

# 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/2021-22/36

3<sup>rd</sup> September, 2021

<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: IRFC</b>	<b>Scrip Code: 543257</b>

**Sub: Intimation regarding convening of 34<sup>th</sup> AGM, submission of 34<sup>th</sup> Annual Report for the financial year 2020-21 along with Notice of AGM, Closure of Register of Members & Share Transfer Books and information regarding Remote e-voting**

Sir/ Madam,

This is to inform that pursuant to Regulations 30 and 34 of SEBI (LODR) Regulations, 2015 the 34<sup>th</sup> Annual General Meeting (AGM) of Indian Railway Finance Corporation Limited will be held on Wednesday, 29<sup>th</sup> September, 2021 at 3.00 P.M. through video conferencing/other audiovisual means. In compliance 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 34<sup>th</sup> AGM and Annual Report containing the financial statements for the financial year 2020-21, 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, 27<sup>th</sup> August, 2021, 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 2020-21 containing therein Notice of AGM is hosted on the Company's website link: <https://irfc.nic.in/annual-ar-2020-21/>.

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 34<sup>th</sup> AGM:-

S. No	Particulars	Details
1.	Cut-off date for determining the eligibility of shareholders to vote by electronic means or in the general meeting.	Wednesday, 22nd September, 2021
2.	Book Closure Period	25th September, 2021 to 28th September, 2021 (both days inclusive).
3.	Period of remote e-voting to enable shareholders as on the Cut-off date i.e. 22 <sup>nd</sup> September, 2021 to cast their votes on proposed resolutions electronically.	The remote e-voting period begins on 26th September, 2021 at 9:00 AM (IST) and ends on 28th September, 2021 at 5:00 PM (IST).

This is submitted for your information and record.

Thanking You,

For Indian Railway Finance Corporation Limited

(Vijay Babul Shirode)  
Company Secretary & Compliance Officer

Enclosure: As Above

वर्षा जैन





**INDIAN  
RAILWAY  
FINANCE  
CORPORATION**

# Poised for tomorrow

CONTRIBUTING TO THE VISION OF  
'ATMANIRBHAR BHARAT'

34<sup>TH</sup> ANNUAL REPORT 2020-21

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For more additional information about the company log on to <http://irfc.nic.in/>

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## 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.



**Our dedicated approach to support the expansion and modernisation of Indian Railways keeps us perfectly poised to realise the dreams of tomorrow. Over the years, we have constantly diversified the borrowing portfolio and taken necessary steps to emerge as a reliable and efficient financial services provider.**

**Our thrust on mobilising resources and exploring innovative and diverse instruments for raising funds, demonstrates our ability to consistently keep the cost of borrowing low. With a sharp focus on operational efficiency, we have improved financial performances and have recorded remarkable growth. Today, we remain poised for tomorrow – contributing effectively to the vision of making India ‘Atmanirbhar’.**

# 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

## Chief Vigilance Officer

**Shri Sanjeev Jain**

## Company Secretary & Compliance Officer

**Shri Vijay Babulal Shirode**

## Registered Office

Room Nos. 1316 – 1349, 3rd Floor,  
Hotel 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

www.irfc.nic.in

## Email ID

investors@irfc.nic.in

\*As on 13th August, 2021

# PROFILE OF 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

\*As on 13th August, 2021

### **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 the University of Delhi and is also a fellow member of the Institute of Chartered Accountants of India. She has more than 30 years' experience in Power Sector Financing. Prior to her appointment to the 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 India Infrastructure Finance Company Ltd., ONGC Videsh Ltd., Indian Railway Station Development Corporation Ltd, Air India Assets Holdings Limited and National Investment and Infrastructure Fund Trustee Limited.

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 Sanjeev Jain**  
Chief Vigilance Officer



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



# CHAIRMAN'S MESSAGE



## Dear Shareholders,

The past financial year will be remembered for many decades to come as one, that has severely affected humankind and changed our way of life. I extend my sincerest condolences to those who have lost their loved ones. Over the course of the last fiscal, Indian Railway Finance Corporation Limited (IRFC) too has faced a challenging business environment. Owing to the rapid outbreak of COVID-19 in FY20 and the subsequent second wave witnessed in FY21, economic volatility continued. Amidst difficulties, our people have demonstrated tremendous strength of character and I am extremely proud of their resilience, dedication and perseverance. We will, therefore, look back at the year not so much for the challenges they posed but, for the measures and solutions we have adopted to cope with them.

### Economic Overview

The Indian economy has undergone a period of uncertainty during the year under review, mostly on account of the devastating Covid-19 pandemic. This has resulted in an economic contraction of 7.3% in FY21. As lockdowns and social distancing protocols continue to be implemented worldwide, business operations were negatively impacted and a steep decline in manufacturing output was noticed across industries. To offset the damage, governments and central banks have extended their support in the form of supportive monetary policies and fiscal measures that helped to stimulate recovery and provided much needed liquidity protection for businesses.

The Indian government along with the Reserve Bank of India announced a stimulus package to revive the economy towards the beginning of financial year 2021. It included measures such as:

- a) Production Linked Incentive (PLI) scheme, worth up to ₹ 1.46 lakh crore for 10 key sectors, in a bid to boost India's manufacturing capabilities and enhance exports
- b) Emergency Credit Line Guarantee Scheme (ECLGS) to provide liquidity support to 26 stressed sectors by providing collateral free and 100% guaranteed loans
- c) Reduction in repo rates
- d) Monetary help through direct account transfers to economically weaker sections.

These initiatives have helped to propagate modest economic growth in FY 2020-21, supporting a recovery after the pandemic.

### Operational Highlights

IRFC reported a stellar performance during the year under review, with all-time high revenue and profits. The net profit for FY21 stood at ₹ 4,416.13 crore, an increase of 38.34% against ₹ 3,192.09 crore in the last fiscal. The total revenue from operations grew by 17.51%, year-on-year, amounting to ₹ 15,770.47 crore against ₹ 13,421.01 crore in the last fiscal year. Company declared interim dividend of ₹ 1,372.19 crore which works out to 31.07% of PAT for FY 2020-21.

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,

**The company continues to raise funds at the most competitive rates, both from domestic as well as overseas financial markets and has helped to keep the cost of borrowing low**

ICRA and CARE, respectively. 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 Negative Outlook” ratings, respectively.

IRFC has recorded a phenomenal 51% growth in annual disbursements, which increased from ₹ 70,471.96 crore in FY 20 to ₹ 1,04,369 crore in FY 21. The AUM for FY 21 stands at ₹ 3,60,079 crore, registering a year-on-year growth of 35.29%. The capital adequacy ratio of IRFC continues to remain strong at 420.46% in FY21. The total Capital Outlay (Capital Expenditure) of MoR for the year 2020-21 was ₹1,55,161 crore out of which IRFC’s disbursement against the same was significant at ₹ 1,04,369 crore, which constitutes 67.43% of total capital outlay for the year 2020-21.

As a responsible corporate citizen, your Company attaches high importance to activities related to Corporate Social Responsibility (CSR) and has strictly adhered to the relevant provisions of the Companies Act, 2013 in this regard. CSR Budget for the year 2020-21 was pegged at ₹61.23 crore, against which, the Company approved total 6 projects with total outlay of ₹61.28 crore, against which, the Company has disbursed a sum of ₹41.51 crore. A total sum of ₹30 crore has been contributed to PM CARES Fund.

