty largest borrowers/ customers to total exposure of the NBFC on borrowers/customers	100%	100%
<b>(IV) Concentration of NPAs</b>	NIL	NIL
<b>(V) Sector-wise NPAs</b>	NIL	NIL
<b>(VI) Movement of NPAs</b>	NIL	NIL

## (VII): Disclosure of complaints

### Investor complaints

Particulars	As at 31 March 2022	As at 31 March 2021
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	2,641	4,693
(c) No. of complaints redressed during the year	2,641	4,693
(d) No. of complaints pending at the end of the year	-	-

Note: The above figure includes complaints lodged by Equity Shareholders also post listing of the Company.

<b>(t) Overseas Assets</b>	NIL	NIL
<b>(u) Off-balance sheet SPVs sponsored</b>	NIL	NIL
<b>(v) There are been no fraud reported during the year ended 31 March 2022 and 31 March 2021.</b>		

# Notes to Financial Statements

for the year ended 31 March 2022

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

## w) Borrower group-wise classification assets financed

Category	As at 31 March 2022			As at 31 March 2021		
	Amount of Net provision			Amount of Net provision		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	43,22,848.74	43,22,848.74	-	37,20,817.68	37,20,817.68	
2. Other than related parties	-	-	-	-	-	
<b>Total</b>	<b>43,22,848.74</b>	<b>43,22,848.74</b>	<b>-</b>	<b>37,20,817.68</b>	<b>37,20,817.68</b>	

## Investor group-wise classification of all investments ( current and long term ) in shares and securities ( both quoted and unquoted ):

Category	As at 31 March 2022		As at 31 March 2021	
	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)"
<b>1. Related Parties</b>				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	97.11	97.11	107.73	107.73
<b>2. Other than related parties</b>	2.93	2.92	12.14	12.09
<b>Total</b>	<b>100.04</b>	<b>100.03</b>	<b>119.87</b>	<b>119.82</b>

## Other information:

Particulars	As at 31 March 2022	As at 31 March 2021
<b>i) Gross Non-Performing Assets :</b>		
(a) Related parties	-	-
(b) Other than related parties	-	-
<b>ii) Net Non-Performing Assets :</b>		
(a) Related parties	-	-
(b) Other than related parties	-	-
<b>iii) Assets acquired in satisfaction of debt :</b>	-	-

## (x) Asset liability management maturity pattern of certain items of Assets and Liabilities

Refer financial instrument notes 38.9

# Notes to Financial Statements

for the year ended 31 March 2022

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

- (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 2022

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)
<b>Performing Assets</b>						
Standard *	Stage 1	20,89,173.93	328.61	20,88,845.32	328.61	-
	Stage 2	-	-	-	-	-
Subtotal for standard		20,89,173.93	328.61	20,88,845.32	328.61	-
Non-Performing Assets (NPA)						
<b>Substandard</b>	Stage 3					
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal for doubtful</b>						
Loss	Stage 3					
<b>Subtotal for NPA</b>		-	-	-	-	-
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					
<b>Subtotal</b>		-	-	-	-	-
<b>Total</b>	<b>Stage 1</b>	<b>20,89,173.93</b>	<b>328.61</b>	<b>20,88,845.32</b>	<b>328.61</b>	<b>-</b>
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Total</b>		<b>20,89,173.93</b>	<b>328.61</b>	<b>20,88,845.32</b>	<b>328.61</b>	<b>-</b>

\*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) )

# Notes to Financial Statements

for the year ended 31 March 2022

(All amounts in millions 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 2021

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)
<b>Performing Assets</b>						
Standard *	Stage 1	17,36,799.30	324.00	17,36,475.30	324.00	-
	Stage 2	-	-	-	-	-
Subtotal for standard		17,36,799.30	324.00	17,36,475.30	324.00	-
Non-Performing Assets (NPA)						
<b>Substandard</b>	Stage 3					
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal for doubtful</b>						
Loss	Stage 3					
<b>Subtotal for NPA</b>		-	-	-	-	-
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					
<b>Subtotal</b>		-	-	-	-	-
<b>Total</b>	Stage 1	<b>17,36,799.30</b>	<b>324.00</b>	<b>17,36,475.30</b>	<b>324.00</b>	<b>-</b>
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Total</b>		<b>17,36,799.30</b>	<b>324.00</b>	<b>17,36,475.30</b>	<b>324.00</b>	<b>-</b>

\*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)

# Notes to Financial Statements

for the year ended 31 March 2022

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

Since the total impairment allowances under Ind AS 109 is equal to the total provisioning required under IRACP (including standard asset provisioning) as at 31 March 2022, 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 2022, there are no loan accounts that are past due beyond 90 days but not treated as impaired.

## Note 58 DISCLOSURES AS REQUIRED UNDER COVID 19 REGULATORY PACKAGE - ASSET CLASSIFICATION AND PROVISIONING ISSUED BY RBI VIDE NOTIFICATION NO. RBI/2019-20/220 DOR.No. BO.BC.63/21/04.048/2019 -20 DATED 17 APRIL 2020

S.no	Particulars	As at 31 March 2022	As at 31 March 2021
i	Respective amounts in SMA / overdue categories, where the moratorium / deferment was extended in terms of paragraph 2 & 3 of the aforesaid notification	Nil	Nil
ii	Respective amount where asset classification benefit is extended	Nil	Nil
iii	Provisions made during the year 2021-22	Nil	Nil
iv.	Provisions adjusted during the respective accounting periods against slippages and residual provisions in terms of paragraph 6 of the aforesaid notification	Nil	Nil

## 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

Particulars	As at 31 March 2022	As at 31 March 2021
Number of Significant Counterparties*	-	-
Amount in (Millions)	-	-
Percentage of Funding Concentration of Total Deposits	N/A	N/A
Percentage of Funding Concentration of Total Liabilities	N/A	N/A
<b>Total Liabilities</b>	<b>40,89,838.84</b>	<b>34,45,681.41</b>