Equity shares got listed on 29th January, 2021 on BSE Limited and National Stock Exchange of India Limited. Initial Public Offerings (IPO) got an encouraging response from investors and was oversubscribed 3.8 times by QIB, 2.7 times by Non

Institutional Investors and 3.7 times by Retail Investors leading to overall subscription of 3.5 times the issue size. It is the first time that a Public Sector Enterprise has provided allocation to anchor investors in an issue. Based on current market capitalisation of Company, it is in the list of top 500 listed companies as on 31st March 2021.

The company continues to raise funds at the most competitive rates, both from domestic as well as overseas financial markets and has helped to keep the cost of borrowing low.

### Indian Railways Sector

The Indian Railways is a departmental undertaking of the Government of India, which owns and operates most of India’s rail transport. The Indian Railways has the fourth largest railway system in the world, after the US, Russia and China. Recently, private participation in rail projects is being encouraged and the government has approved ‘participative models for rail-connectivity and capacity augmented project’s, allowing private ownership of certain segments of railways. The government has announced two key initiatives—operation of passenger trains by private players and redevelopment of railway stations across the country. According to Indian Railways, these projects have the potential of attracting investments worth over US\$ 7.5 billion in the next five years.

To boost rail infrastructure and make the Indian Railways network future ready, Indian Railways has identified 56 projects across the country, in various zones, to be completed by FY 21 and FY 22. Under the Union Budget 2021-22, the government allocated

₹ 1,10,054.64 crore to the Ministry of Railways. Indian manufacturers, under the ‘Atmanirbhar Bharat’ initiative, are being urged to build capacities to support the development of the country’s first high-speed rail corridor connecting Ahmedabad and Mumbai. As part of the National Rail Plan 2030, Indian Railways is expected to create a future-ready railway system by 2030 to bring down logistics cost and as per Vision 2024 part of National Rail Plan 2030, ensure 100% electrification of broad gauge rail routes by 2024.

I believe that the IRFC team will be sufficiently prepared to tackle any upcoming challenges and continue to adequately support the Indian Railways in its future endeavours. The ingenuity and expertise showcased by our team of highly talented individuals gives me immense confidence to be extremely optimistic about our future.

I would like to express my appreciation to our employees for an unmatched display of courage and dedication during these tough times. Going beyond short-term uncertainties, we remain focused on capitalising upcoming opportunities and are poised to benefit from the market recovery witnessed lately. I would like to extend my sincere gratitude to our customers, shareholders, suppliers, employees, lending institutions and the Government of India for their unabated trust, support and faith in our abilities.

Regards,

Sd/-

**(Shri Amitabh Banerjee)**

Chairman & Managing Director

DIN: 03315975

# ABOUT US

## Indian Railway Finance Corporation (IRFC) is the dedicated market borrowing arm of the Indian Railways, Government of India Enterprise, under the Ministry of Railways (MoR)

The Company finances acquisition of rolling stock assets along with providing funds for building infrastructure for Railways. The primary objective of IRFC is to meet the 'Extra Budgetary Resources' (EBR) of the Indian Railways through market borrowings at the most competitive rates.

IRFC is consistently supporting the growth, expansion and modernisation of Indian Railways through funding of railway projects and capacity enhancement works. We are also a trusted lender for other entities in the Railway sector, including Rail Vikas Nigam Limited (RVNL), Konkan Railway Corporation Limited (KRCL), IRCON, Railtel etc. IRFC is constantly diversifying borrowing portfolio to adequately support the endeavours of Indian Railways, year after year.



### 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.



### KEY HIGHLIGHTS OF FY 2020-21

**₹ 1,57,704.72 Million**  
Revenue from Operations

**NIL**  
Gross Non-Performing Assets & Tax Liability

**420.46%**  
CRAR

**₹ 359,134 Million**  
Net Worth

**9x**  
Net Gearing Ratio



## OBJECTIVES

In achieving the mission, the objectives of the Corporation are:

- To mobilise resources through market borrowings from domestic as well as Overseas Capital Markets at the most competitive rates & terms as per annual targets given by the Ministry of Railways.
- To explore use of innovative and diverse instruments for raising funds so as to reduce the cost of borrowings to the Company.
- To provide timely funding for acquisition of Rolling Stock assets for use by MOR.
- To leverage the Company's business advantage, the large size and diverse activities of MoR by efficiently provide customised professional services at competitive cost.
- To explore the possibility of financing CPSEs and other entities for creation of rail infrastructure so as to sustain future growth and profitability.
- To make judicious use of derivatives and other emerging products for risk mitigation at opportune time and optimum cost.
- To strive for high quality service to the investors, lenders and other financial intermediaries and to effect prompt redress of their grievances/problems.
- To ensure optimum utilization of resources.
- To enhance professionalism amongst the employees of the Company through training and other human resource tools.



## RATINGS

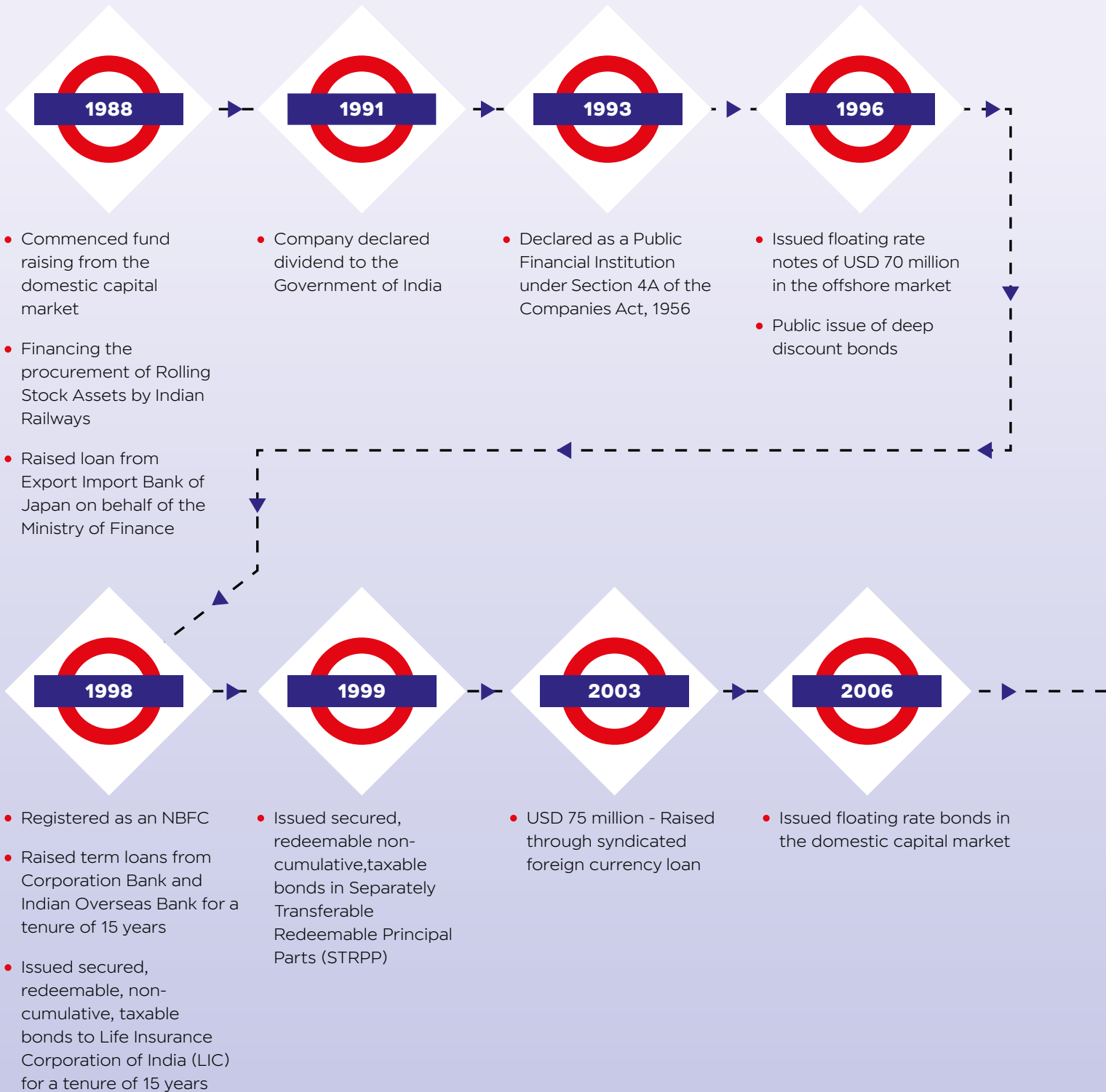
CRISIL AAA		CRISIL A1+
ICRA AAA		ICRA A1+
CARE AAA		CARE A1+

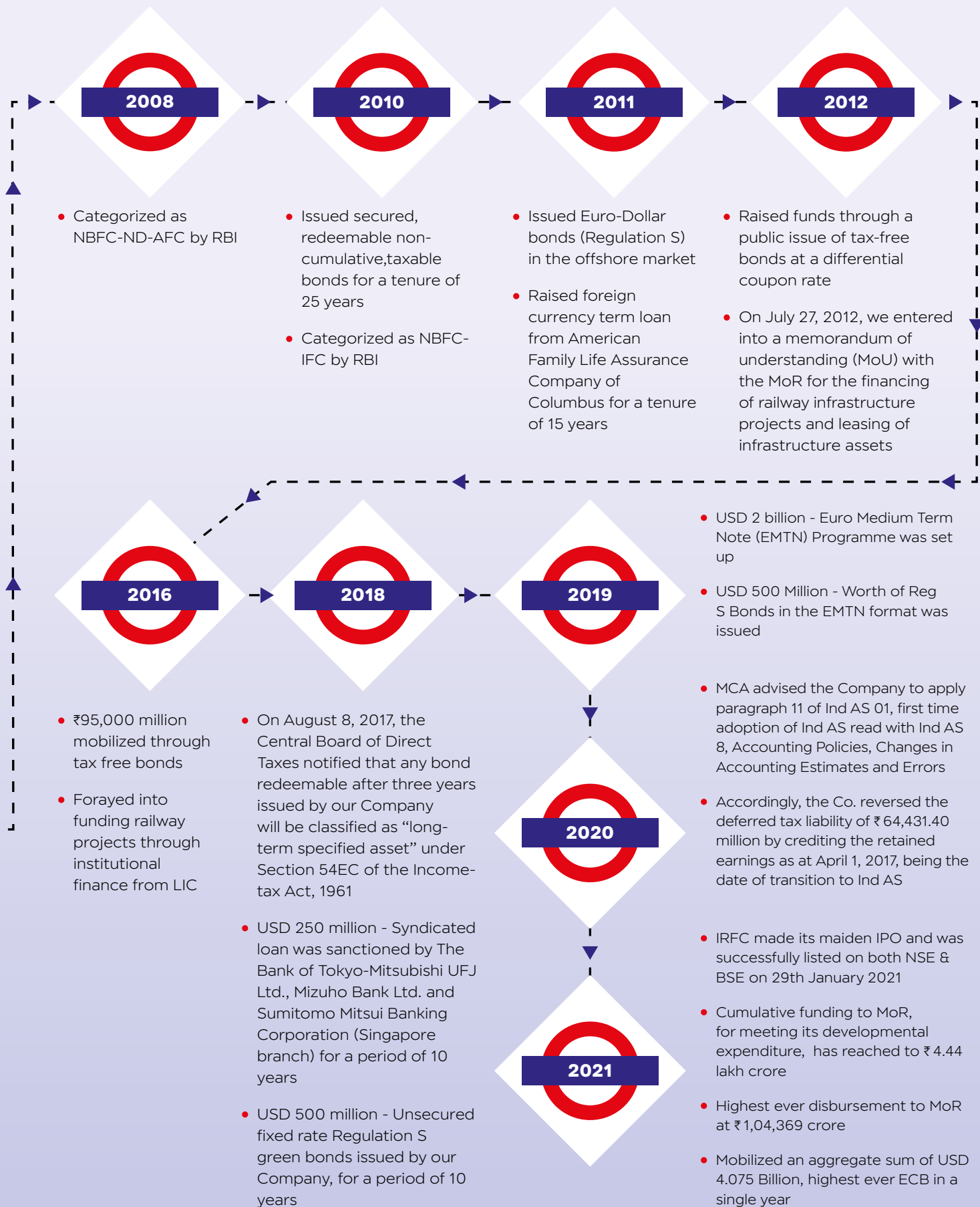
# OUR JOURNEY SO FAR

**Incorporated on 12th December, 1986**, as a public limited company, the Indian Railway Finance Corporation is registered with the RBI as a systematically important NBFC-ND-IFC.

Over the past 35 years, we have achieved numerous milestones and efficiently fulfilled corporate governance norms.

Let us take a look at the company's milestones and key events before the initial public offering in January, 2021.





# FOCUSED APPROACH ASTOUNDING STRENGTHS

**IRFC has consistently supported efforts to modernise and expand the operations of Indian Railways. We are consistently scaling up our capabilities to play a pivotal role in the growth of railways in India. Over the years, we have relied on our inherent strengths to enhance value for our stakeholders**

## Strategically financing growth of Indian Railways

We were incorporated as the dedicated market borrowing arm of the Indian Railways and have played a strategic role in financing the operations of Indian Railways. We believe, the extensive expansion plans of Indian Railways will involve significant financing, and we are poised to meet its requirements.

**₹ 2,85,610.85 Million**  
Worth of Rolling Stock Assets  
financed FY 2020-21

**₹ 7,34,588.61 Million**  
Worth of Project Assets  
Financed FY 2020-21

Our financial activities are determined annually by the Ministry of Railways (MoR), in accordance with the planned capital outlay of the Union Budget of India for Indian Railways. We utilise various sources including taxable and tax-free bonds issuances, capital gain bonds term loans from banks/financial institutions, external commercial borrowings, internal accruals, asset securitization and lease financing to fulfil the funding needs. Some of these funds are also utilized for debt financing of other Railway PSU Entities.

## Competitive cost of incremental borrowing

**6.51%**  
Cost of incremental Borrowing  
FY 2020-21

**₹ 10,43,689.64 Million**  
Amount Raised FY 2020-21

Our funding requirements are met through various sources, wherein we fund acquisition of Rolling Stock Assets and Project Assets through market borrowings of various maturities and currencies. Our innate ability to source external commercial borrowings in the form of syndicated foreign currency term loans, issuance of bonds/ notes in offshore markets at competitive rates supplement the funds available from domestic sources. Based on our strong credit rating, diversified sources of funding and strategic relationship with the MoR, we strive to keep the cost of borrowing competitive.

The benefit of equity infusion, from time-to-time, by the Government of India, has greatly helped us to achieve sustainable growth. The company also raises funds from investors comprising banks and financial institutions, pension funds, provident fund trusts, insurance companies, sovereign funds, corporates, the public (including high net worth individuals, retail investors and non-resident investors), trusts and mutual funds.