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

# Notes to Financial Statements

for the year ended 31 March 2022

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

## B. Top 10 Borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Total Amount of Top 10 Borrowings	10,04,840.20	9,73,584.08
Percentage of Amount of Top 10 Borrowings to total borrowings (%)	25.87%	30.13%
<b>Total Borrowings</b>	<b>38,84,166.18</b>	<b>32,31,106.79</b>

## C. Funding Concentration based on significant instrument/product

Particulars	As at 31 March 2022	Percentage(%) of Total Liabilities	As at 31 March 2021	Percentage(%) of Total Liabilities
Significant instrument/Product				
Non-convertible debentures	16,94,491.39	41.43%	15,53,752.18	45.09%
Term loan from Banks (including FCNR loans)	12,61,444.40	30.84%	8,88,268.00	25.78%
External Commercial Borrowings	6,64,163.01	16.24%	5,37,916.30	15.61%
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

Particulars	As at 31 March 2022	Percentage(%) of Total Public Funds	Percentage(%) of Total Assets	Percentage(%) of Total Liabilities
Commercial Papers (CPs)	-	NA	0.00%	0.00%
Non-convertible debentures (NCDs) with original maturity of less than one year	-	NA	NA	NA
Other short-term liabilities	79,067.38	NA	1.76%	1.93%

Particulars	As at 31 March 2021	Percentage(%) of Total Public Funds	Percentage(%) of Total Assets	Percentage(%) of Total Liabilities
Commercial Papers (CPs)	28,970.27	NA	0.76%	0.84%
Non-convertible debentures (NCDs) with original maturity of less than one year	-	NA	NA	NA
Other short-term liabilities	47,200.04	NA	1.24%	1.37%

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.



# Notes to Financial Statements

for the year ended 31 March 2022

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

## E. Institutional set-up for liquidity risk management

Particulars	Year Ended 31.03.2022		Year Ended 31.03.2021	
	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)
<b>Total High Quality Liquid Assets (HQLA)</b>	<b>178.83</b>	<b>178.83</b>	<b>673.36</b>	<b>673.36</b>
<b>Cash Outflows</b>				
Outflows Related to Derivative Exposures and Other Collateral Requirement				
Other Contractual Funding Obligation	1,42,534.52	1,23,943.06	86,063.40	74,837.74
Other Contingent Funding Obligation				
<b>Total Cash Outflows</b>	<b>1,42,534.52</b>	<b>1,23,943.06</b>	<b>86,063.40</b>	<b>74,837.74</b>
<b>Cash Inflows</b>				
Inflows From Fully Performing Exposures	1,32,567.59	1,76,756.78	1,01,966.74	1,35,955.66
<b>Other Cash Inflows</b>				
Total Cash Inflows	1,32,567.59	1,76,756.78	1,01,966.74	1,35,955.66
Total HQLA	178.83	178.83	673.36	673.36
<b>Total Net Cash Outflows (Weighted Value of Total Cash Outflows(-) Minimum of (Weighted Value Total Cash Inflows, 75% of Weighted Value of Total Cash Outflows)</b>	<b>35,633.63</b>	<b>30,985.77</b>	<b>21,515.85</b>	<b>18,709.44</b>
Liquidity Coverage Ratio (%)*	0.50	0.58	3.13	3.60

\*RBI vide its liquidity framework dated 04th November, 2019 has stipulated the implementation of liquidity coverage ratio (LCR) for non-deposit taking NBFCs with asset size of more than Rs. 10,000 crore w.e.f. 01 December, 2020. LCR aims to ensure that company has an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately to meet its liquidity needs for a 30 calendar day liquidity stress scenario.

However with reference to the RBI's letter no. S62/21.07.007/2021/22 dated April 26, 2021, IRFC is exempted from applicability of Liquidity Coverage Ratio (LCR) Norms.

### Note 60:

- a) Previous year figures have been regrouped/ rearranged, whenever necessary, in order to make them comparable with those of the current year.

#### For M/s. KBDS & Co.

Chartered Accountants  
FRN 323288E

Sd/-  
**(CA Dashrath Kumar Singh)**  
Partner  
M.No. 060030  
UDIN: 22060030AJMDLH6491

Place: Gandhinagar, Gujarat  
Date: 20<sup>th</sup> May 2022

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

Sd/-  
**(Shelly Verma)**  
Director Finance  
DIN: 07935630

Sd/-  
**(Amitabh Banerjee)**  
Chairman & Managing Director  
DIN: 03315975

# Independent Auditor's Report

To  
The Members,  
**Indian Railways Finance Corporation Limited,**

## Report on the Audit of the Standalone Financial Statements

### OPINION

We have audited the standalone financial statements of Indian Railway Finance Corporation Limited ("the Company"), which comprise the balance sheet as at 31st March, 2022 and the statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022 and the profit and total comprehensive income, changes in equity, and its cash flows for the year ended on that date.

### BASIS FOR OPINION

We conducted our Audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with

the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there-under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### EMPHASIS OF MATTERS

We draw attention towards:

1. Reconciliation & Balance confirmation from Ministry of Railway (MoR) have been done for the FY- 2016-17, 2017-18 & 2018-19 for lease rental receivable. Reconciliation & Balance confirmation from MoR for the FY-2019-20, 2020-21 and 2021-22 are yet to be completed. Please Refer to Note-6 & 33.
2. In respect of Advance against Project Assets, Utilization Certificates have been received from time-to-time from the Ministry of Railway (MoR). Please refer to Note-46.

### We have determined the matters described below to be the Key Audit Matters to be communicated:-

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of financial statements of the audit period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S.No.	Key Audit Matters	Auditor's Response
1.	The government has introduced new section 115BAA by the Taxation Law (Amendment) Ordinance, 2019 w.e.f F.Y. 2019-20, which provides an option to opt for a income tax rate of 22%, Surcharge 10% & Health and Education Cess at 4% by any domestic company. By opting this total effective tax rate will be at 25.17% (under normal provision of income tax) as against earlier effective tax rate of 34.95% (under normal provision of income tax). However, the earlier effective tax rate under MAT was 21.55% which was applicable on the company.	After adoption of Section 115BAA, the taxable income under the normal provision income tax may become NIL. Further after adoption of section 115BAA, the company will be outside the scope and applicability of MAT Provision under section 115JB of Income Tax Act, 1961. Hence, no tax liability may be there for the F.Y 2021-22 on the company. Hence, no tax provision has been created for the year ended 31.03.2022.
2.	Compliance in respect of SEBI (LODR) regulation 2015	The number of independent directors on the board was less than half of the total strength of the Board as required under SEBI (LODR) regulation, 2015 and the DPE guidelines.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatement in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work: and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the

audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit read with mentioned under the emphasis of matter .
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) There is no branch office of the company.
  - d) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of changes of Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) In terms of Notification No. GSR 463(E) dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Sub-section 2 of Section 164 of the Act, are not applicable to the Company, being a government company.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, as referred to "Annexure B" of Audit Report.
- h) The company being the government company owned by the Central Govt., therefore section 197 (16) of the Companies Act 2013 shall not apply vide Notification no. GSR 463(E) dated 5th June 2015.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, and Companies (Audit and Auditors) Amendment Rules 2021, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Disclosure Note 34 to the financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 38 to the financial statements;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company- Refer Disclosure Note 47(b) to the financial statements;
  - iv. a. The Company has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever

- by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b. The Company has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.

For **KBDS & Co.**

Chartered Accountants  
Firm Reg. No: 323288E

Sd/-

**(CA Dashrath Kumar Singh)**

Partner  
M. No. - 060030  
UDIN: 22060030AJMDLH6491  
Place: Gandhinagar, Gujrat  
Date: 20.05.2022.

## Annexure "A" to the Independent Auditor's Report on the financial statements

(Referred to in Para 1 under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to The Members of Indian Railway Finance Corporation Limited on the standalone financial Statements for the year ended 31st March, 2022)

1. a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B) The company is maintaining proper records showing full particulars of Intangible assets but the same is subject to verification.
- b) The Company has a regular program of physical verification of its Property, Plant and Equipment by which all fixed assets are verified once in three years but the same has not been carried on during the FY-2021-22. In accordance with this program, physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company except the title deed of office building is yet to be executed in favour of the company.

### Details of Office premises are as below:

Description of property	Gross carrying value	Held in name of	Whether promotor, director or their relative or employee	Period held	Reason for not being held in name of Company
Office Building at NBCC Place including parking area	Rs. 112.32 Million (as per book value)	Occupied by IRFC Ltd on the basis of Agreement to Sale under lease hold from NBCC Ltd and MMTC Ltd	No	Since April 11 2002.	Property held by NBCC Ltd and MMTC Ltd under leasehold agreement from DDA. Thereafter, DDA constructed building and given to IRFC Ltd on lease basis under Agreement to Sale /Transfer.  It will be transferred as and when it will be freehold in the hand of NBCC Ltd & MMTC Ltd

- d) According to the information and explanation given to us, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year ended 31st March , 2022.
  - e) According to the information and explanation given to us, there has not been any proceeding initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, if so, whether the company has appropriately disclosed the details in its financial statements;
2. (a) The Company is a Non-Banking Finance Company and not in the business of any trading, manufacturing, mining or processing. Accordingly, it does not hold any inventory. Therefore, the provisions of paragraph 3 (ii)(a) of the Order are not applicable to the Company.
  - (b) According to the information and explanation given to us, during year ended 31st March , 2022, the company has not been sanctioned working capital limits in excess of five crores rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Hence , there is no requirement of filing of quarterly returns or statements;
3. According to information and explanations given to us, during the year ended 31st , March 2022 the Company has not made investments in, provided any granted or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability



- Partnerships or any other parties. Therefore, the provisions of paragraph 3 (iii) of the Companies (Auditor's Report) Order, are not applicable to the Company.
4. According to information and explanations given to us and based on audit procedures performed, the company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities provided by the Company as specified under sections 185 and 186 of the Companies Act, 2013.
  5. As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the companies (Acceptance of Deposit) Rules, 2015 and the rules made thereunder.
  6. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sec on 148(1) of the Companies Act, for any of the services rendered by the Company. Accordingly, clauses 3(vi) of the Companies (Auditor's Report) Order are not applicable to the Company.
  7. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income- tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities except the following:

Auditors' Opinion	Management reply
TDS outstanding demand as per TDS portal as on 31.03.2022 is Rs 167.50 million due to short deduction of TDS in view of Lower deduction Certificate.	As explained to us , on receipt of details from the Zonal office of Ministry of Railways, TDS returns shall be revised and demand will be reduced.

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Goods & Service Tax ,Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Custom, Duty of excise, VAT, Cess and any other statutory dues were in arrears as at 31st March, 2022 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there is no disputed statutory dues referred to in sub-clause (a) has not been deposited with the appropriate authorities except the demands of Income tax which has not been deposited by the company on account of dispute as the company is confident that the demands will be either deleted or substantially reduced and proper disclosure regarding the same has been given in Note No. 34 of the financial Statement.
8. According to the information and explanations given to us, no transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
9. a) In our opinion, and according to information and explanations given by the management, the company has not defaulted in making repayment of loans or borrowing or in the payment of interest thereon from a Financial Institution, Banks or dues to debenture holders/ bond holders or government as at Balance Sheet date.
- b) According to the information and explanations given to us, the company is not declared willful defaulter by bank or financial institution or other lender.
- c) According to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.
- d) According to the information and explanations given to us, funds raised on short term basis have not been utilized for long term purposes.
- e) According to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Therefore, the provisions of paragraph 3 (ix) (e) are not applicable to the Company.
- f) According to the information and explanations given to us, the company has not raised loans during the year ended 31st March , 2022 on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Therefore, the provisions of paragraph 3 (ix) (e) are not applicable to the Company.
10. According to the information and explanations given by the management and based on our audit procedures performed we report that no money raised by way of initial public offer (IPO) & follow on Public Offer (FPO). Hence, 10(a) & 10(b) is not applicable.