## Consistent financial performance and cost plus model

**13.34%**  
Return on Net Worth FY 2020-21

**1.39x**  
Interest Coverage Ratio FY 2020-21

**1.43%**  
Net Interest Margin FY 2020-21

IRFC has displayed constant growth in core metrics of funding and profitability. The cost-plus based Standard Lease Agreement with the MoR enables the company to maintain margins over the weighted average cost of incremental borrowing, determined by the MoR, in consultation with IRFC, at the end of each fiscal. Typically, the weighted average cost of incremental borrowing factors in expenses incurred by us, with respect to foreign currency hedging and/or losses (and gains, if any) as well as any hedging costs for interest rate fluctuations. Simultaneously, we follow the cost-plus pricing model for financing other Railway PSU entities, which typically provides a relatively higher margin. In addition, we believe our low overhead and administrative costs and high operational efficiency has resulted in increased profitability.

### Strong asset-liability management

IRFC manages cash flows through an active asset-liability management strategy. It helps to minimise asset-liability mismatches. The long-term borrowings are aligned to the prolonged tenure of the assets funded by IRFC. It not only helps to manage liquidity, but also meets the growing demands of Indian Railways. To ensure adequate funding reserves, the company maintains enough funds to meet operational and statutory requirements.

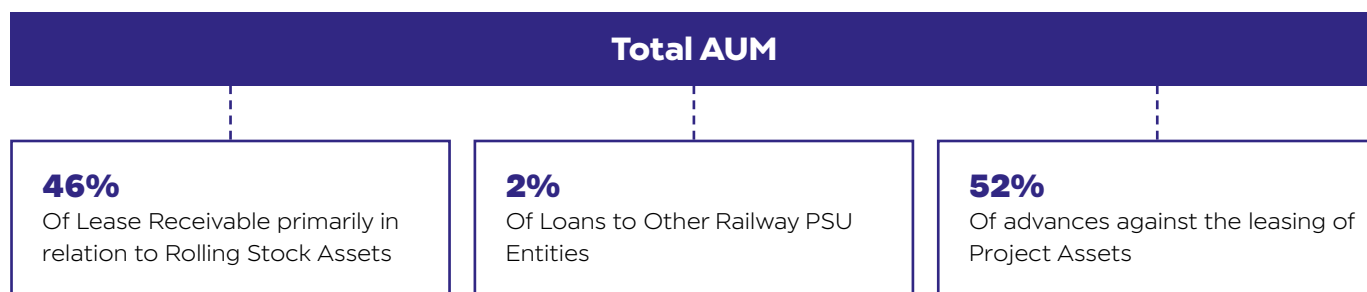
Further, if the company fails to procure sufficient funds for redeeming bonds or repaying term loans due to inadequate cash flow, under the Standard Lease Agreement, the MoR must provide for such shortfall through bullet payments, prior to the maturity of bonds or term loans. Such payments are adjusted in the subsequent lease rentals payable under respective Standard Lease Agreements.

### Experienced senior management and committed team

Our in-depth knowledge and the experience of our senior management has enabled us to ensure consistency of our business plans by streamlining operational procedures. It is the strength of our management and the perseverance of our people that has allowed us to sustain business growth over the years.

Our senior management and executive team is qualified to efficiently handle the nuances of corporate lending and structured finance and law, due to their extensive working experience in renowned government agencies, leading commercial banks and financial institutions.

### Low Risk Business Model



The unique relationship that IRFC maintains with the MoR enables the company to keep a low risk profile. Normally, any foreign currency expenses incurred by the company along with any hedging costs for interest rate fluctuations are combined with the weighted average cost of incremental borrowing. This enables IRFC to secure its margin, over the life of the lease. Risks related to damage of Rolling Stock Assets as a result of natural calamities and accidents are indemnified by the MoR.

Although, historically, IRFC has never resorted to this type of funding from the MoR, the liquidity risk is minimised because the MoR covers shortage of funds required for the redemption of bonds issued on maturity or for repaying term loan facilities. The MoR has never defaulted in its payment obligations under the Standard Lease Agreement. In addition, lease payments to IRFC is covered by the annual railway budget proposed by the Union Budget of India and is paid to IRFC semi-annually in advance.

In order to minimise interest rate and foreign currency exchange risks, IRFC enters into hedging arrangements to mitigate interest rate risks and foreign currency exposure, particularly arising from the external commercial borrowings. The cost of hedging is typically included in the weighted average cost of incremental borrowing, included in the lease rentals payable by the MoR.



# OUR BUSINESS STRATEGIES

**At IRFC, we endeavour to keep the cost of funding low, to support viable and sustainable operations. We have consistently contributed to the growth of Indian Railways, with a focus on further expanding the scope of operations and the volume of funding**



Some of our principal business strategies include:



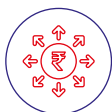
## **Diversification of borrowing portfolio**

Through public issues of tax-free bonds and private placements of tax-free and taxable bonds with innovative structures, securitized receivables from the MoR and external commercial borrowings including syndicated loans, bonds and notes, we have diversified our portfolio.

We also continue to diversify our borrowing portfolio through a range of financing instruments and by identifying new markets and investors through the issuance of 'green bonds' and 'medium term notes'.

As part of our diversification strategy, we continue to explore additional funding options at cost effective rates, including Indian Rupee denominated

bonds issued in international markets. We also secure funding from sovereign wealth funds and pension funds as well as multilateral agencies such as the World Bank and the Asian Development Bank. We believe, a diversified borrowing portfolio enables us to raise more funds at lower costs.



### Broadening our financing portfolio

As our primary function is to source funds for the Ministry of Railways (MoR), we continue to focus on funding the Rolling Stock Assets requirement of Indian Railways. We are also widening our portfolio and expanding our lending activities. We are mainly targeting projects that are relevant for the decongestion and expansion of the existing railway network. It also includes assets undertaken by other MoR entities to enhance the infrastructure of Indian Railways.

We aim to leverage our position as the primary financing partner of the MoR to provide monetary resources for joint ventures with state governments and other public sector undertakings, engaged in the development of railway infrastructure across India.

#### We intend to:

- address various financing requirements of entities under the MoR, including extension of guarantees and providing short term borrowings
- meet funding requirements of Indian Railways and ensure financing for implementation of railway projects
- diversify our financing portfolio to include forward and backward linkages to the railways sector



### Continued focus on asset-liability management

Our robust ALM framework ensures a continuous monitoring of risks related to liquidity and interest rates. The same is done through a periodic analysis of long-term liquidity profile of assets, liabilities, receipts and debt-service obligations. Such structured analysis on a periodic basis in various time buckets is used for a holistic decision making regarding the time, volume and maturity profile of borrowings and a creation of a mix of assets and liabilities in terms of tenure and in terms of fixed or floating interest rate.

#### Measures to improve asset-liability management:

- Traditional Asset and Liability gap analysis
- Interest-rate sensitive gap statement
- Projection of debt-service obligations
- Taking into account Interest Rate Forecasts and Spreads
- Reviewing Internal cost of funds

- Assessing projected funding need of the MoR
- Processing projected loan disbursements
- Analysing liquidity position and funding strategies

We also continue to maintain 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.



### Advisory-Consultancy services and syndication activities venture

Our company has significant industry experience in fundraising and financing activities for the Indian Railways. We believe, it can be utilised for providing financial structuring advisory and consultancy services.

We can also help other entities related to Indian Railways with the following:

- Offer funding assistance

- Lend strategic advice for long term access to capital, acquisition finance and equity Capital
- Leverage our experience as an NBFC and infrastructure finance company to provide customised financing solutions

As a primary source of funding for the MoR, IRFC has the capability to venture into syndication activities. Railways,

being a capital intensive industry, we intend to foray into Loan Syndication. As a syndicate lender, we are often required to meet the large scale financing requirements of railways projects. With our deep domain knowledge and elaborate financing experience, we are confident of being a syndicate arranger for the Indian Railways & other related entities.

## OUR FUNCTIONS

IRFC is the dedicated market borrowing arm of the Indian Railways. Our primary business is financial leasing of rolling stock assets, which includes both powered and unpowered vehicles, for example locomotives, coaches, wagons, trucks, flats, electric multiple units, containers, cranes, trollies of all kinds and other items of rolling stock components, leasing of railway infrastructure assets and national projects of the Government of India and lending to other entities under the Ministry of Railways, Government of India (MoR)

Accordingly our functions broadly covers following:-

**Leasing  
Operations**

**Lending  
Operations**

**Borrowing  
Operations**



# LEASING OPERATIONS

IRFC follows a leasing model to finance the rolling stock assets and project assets of Indian Railways.

## Financing of Rolling Stock Assets

The lease period is typically for 30 years, comprising a primary period of 15 years followed by a secondary period of 15 years. As part of the lease, recovery of the principal component and interest is effected during the primary lease period and at the end of the lease, assets are transferred to the MoR at a nominal price.

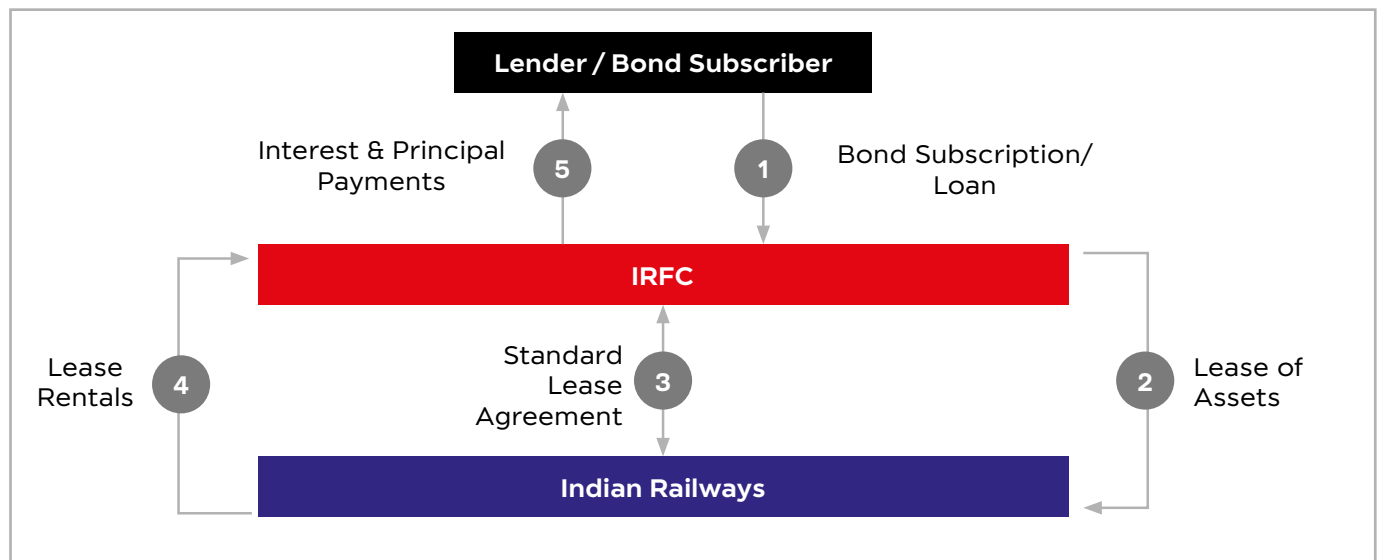
The Company adopts cost plus lease arrangement with the Ministry of Railways which ensures a net interest margin for IRFC. The MoR pays lease rentals to the Company on half yearly

basis and the lease pricing comprises both principal repayment and interest payment.

**Standard Lease Agreement:** Every year, IRFC enters into a Standard Lease Agreement with MoR. Lease rentals include the value of the Rolling Stock Assets leased by IRFC to the MoR in the relevant fiscal year, the weighted average cost of incremental borrowing as well as a certain margin, all in accordance with the terms of the Standard Lease Agreement.

**Advance Lease Rentals:** In case of difficulties experienced by IRFC in debt servicing, arrangement is in place to pay lease rentals in advance by MoR. IRFC has never availed such a facility from the MoR till date.

**Margin:** In FY21, IRFC was entitled to a margin of 40 bps over weighted average cost of incremental borrowing.



## Low-Risk, Cost-Plus business Model

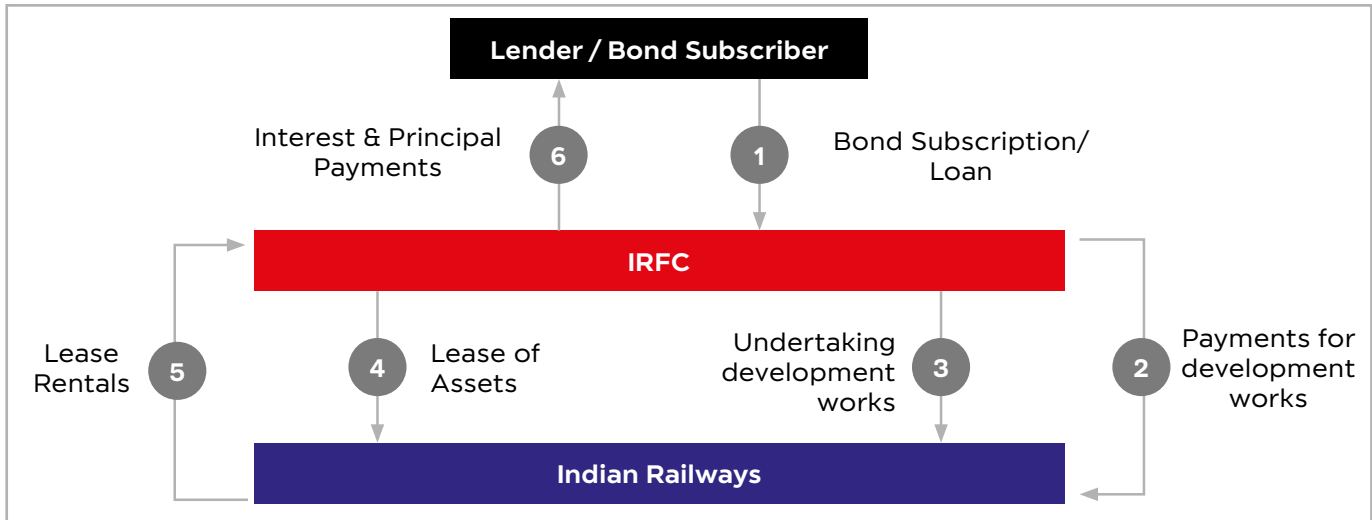
**7.11%**  
Cost to MoR FY 2020-21

**0.40%**  
Margin on Incremental RSA (Rolling Stock Assets) Leased FY 2020-21

## FINANCING OF PROJECT ASSETS

**Standard Lease Agreement:** IRFC has entered into a MoU and Development Agency Agreement for financing of Project Assets with MoR. However, IRFC is yet to execute the Lease Agreements with the MoR.

**Margin:** In FY21, IRFC was entitled to a margin of 35 bps over weighted average cost of incremental borrowing.



## LENDING OPERATIONS

IRFC also has presence in lending activities and have provided funds to various companies in Railway sector like Rail Vikas Nigam Limited (RVNL), Konkan Railway Corporation Limited, Rail Land Development Authority, Railtel Corporation of India and Pipavav Railway Corporation Limited.