11. a) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the company or on the company has been noticed or reported during the year.
- b) There is no report under sub-section (12) of section 143 of the Companies Act filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors Rules), 2014 with the Central Government.
- c) According to the information and explanations given by the management, the Company has not received whistle-blower complaints during the year ended 31st March, 2022.
12. According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii)(a) of the Order is not applicable.
13. According to the information and explanations given by the management, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
14. a) According to the information and explanations given by the management, the company has internal audit system which commensurate with the size and nature of its business.
- b) Internal Audit Report of Quarter ended June, 2021, Sept 2021, Dec 2021 & March 2022 Quarter have been considered while conducting Statutory Audit.
15. According to the information and explanations given to us and based on audit procedures performed, the Company has not entered into any non-cash transactions with directors or persons connected with him which are covered under Section 192 of Companies Act. Accordingly, paragraph 3(xv) of the Order is not applicable;
16. a) According to the information and explanations given to us, the Company is a Non-Banking Finance Company and is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the registration has been obtained;
- b) As per information and explanations available, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from Reserve Bank of India as per the Reserve Bank of India Act 1934;
- c) Since the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. So clause 16 (c) is not applicable to the Company.
17. According to the information and explanations given to us, company has not incurred cash losses in the year ended 31st March, 2022 and in immediately preceding financial year.
18. According to information and explanation given to us, there is no resignation of the statutory Auditors during the year ended 31st March , 2022 ;
19. According to information and explanation given to us and on the basis of our examination of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, Board of Directors and management plans, no material uncertainty exists as on the date of the audit report and the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
20. a). According to information and explanation given to us, the company has transferred unspent amount, if any, to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;
- b). According to information and explanation given to us the remaining unspent amount, if any, under sub-section (5) of the Companies Act, pursuant to any ongoing project, shall be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act (Refer Disclosure Note-49).
21. According to information and explanation given to us, there is no consolidated Financial Statements. Therefore, Para No 21 of CARO is not applicable.

For **KBDS & Co.**  
Chartered Accountants  
Firm Reg. No: 323288E

Sd/-  
**(CA Dashrath Kumar Singh)**  
Partner  
M. No. - 060030  
UDIN: 22060030AJMDLH6491  
Place: Gandhinagar, Gujrat  
Date: 20.05.2022.

# Annexure “B” to the Independent Auditor’s Report

(Referred to in Para 2(g) under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to The Members of Indian Railway Finance Corporation Limited on the standalone financial statements for the year ended 31st March , 2022)

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Indian Railway Finance Corporation Limited (“the company”) as of 31 March, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls:

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors’ Responsibility:

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note, to the extent applicable to an Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial

controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedure selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting:

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company’s internal financial control over financial reporting includes those policies and procedures that :

Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting:**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion:**

In our opinion, to the best of our information and according to explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential

components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India except the following area where the internal control system required to be improved :

Amount payable to or receivable from Ministry of Railways in respect of Liabilities and Assets against transactions of Financial Statement are subject to reconciliation and confirmation by the Ministry of Railways ( MoR). Please refer to Financial Note-6, Disclosure Note- 33 & 46.

For **KBDS & Co.**  
Chartered Accountants  
Firm Reg. No: 323288E

Sd/-  
**(CA Dashrath Kumar Singh)**  
Partner  
M. No. - 060030  
UDIN: 22060030AJMDLH6491  
Place: Gandhinagar, Gujrat  
Date: 20.05.2022.

## Annexure C to the Independent Auditor's Report on the financial statements

Direction under section 143(5) of the new Companies Act, 2013

S. NO.	Particulars	Reply
1	Whether the company has system in place to process all the accounting transactions through IT system? If Yes, the implication of processing of accounting transaction outside IT system on the integrity of the accounts along with the financial implication, if any, may be stated	The company has an IT system to process its accounting transactions. The company follows accounting software Tally to record its accounting transactions.
2	Whether there is any restructuring if an existing loan or cases of waiver/ write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan ? If yes the financial impact may be stated	There is no restructuring of an existing loan or cases of waiver /write off of debts/loan/interest etc. made by a lender to the company due to the company's inability to repay the loan. Hence financial impact of such cases is nil.
3	Whether funds received/ receivable for specific schemes from central/state agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	No grants received during the year. The company has not received any grants form CENTRAL/STATE agencies unutilized funds pending with the company are being utilized as per terms & conditions of grants.

For **KBDS & Co.**

Chartered Accountants

Firm Reg. No: 323288E

Sd/-

**(CA Dashrath Kumar Singh)**

Partner

M. No. - 060030

UDIN: 22060030AJMDLH6491

Place: Gandhinagar, Gujrat

Date: 20.05.2022.

## Non-Banking Financial Companies Auditors' Report For The Year Ended 31st March 2022

To  
Members,

**Indian Railway Finance Corporation Limited**

Dear Sir,

As required by the " Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India on the matters specified in Para 3 and 4 of the said Directions to the extent applicable to the Corporation, We report that:

1. The Company is engaged in the business of non-banking financial institution, having valid Certificate of Registration as an Infrastructure Finance Company issued by Reserve Bank of India vide No is B-14.00013 dated 22.11.2010. Further , the Company is entitled to continue to hold such registration in terms of its asset / income pattern as on 31.03.2022.
2. The Company is meeting the requirement of net owned funds applicable to an Infrastructure Finance Company as contained in Master Direction-Non Banking Financial Company-Systemically Important Non Deposit taking Company and deposit taking Company (Reserve Bank) Direction 2016.
3. According to the information and explanation given to us , the RBI Directions as to deposits are not applicable to the Company. Therefore , the Board of Directors of the Company has not passed any resolution for non-acceptance of any public deposits during the year 2021-22.
4. The Company has not accepted any public deposits during the financial year 2021-22.
5. For the Financial Year ending 31 March, 2022, the Company has complied with the Accounting Standards, Income recognition norms as per the RBI Master Directions

on Non-Banking Financial Company –Systematically Important Non-Deposit taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 vide No. DNBR.008/03.10.119/2016-17 dated September 1, 2016. Further , the Company , has followed the Accounting Standards, Income Recognition, asset classification and provisioning for Bad and Doubtful Debts/ being a Government Non-Banking Financial Company as defined under clause (45) of Section 2 of the Companies Act ,2013 (18 of 2013) except the income recognition and assets classification (IRAC) norms, standard assets provisioning and exposure norms to Ministry of Railways , Government of India granted by RBI vide their letter no DNBR(PD) CO. No. 1271/03.10.001/2018-19 dated 21.12.2018.