### Asset Under Management (AuM) Growth

IRFC has witnessed a sturdy 32.6% CAGR in AUM during FY2019-21, led by a healthy capital outlay of ₹ 3.8 tn by the Indian Railways. Historically, 30-40% of railway infrastructure capital outlay is being funded via the IRFC route.

**₹ 36,00,790 million**  
Total AuM

**32.6%**  
AuM CAGR over last 3 years



## BORROWING OPERATIONS

IRFC strives to fulfil its funding requirements through various sources and aims to avail the lowest possible rates from the market. Company borrows the funds from sources like taxable and tax-free bonds issuances, term loans from banks and financial institutions, commercial papers, external commercial borrowings etc.

**₹ 32,31,106.79 million**  
Total Outstanding Borrowing

### Borrowings FY2020-21 includes:

- Taxable Bonds of ₹ 21,537.70 crore
- External Commercial Borrowings (ECB) of ₹ 29,586.95 crore
- Rupee Term Loans of ₹ 52,401.75 crore
- 54EC bonds of ₹ 842.60 crore

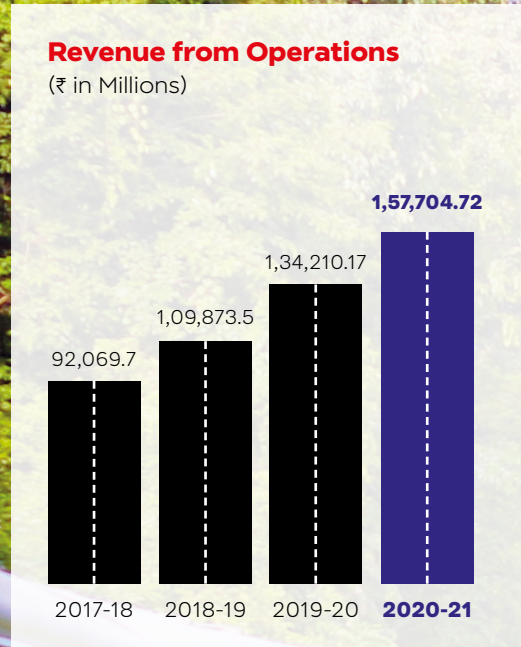
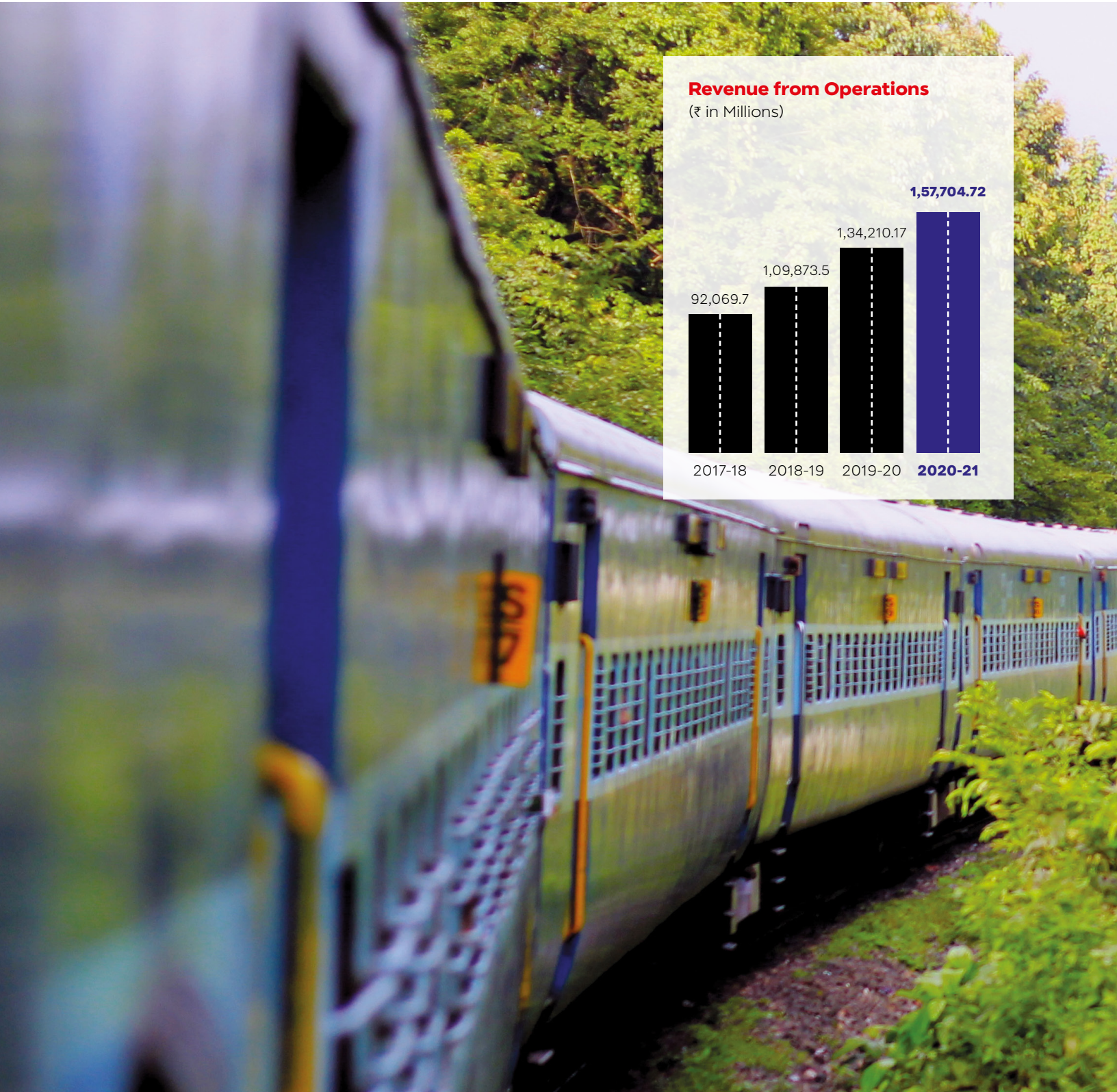
### International Borrowing

#### External Commercial Borrowings

We enjoy a very competitive cost of borrowing due to our excellent credit ratings, accredited by international credit rating agencies at par with sovereign. We have raised funds through syndicated offshore loans and have issued foreign currency unsecured bonds (primarily in US Dollars) which have been listed on international stock exchanges.

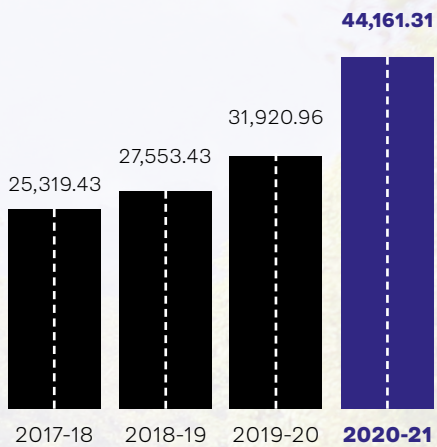
**₹ 5,37,916.30 Million**  
Outstanding Foreign Currency Borrowings

# FINANCIAL HIGHLIGHTS



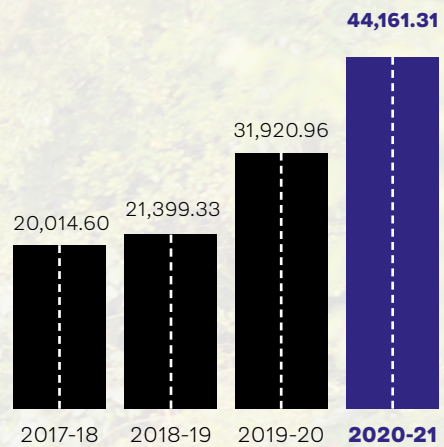
**PBT**

(₹ in Millions)