6. As per the information and explanation given to us, the Statement of Capital Funds , Risk Assets/exposures and risk ratio (DNBS-03 Return) has been filed by the Company for the quarter ended 31.03.2022 on the basis of the provisional financial results.

For **KBDS & Co.**  
Chartered Accountants  
Firm Reg. No: 323288E

Sd/-  
**(CA Dashrath Kumar Singh)**  
Partner  
M. No. - 060030  
UDIN: 22060030AJMDLH6491  
Place: Gandhinagar, Gujrat  
Date: 20.05.2022.



# Revised Independent Auditor's Report

To  
The Members,  
**Indian Railways Finance Corporation Limited,**

## Report on the Audit of the Standalone Financial Statements

### OPINION

We have audited the standalone financial statements of Indian Railway Finance Corporation Limited ("the Company"), which comprise the balance sheet as at 31st March, 2022 and the statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022 and the profit and total comprehensive income, changes in equity, and its cash flows for the year ended on that date.

This report has been revised consequent upon observations of Comptroller of Auditor General of India during the course of audit u/s 139(5) of the Companies Act, 2013 as amended, for the year ended on 31st March, 2022, and this report supersedes our earlier report dated 20th May, 2022 under section 143 of the Companies Act, 2013.

### BASIS FOR OPINION

We conducted our Audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further

described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there-under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### EMPHASIS OF MATTERS

We draw attention towards:

1. Reconciliation & Balance confirmation from Ministry of Railway (MoR) have been done for the FY- 2016-17, 2017-18 & 2018-19 for lease rental receivable. Reconciliation & Balance confirmation from MoR for the FY-2019-20, 2020-21 and 2021-22 are yet to be completed. Please Refer to Note-6 & 33.
2. In respect of Advance against Project Assets, Utilization Certificates have been received from time-to-time from the Ministry of Railway (MoR). Please refer to Note-46.

### We have determined the matters described below to be the Key Audit Matters to be communicated: -

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of financial statements of the audit period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S.No.	Key Audit Matters	Auditor's Response
1.	The government has introduced new section 115BAA by the Taxation Law (Amendment) Ordinance, 2019 w.e.f F.Y. 2019-20, which provides an option to opt for a income tax rate of 22%, Surcharge 10% & Health and Education Cess at 4% by any domestic company. By opting this total effective tax rate will be at 25.17% (under normal provision of income tax) as against earlier effective tax rate of 34.95% (under normal provision of income tax). However, the earlier effective tax rate under MAT was 21.55% which was applicable on the company.	After adoption of Section 115BAA, the taxable income under the normal provision income tax may become NIL. Further after adoption of section 115BAA, the company will be outside the scope and applicability of MAT Provision under section 115JB of Income Tax Act, 1961. Hence, no tax liability may be there for the F.Y 2021-22 on the company.  Hence, no tax provision has been created for the year ended 31.03.2022.
2.	Compliance in respect of SEBI (LODR) regulation 2015	The number of independent directors on the board was less than half of the total strength of the Board as required under SEBI (LODR) regulation, 2015 and the DPE guidelines.



## Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate

to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatement in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit read with mentioned under the emphasis of matter.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) There is no branch office of the company.
  - d) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of changes of Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - f) In terms of Notification No. GSR 463(E) dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Sub-section 2 of Section 164 of the Act, are not applicable to the Company, being a government company.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, as referred to "Annexure B" of Audit Report.
- h) The company being the government company owned by the Central Govt., therefore section 197 (16) of the Companies Act 2013 shall not apply vide Notification no. GSR 463(E) dated 5th June 2015.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, and Companies (Audit and Auditors) Amendment Rules 2021, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Disclosure Note 34 to the financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 38 to the financial statements;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company- Refer Disclosure Note 47(b) to the financial statements;
  - iv. a. The Company has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b. The Company has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.

For **KBDS & Co.**  
Chartered Accountants  
Firm Reg. No: 323288E

Sd/-  
**(CA Dashrath Kumar Singh)**  
Partner  
M. No. - 060030  
UDIN: 22060030AMSNQA8669

Place: Delhi  
Date: 12.07.2022.

## Annexure “A” to the Independent Auditor’s Report on the financial statements

(Referred to in Para 1 under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to The Members of Indian Railway Finance Corporation Limited on the standalone financial Statements for the year ended 31st March, 2022)

1. a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
  
(B) The company is maintaining proper records showing full particulars of Intangible assets but the same is subject to verification.
- b) The Company has a regular program of physical verification of its Property, Plant and Equipment by which all fixed assets are verified once in three years but the same has not been carried on during the FY-2021-22. In accordance with this program, physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company except the title deed of office building is yet to be executed in favour of the company.

### Details of Office premises are as below:

Description of property	Gross carrying value	Held in name of	Whether promotor, director or their relative or employee	Period held	Reason for not being held in name of Company
Office Building at NBCC Place including parking area	Rs. 112.32 Million (as per book value)	Occupied by IRFC Ltd on the basis of Agreement to Sale under lease hold from NBCC Ltd and MMTC Ltd	No	Since April 11 2002.	Property held by NBCC Ltd and MMTC Ltd under leasehold agreement from DDA. Thereafter, DDA constructed building and given to IRFC Ltd on lease basis under Agreement to Sale /Transfer.  It will be transferred as and when it will be freehold in the hand of NBCC Ltd & MMTC Ltd

- d) According to the information and explanation given to us, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year ended 31st March, 2022.
  - e) According to the information and explanation given to us, there has not been any proceeding initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
2. (a) The Company is a Non-Banking Finance Company and not in the business of any trading, manufacturing, mining or processing. Accordingly, it does not hold any inventory. Therefore, the provisions of paragraph 3 (ii)(a) of the Order are not applicable to the Company.
  - (b) According to the information and explanation given to us, during year ended 31st March, 2022, the company has not been sanctioned working capital limits in excess of five crores rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Hence, there is no requirement of filing of quarterly returns or statements;
3. According to information and explanations given to us, during the year ended 31st, March 2022 the Company has made investments in, provided any granted or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year:

- a. The company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity except loans and advances given under principal course of business being a NBFC company. Therefore, this clause is not applicable.
  - b. The investments made, guarantees provided, security given and the terms and conditions of the grant of such all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;
  - c. In respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular as per stipulation;
  - d. There is no overdue amount in respect of remaining outstanding amount as at the balance sheet date;
  - e. No loan or advance, in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties;
  - f. The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.
4. According to information and explanations given to us and based on audit procedures performed, the company has complied with the provisions of sections 185 and 186 of the Companies Act, specified under sections 185 and 186 of the Companies Act, 2013.
  5. As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the companies (Acceptance of Deposit) Rules, 2015 and the rules made thereunder.
  6. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sec on 148(1) of the Companies Act, for any of the services rendered by the Company. Accordingly, clauses 3(vi) of the Companies (Auditor's Report) Order are not applicable to the Company.
  7. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income- tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities except the following:

Auditors' Opinion	Management reply
TDS outstanding demand as per TDS portal as on 31.03.2022 is Rs 167.50 million due to short deduction of TDS in view of Lower deduction Certificate.	As explained to us, on receipt of details from the Zonal office of Ministry of Railways, TDS returns shall be revised and demand will be reduced.

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Goods & Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Custom, Duty of excise, VAT, Cess and any other statutory dues were in arrears as at 31st March, 2022 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us and as certified by the management on which we have relied upon, the disputed demand of Income tax has been raised & adjusted by Income Tax Department against advance tax (TDS) as per Assessment Order. Against such demand, the Company has filed an appeal with Income tax Department. A disclosure regarding the same has been given in Note No. 34 of the financial Statement. Details of disputed demand is mentioned below:

Nature of dues	Name of Statute	Disputed dues	Disputed dues adjusted/paid	Pending Amt	Period	Authority where appeal is pending
Income tax	Income Tax Act	2043.26 Million	2043.26 Million	Nil	Asst Yr- 2019-20	CIT (A)

8. According to the information and explanations given to us, no transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
9.
  - a) In our opinion, and according to information and explanations given by the management, the company has not defaulted in making repayment of loans or borrowing or in the payment of interest thereon from a Financial Institution, Banks or dues to debenture holders/bond holders or government as at Balance Sheet date.
  - b) According to the information and explanations given to us, the company is not declared willful defaulter by bank or financial institution or other lender.
  - c) According to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.
  - d) According to the information and explanations given to us, funds raised on short term basis have not been utilized for long term purposes.
  - e) According to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Therefore, the provisions of paragraph 3 (ix) (e) are not applicable to the Company.
  - f) According to the information and explanations given to us, the company has not raised loans during the year ended 31st March, 2022 on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Therefore, the provisions of paragraph 3 (ix) (e) are not applicable to the Company.
10. According to the information and explanations given by the management and based on our audit procedures performed we report that no money raised by way of initial public offer (IPO) & follow-on Public Offer (FPO). Hence, 10(a) & 10(b) is not applicable.
11.
  - a) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the company or on the company has been noticed or reported during the year.
  - b) There is no report under sub-section (12) of section 143 of the Companies Act filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors Rules), 2014 with the Central Government.
  - c) According to the information and explanations given by the management, the Company has not received whistle-blower complaints during the year ended 31st March, 2022.
12. According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii)(a) of the Order is not applicable.
13. According to the information and explanations given by the management, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
14.
  - a) According to the information and explanations given by the management, the company has internal audit system which commensurate with the size and nature of its business.
  - b) Internal Audit Report of Quarter ended June, 2021, Sept 2021, Dec 2021 & March 2022 Quarter have been considered while conducting Statutory Audit.
15. According to the information and explanations given to us and based on audit procedures performed, the Company has not entered into any non-cash transactions with directors or persons connected with him which are covered under Section 192 of Companies Act. Accordingly, paragraph 3(xv) of the Order is not applicable;
16.
  - a) According to the information and explanations given to us, the Company is a Non-Banking Finance Company and is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the registration has been obtained;
  - b) As per information and explanations available, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from Reserve Bank of India as per the Reserve Bank of India Act 1934;
  - c) Since the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. So, clause 16 (c) is not applicable to the Company.
17. According to the information and explanations given to us, company has not incurred cash losses in the year ended 31st March, 2022 and in immediately preceding financial year.
18. According to information and explanation given to us, there is no resignation of the statutory Auditors during the year ended 31st March, 2022;



19. According to information and explanation given to us and on the basis of our examination of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, Board of Directors and management plans, no material uncertainty exists as on the date of the audit report and the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
20. a). According to information and explanation given to us, the company has transferred unspent amount, if any, to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;
- b). According to information and explanation given to us the remaining unspent amount, if any, under sub-section (5) of the Companies Act, pursuant to any ongoing project,

shall be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act (Refer Disclosure Note-49).

21. According to information and explanation given to us, there is no consolidated Financial Statements. Therefore, Para No 21 of CARO is not applicable.

For **KBDS & Co.**  
Chartered Accountants  
Firm Reg. No: 323288E

Sd/-  
**(CA Dashrath Kumar Singh)**  
Partner  
M. No. - 060030  
UDIN: 22060030AMSNQA8669

Place: Delhi  
Date: 12.07.2022.



# Annexure “B” to The Independent Auditor’s Report

(Referred to in Para 2(g) under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to The Members of Indian Railway Finance Corporation Limited on the standalone financial statements for the year ended 31st March, 2022)

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Indian Railway Finance Corporation Limited (“the company”) as of 31 March, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls:

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors’ Responsibility:

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note, to the extent applicable to an Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial

controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedure selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting:

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company’s internal financial control over financial reporting includes those policies and procedures that:

Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting:**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion:**

In our opinion, to the best of our information and according to explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential

components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India except the following area where the internal control system required to be improved :

Amount payable to or receivable from Ministry of Railways in respect of Liabilities and Assets against transactions of Financial Statement are subject to reconciliation and confirmation by the Ministry of Railways (MoR). Please refer to Financial Note-6, Disclosure Note- 33 & 46.

For **KBDS & Co.**  
Chartered Accountants  
Firm Reg. No: 323288E

Sd/-  
**(CA Dashrath Kumar Singh)**  
Partner  
M. No. - 060030  
UDIN: 22060030AMSNQA8669

Place: Delhi  
Date: 12.07.2022.

## Annexure C to the Independent Auditor's Report on the financial statements

Direction under section 143(5) of the new Companies Act, 2013

S. No.	Particulars	Reply
1	Whether the company has system in place to process all the accounting transactions through IT system? If Yes, the implication of processing of accounting transaction outside IT system on the integrity of the accounts along with the financial implication, if any, may be stated	<p>The company has an IT system to process its accounting transactions. The company follows accounting software Tally to record its accounting transactions.</p> <p>Based on the information and explanations given to us and on the basis of verification carried out by us during the course of audit, there is no implication of processing of accounting transaction outside IT system on the integrity of the accounts along with financial implication.</p>
2	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan ? If yes, the financial impact may be stated. Whether such cases are properly accounted for ?	<p>There is no restructuring of an existing loan or cases of waiver /write off of debts/loan/interest etc. made by a lender to the company due to the company's inability to repay the loan.</p> <p>Hence financial impact of such cases is nil.</p>
3	Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/State Government or its agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	<p>No funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies during the year. Hence no matter of accounting and utilization of funds required.</p>

For **KBDS & Co.**  
Chartered Accountants  
Firm Reg. No: 323288E

Sd/-  
**(CA Dashrath Kumar Singh)**  
Partner  
M. No. - 060030  
UDIN: 22060030AMSNQA8669

Place: Delhi  
Date: 12.07.2022.

## NON-BANKING FINANCIAL COMPANIES AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2022

To  
Members,  
Indian Railway Finance Corporation Limited,

Dear Sir,

As required by the " Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India on the matters specified in Para 3 and 4 of the said Directions to the extent applicable to the Corporation, We report that:

1. The Company is engaged in the business of non-banking financial institution, having valid Certificate of Registration as an Infrastructure Finance Company issued by Reserve Bank of India vide No is B-14.00013 dated 22.11.2010. Further , the Company is entitled to continue to hold such registration in terms of its asset / income pattern as on 31.03.2022.
2. The Company is meeting the requirement of net owned funds applicable to an Infrastructure Finance Company as contained in Master Direction-Non Banking Financial Company- Systemically Important Non Deposit taking Company and deposit taking Company (Reserve Bank) Direction 2016.
3. According to the information and explanation given to us, the RBI Directions as to deposits are not applicable to the Company. Therefore, the Board of Directors of the Company has not passed any resolution for non-acceptance of any public deposits during the year 2021-22.
4. The Company has not accepted any public deposits during the financial year 2021-22.
5. For the Financial Year ending 31 March, 2022, the Company has complied with the Accounting Standards, Income recognition norms as per the RBI Master Directions on Non-Banking Financial Company –Systematically Important Non-Deposit taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 vide No. DNBR.008/03.10.119/2016-17 dated September 1, 2016. Further , the Company , has followed the Accounting Standards, Income Recognition, asset classification and provisioning for Bad and Doubtful Debts/ being a Government Non-Banking Financial Company as defined under clause (45) of Section 2 of the Companies Act ,2013 (18 of 2013) except the income recognition and assets classification (IRAC) norms, standard assets provisioning and exposure norms to Ministry of Railways , Government of India granted by RBI vide their letter no DNBR(PD) CO. No. 1271/03.10.001/2018-19 dated 21.12.2018.
6. As per the information and explanation given to us, the Statement of Capital Funds, Risk Assets/exposures and risk ratio (DNBS-03 Return) has been filed by the Company for the quarter ended 31.03.2022 on the basis of the provisional financial results.

For **KBDS & Co.**  
Chartered Accountants  
Firm Reg. No: 323288E

Sd/-  
**(CA Dashrath Kumar Singh)**  
Partner  
M. No. - 060030  
UDIN: 22060030AMSNQA8669

Place: Delhi  
Date: 12.07.2022.

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF INDIAN RAILWAY FINANCE CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2022**

The preparation of financial statements of Indian Railway Finance Corporation Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 12 July 2022, which supersedes their earlier Audit Report dated 20 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Indian Railway Finance Corporation Limited for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. The Audit Report has been revised by the statutory auditor to give effect to some of my audit observations raised during supplementary audit.

In addition, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

**A. Comments on Financial Position**

**Assets**

**Financial Assets**

**i. Receivables – Note 6**

**Lease Receivables – Rs. 2,006,924.99 million**

**Loans – Note 7 Rs. 68,248.05 million**

The above 'Lease Receivables' represents the amount receivable from Ministry of Railway towards financing Rolling Stock and Other Railways Projects. The disclosure of the above as 'Receivables' instead of 'Loans' (Note 7) was in violation of Schedules III (Division III) of the Companies Act, 2013.

This had resulted in overstatement of 'Receivables' by Rs. 2,006,924.99 million and also understatement of 'Loans' by the same amount.

**ii. Receivables (Note 6) – Lease Receivables Rs. 2,006,924.99 million**

The above includes Rs. 208,987.22 million being the amount depicted as 'Lease Receivables' from Ministry of Railways (MoR) for the railway projects funded for creating infrastructure projects (Rs.151,612.02 million for EBR-IF and Rs. 57,375.20 million for National Projects).

As per Para 9 of Ind AS 116, '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 a consideration.

The company has entered (March, 2022) into lease agreement for the above 'Lease Receivables, with MoR. However, specific railway asset(s) created with the funds provided by IRFC cannot be identified from the list of projects given in the agreement. As such the same cannot be classified as 'lease' in terms of the Para 9 of Ind AS 116.