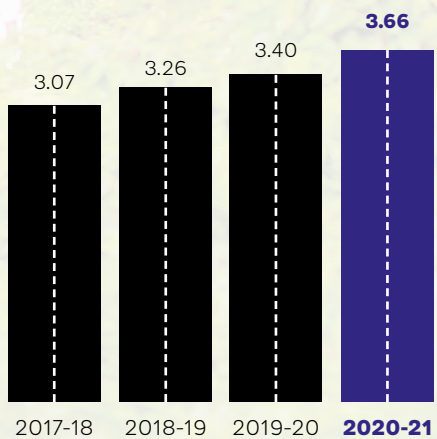
**Profit for the Year**

(₹ in Millions)



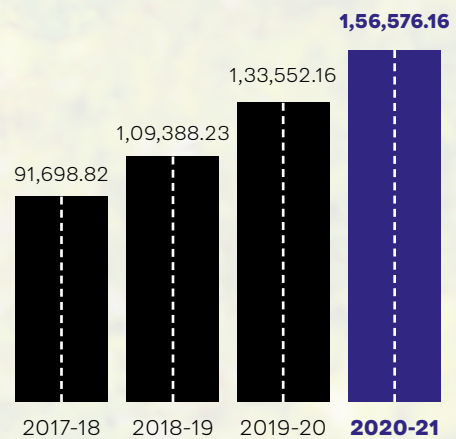
**Earnings per equity share**

(in ₹)



**EBITDA**

(₹ in Millions)





# CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

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 support sustainable Development programmes of the government to save the mother earth and for healthy living of future generations of mankind. It also contribute towards inclusive growth and equitable development in the society, through empowerment of the marginalized underprivileged sections.

**₹ 61.23 Crore**  
Required spending  
in FY21

**₹ 61.28 Crore**  
Total Approved  
Projects

**₹ 30 Crore**  
Contribution to PM  
CARES Fund

**₹ 10.51 Crore**  
Construction of 105  
Public Toilets

**₹ 1 Crore**  
Contribution towards  
Armed Forces Flag  
Day Fund (AFFDF)

**₹ 41.51 Crore**  
Disbursed FY 21

**₹ 19.77 Crore**  
Disbursed on receipt of bills/claims from the  
implementing agencies in future

# NOTICE

Notice is hereby given that the 34th Annual General Meeting of **Indian Railway Finance Corporation Limited (IRFC)** will be held on 29th September, 2021 at 3.00 p.m. through Video Conferencing/Other Audio-Visual Means (VC/OAVM) at registered office of the Company at Room Nos. 1316 - 1349, 3rd Floor, Hotel The Ashok, Diplomatic Enclave, 50-B, Chanakyapuri, New Delhi - 110021 to transact the following business: -

## ORDINARY BUSINESS

### Item No. 1

To receive, consider, approve and adopt the audited financial statements of the Company for the financial year ended March 31, 2021 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:

**“RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended on 31.03.2021, 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

To confirm the payment of Interim Dividend for the financial year 2020-21 by passing the following resolution:

**“RESOLVED THAT** the interim dividend @ 10.5% i.e. ₹ 1.05/- per share on 1306,85,06,000 Equity Shares paid to the shareholders for the financial year ended 31st March, 2021, as per the resolution passed by the Board of Directors at their meeting held on 13th February, 2021 be and is hereby noted and confirmed.”

### Item No. 3

Re-appointment of Shri Baldeo Purushartha as a Nominee Director by passing the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Shri Baldeo Purushartha (DIN: 07570116), who retires by rotation and being eligible, be and is hereby re-appointed as a Nominee Director of the Company.”

## SPECIAL BUSINESS

### Item No. 4

Increase in borrowing Powers of the Board of Directors of IRFC in terms of Section 180(1)(c) of the Companies Act, 2013.

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

**“RESOLVED THAT** in supersession of earlier resolution passed by the Company in the 32nd Annual General Meeting (AGM) held on 26th September, 2019, and pursuant to Section 180(1)(c) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) & any other applicable laws and provisions of Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company (the “Board”) to borrow such moneys or sum of moneys, from time to time, at its discretion, with or without security and upon such terms and conditions as the Board may think fit, for the purpose of business of the Company, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company’s bankers in the ordinary course of business), will exceed aggregate of the paid up capital of the Company and its free reserves, provided that the total amount borrowed and outstanding at any point of time shall not exceed a sum of ₹ 8,00,000 crore (Rupees Eight Lakh Crore only).”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolution.”

### Item No. 5

Increase in ceiling for creation of charge in terms of Section 180(1)(a) of the Companies Act, 2013.

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

**“RESOLVED THAT** in supersession of earlier resolution passed by the Company in the 32nd Annual General Meeting (AGM) held on 26th September, 2019 and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws and provisions of Articles of Association of the Company,

consent of the Company be and is hereby accorded to the Board of Directors of the Company (the “Board”) to create charge, hypothecation, mortgage on any movable and/or immovable properties of the Company wheresoever situated, both present and future and on the whole or substantially the whole of the undertaking or the undertakings of the Company in favour of any banks, financial institutions, hire purchase/lease companies, body corporate or any other persons on such terms and conditions as the Board may think fit, for the benefit of the Company and as agreed between Board and lender(s) towards security for borrowing of funds from time to time, not exceeding ₹ 8,00,000 crore (Rupees Eight Lakh Crore only) for the purpose of business of the Company or otherwise as per the requirements of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and any other statutory and procedural formalities to be complied with in this regard.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolution.”

By order of the Board of Directors

Place: New Delhi  
Dated: 1<sup>st</sup> September, 2021

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

**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 to 5 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company in its meeting held on 29th June, 2021 considered that the items of Special Business at Sl. Nos. 4 to 5 of the Notice, shall be transacted at the 34th AGM of the Company.
2. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19”, circular no. 20/2020 dated May 5, 2020 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio-visual means (OAVM)” and Circular no. 02/2021 dated January 13, 2021 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to “Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic” and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to “Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the CoVID -19 pandemic” (collectively referred to as “SEBI Circulars”) 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 34th AGM of the Company is being conducted through VC/OAVM Facility, without physical presence of members at a common venue. The deemed venue for the 34th 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 34th AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with.
4. Attendance of the Members participating in the 34th 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 34th AGM along with Annual Report is being sent by e-mail to all members, whose e-mail IDs are registered with the Company. The said documents are available on the website of the Company at [www.irfc.nic.in](http://www.irfc.nic.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).
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

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 34th AGM through VC/OAVM Facility and for electronic voting during the AGM.

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 2020-21.

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.nic.in](mailto:investors@irfc.nic.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.nic.in](mailto:investors@irfc.nic.in) quoting Folio No., Name, scanned copy of Share certificate (front & back), PAN Card and Aadhaar Card.

e-mail at [contact@navneetaroracs.com](mailto:contact@navneetaroracs.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

7. The Company has fixed 22nd September, 2021 as the Cut-off date for determining the eligibility to vote in respect of items of business to be transacted at the 34th 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 25th September, 2021 to 28th September, 2021 (both days inclusive).
9. Shri Navneet Arora, Managing Partner of Navneet K Arora & CO. LLP, 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 34th AGM, in a fair and transparent manner.
10. The Company's Registrar and Transfer Agents for its share registry work (Physical and Electronic) are 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 34th AGM through VC/OAVM and voting during the 34th AGM through electronic voting system. The remote e-voting period begins on 26th September, 2021 at 9:00 AM (IST) and ends on 28th September, 2021 at 5:00 PM (IST). The remote e-voting module shall be disabled by CDSL for voting thereafter.