Further, the Company can only finance Railway Assets through lease finance as per its Memorandum of Association. As such, the above cannot be termed as 'Loan'.

This has resulted into overstatement of Lease Receivables by Rs. 208,987.22 million.

**iii. Other Non- Financial Assets (Note 13) – Rs. 164,940.28 million**

Other Equity (Note 22) Rs. 279,278.34 million

The above amount of Other Non-Financial Assets includes Rs. 111.05 million being the amount shown as recoverable from Department of Investment and Public Asset Management (DIPAM) towards share issue expenses. However, DIPAM has not confirmed the amount.

This has resulted into overstatement of Other Non – Financial Assets by Rs. 111.05 million and corresponding overstatement of Other Equity, to the same extent.

**For and on the behalf of the  
Comptroller & Auditor General of India**

Sd/-

**Vikram D. Murugaraj**

Principal Director of Audit

Railway Commercial, New Delhi

Place : New Delhi

Dated: 29.07.2022

## Annexure to Comments of C&amp;AG

CAG Comments	Management Reply on CAG Comments
<p><b>Assets</b></p> <p><b>Financial Assets</b></p> <p><b>i. Receivables – Note 6</b></p> <p><b>Lease Receivables – Rs. 2,006,924.99 million</b></p> <p><b>Loans – Note 7 Rs. 68,248.05 million</b></p> <p>The above 'Lease Receivables' represents the amount receivable from Ministry of Railway towards financing Rolling Stock and Other Railways Projects. The disclosure of the above as 'Receivables' instead of 'Loans' (Note 7) was in violation of Schedules III (Division III) of the Companies Act, 2013.</p> <p>This had resulted in overstatement of 'Receivables' by Rs. 2,006,924.99 million and also understatement of 'Loans' by the same amount.</p>	<p>Para 67 of Ind AS 116 "Leases", states that, 'At the commencement date, a lessor shall recognize assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease'</p> <p>Considering the nature of IRFC business and proportion of lease receivables (98%) in comparison to loan given to other railway entities (2%), the disclosure of amount lease receivable as separate line item on the face of Balance sheet facilitates the better readability and understanding for the user of financial statement. Hence, there is no overstatement of 'Receivables' by Rs. 2,006,924.99 million and also understatement of 'Loans'.</p> <p>However as suggested by CAG, Company will review the existing classification for disclosure in financial statements of 2022-23.</p>
<p><b>ii. Receivables (Note 6) – Lease Receivables Rs. 2,006,924.99 million</b></p> <p>The above includes Rs. 208,987.22 million being the amount depicted as 'Lease Receivables' from Ministry of Railways (MoR) for the railway projects funded for creating infrastructure projects (Rs. 151,612.02 million for EBR-IF and Rs. 57,375.20 million for National Projects).</p> <p>As per Para 9 of Ind AS 116, '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 a consideration.</p> <p>The company has entered (March, 2022) into lease agreement for the above 'Lease Receivables, with MoR. However, specific railway asset(s) created with the funds provided by IRFC cannot be identified from the list of projects given in the agreement. As such the same cannot be classified as 'lease' in terms of the Para 9 of Ind AS 116.</p> <p>Further, the Company can only finance Railway Assets through lease finance as per its Memorandum of Association. As such, the above cannot be termed as 'Loan'.</p> <p>This has resulted into overstatement of Lease Receivables by Rs. 208,987.22 million.</p>	<p>The management is of the opinion that, Schedule I of lease agreement which has been executed by IRFC with MoR for the Project Assets (EBR-IF 2015-16 &amp; National Projects 2018-19), clearly provides the details of the 'Railway Projects' which have been leased to the MoR and vide this agreement right of control of use of Railway Projects has been given to MOR. Further, IRFC does not have any substitution right over these assets as envisaged by Ind AS 116 for it to be an Identified Asset.</p> <p>Hence, Railway Projects which are funded by IRFC are the identified assets as per Ind-AS 116 and there is no overstatement of Lease Receivables by Rs. 208,987.22 million.</p> <p>However, for the purpose of redressal of CAG's concern, the Company has approached MOR for seeking further specific details of the Railway Projects as enlisted in the agreement. Response of MOR is awaited.</p>
<p><b>iii. Other Non- Financial Assets (Note 13) – Rs. 164,940.28 million</b></p> <p><b>Other Equity (Note 22) Rs. 279,278.34 million</b></p> <p>The above amount of Other Non-Financial Assets includes Rs. 111.05 million being the amount shown as recoverable from Department of Investment and Public Asset Management (DIPAM) towards share issue expenses. However, DIPAM has not confirmed the amount.</p> <p>This has resulted into overstatement of other Non-Financial Assets by Rs. 111.05 million and corresponding overstatement of Other Equity, to the same extent.</p>	<p>As per the email dated 22nd Feb 2021 DIPAM have given in principle approval to IRFC that the overall issue expenses will be shared between IRFC and DIPAM as per the extant guidelines in the ratio of 10:5 (as per the ratio of Fresh Issue and OFS).</p> <p>Presently, we are in the process of settling expenses with Lead Managers and after finalisation of total expenses, DIPAM will reimburse its share of expenses.</p> <p>Accordingly, the management is of the opinion that there is no overstatement of other Non-Financial Assets by Rs. 111.05 million and Other Equity.</p>





Swachh Bharat Abhiyan



Kavi Sammelan



Kavi Sammelan





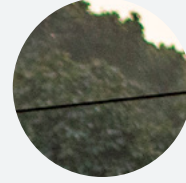
Flag Hoisting Independence Day



73rd Republic Day



34th Annual General Meeting



**INDIAN  
RAILWAY  
FINANCE  
CORPORATION**

**Indian Railway Finance Corporation Limited**

CIN – L65910DL1986GOI026363

Room Nos. 1316 – 1349, 3rd Floor, The Ashok

Diplomatic Enclave, 50-B, Chanakyapuri, New Delhi 110021

Phone: +91 011 – 24100385

Email: [investors@irfc.co.in](mailto:investors@irfc.co.in)

Website: <https://irfc.co.in/>