Members may join the 34th AGM through VC/OAVM, which shall be kept open for the Members from 29th September, 2021 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 34th AGM through VC/OAVM and electronic voting during the AGM as mentioned in point No 26. of Notes.

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, the Company had paid an Interim Dividend for the financial year 2020-21 @ ₹1.05/ per share (i.e., 10.5% on the paid-up equity share capital of ₹10/-each) on 13th February, 2021. Further, the Board of Directors of the Company has not recommended any Final Dividend for the financial year 2020-21.

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. Brief Resume of the Director seeking re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India is annexed hereto and forms part of Notice.
  16. 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.
  17. 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.
- held in Demat form. It is also pertinent to mention that with effect from April 1, 2019, SEBI has prescribed that requests for effecting transfer of securities (except transmission or transposition cases) 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).
18. Members who hold shares in physical form 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 R&TA of the Company and in case of shares held in electronic mode, to their respective Depository Participants.
  19. 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.
  20. 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.
  21. 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).
  22. Members are requested to note that, dividends if not encashed for a consecutive period of 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

Further, no stamp duty is payable on transfer of shares

Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

The Interim Dividend declared for the financial year 2020-21 would be due for transfer to IEPF on 14th April, 2028. 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 ([www.irfc.nic.in](http://www.irfc.nic.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.

23. 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@beetalfinancial.com](mailto:irfc@beetalfinancial.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.
24. 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., 29th September, 2021. Members desiring for inspection of said documents are requested to send an e-mail to the Company at [investors@irfc.nic.in](mailto:investors@irfc.nic.in).
25. 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.nic.in](mailto:investors@irfc.nic.in) at least seven days prior to the date of the AGM and the same will be replied by the Company suitably.

**26. The Instructions for remote e-voting, attending the 34th 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 26th September, 2021 at 9:00 AM (IST) and ends on 28th September, 2021 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 09.12.2020, 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 account maintained with Depositories and Depository Participants. 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 <b>CDSL</b>	<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/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/ EasiRegistration</a>.</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>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<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 <b>Depository Participants</b>	<p>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 &amp; voting during the meeting.</p>



**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 <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in 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 [contact@navneetaroracs.com](mailto:contact@navneetaroracs.com) and to the Company at the email address viz; [investors@irfc.nic.in](mailto:investors@irfc.nic.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.nic.in](mailto:investors@irfc.nic.in). These queries will be replied to 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.

27. **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).
28. 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.
29. 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 ([www.irfc.nic.in](http://www.irfc.nic.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 34th AGM.

## Annexure to the Notice

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

#### Item No. 4

As per Section 180(1)(c) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Board of Directors of the Company shall, with the consent of the Company by passing a Special Resolution, borrow moneys, which together with the moneys already borrowed by the Company, is in excess of the paid-up capital and free reserves of the Company.

In this regard, the Members of the Company, by passing Special Resolution in the 32nd Annual General Meeting (AGM) held on 26th September, 2019 had granted powers to the Board of Directors of the Company to borrow moneys upto a total amount of ₹ 4,00,000 crore (Rupees Four Lakh crore).

The net amount of borrowings of the Company as on 31st March, 2021 was ₹ 3,23,110.68 crore and a sum of ₹1,00,000 crore is likely to be borrowed till the first half of the year 2022-23, from the market by way of issue of bonds to investors and availing long term loans from banks and financial institutions, foreign currency borrowings etc.

The current outstanding borrowings together with projected borrowings till the first half of the year 2022-23 is likely to exceed the overall borrowing limit approved by the members. Therefore, the consent of the Members is sought under Section 180(1)(c) of the Companies Act, 2013, for increasing the borrowing limit from ₹ 4,00,000 crore to ₹ 8,00,000 crore, to cover the further requirement of borrowings.

The Memorandum and Articles of Association and all related documents shall be available for inspection through electronic mode, from date of circulation of this Notice upto the date of AGM.

Board of Directors of the Company in its Meeting held on 29th June, 2021 approved the above proposal and recommended the passing of the proposed Resolution as contained in the Notice, by Members of the Company.

In view of the above, you are requested to grant your consent to the Special Resolution as set out at Item No. 4 of this Notice.

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.

#### Item No. 5

In terms of the provisions of Section 180(1)(a) read with Section 110 of the Companies Act, 2013 and Rules made thereunder, a company cannot sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking or undertakings of the company without the consent of the Shareholders of the Company by way of a Special Resolution through Postal Ballot.

However, in terms of MCA Notification dated February 9, 2018, any item of business required to be transacted by means of postal ballot, may be transacted at a general meeting by a company which is required to provide the facility to members to vote by electronic means.

In terms of the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015, IRFC is providing the facility to its members to enable them to vote on resolutions at the general meeting, by electronic means. Accordingly, the Special Resolution to increase in ceiling for creation of charge in terms of Section 180(1)(a) of the Companies Act, 2013, is proposed to be passed in this AGM.

The borrowing targets of the Company have increased substantially and in order to meet the growing fund requirements of the Company, additional funds are required to be raised by creation of security on the immovable/movable properties of the Company.

Therefore, it is proposed to authorize the Board of Directors of the Company to mortgage/create charge on immovable and/or movable properties of the Company, both present and future, towards security for total amount borrowed and outstanding at any point of time shall not exceed a sum of ₹ 8,00,000 crore (Rupees Eight Lakh Crore only) as per the requirements of Section 180(1)(a) of the Companies Act, 2013, Rules made there under and any other statutory and procedural formalities to be complied with in this regard.

The Memorandum and Articles of Association and all related documents shall be available for inspection through electronic mode, from date of circulation of this Notice upto the date of AGM.

Board of Directors of the Company in its Meeting held on 29th June, 2021 approved the above proposal and recommended the passing of the proposed Resolution as contained in the Notice, by Members of the Company.

In view of the above, you are requested to grant your consent to the Special Resolution as set out at Item No. 5 of this Notice.

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

Place: New Delhi  
Dated: 1<sup>st</sup> September, 2021

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

## Annexure to the Notice

### **DETAILS OF DIRECTORS SEEKING 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</b>	Shri Baldeo Purushartha
<b>DIN</b>	07570116
<b>Date of Birth/Age</b>	5th January, 1974
<b>Date of Appointment</b>	3rd June, 2020
<b>Qualifications</b>	Bachelor's degree and a master's degree in history
<b>Expertise in specific Functional areas</b>	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.
<b>Directorship held in other Companies</b>	(i) Indian Railway Stations Development Corporation Limited (ii) India Infrastructure Finance Company Limited (iii) ONGC Videsh Limited (iv) National Investment and Infrastructure Fund Trustee Limited (v) Air India Assets Holding Limited
<b>Membership/Chairmanship of Committees across all Public Companies other than IRFC</b>	Member: Audit Committee- ONGC Videsh Limited
<b>Relationships between Directors inter-se</b>	There is no inter-se relationship with any other Director of the Company.
<b>Number of equity shares held in the Company</b>	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.

In terms of the provisions of Section 152(6) of the Act, Shri Baldeo Purushartha (DIN: 07570116), retires by rotation at the meeting. The Board of Directors recommends his re-appointment.

# Directors' Report

Dear Shareholders,

Your directors have the pleasure in presenting the 34th 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, 2021.

## 1. Financial Highlights

The highlights of financial performance of your Company for the year ended 31st March, 2021 are summarised below:

		₹ In Million	
	Particulars	Year ended 31-03-2021	Year ended 31-03-2020
I.	Revenue from operations	1,57,704.72	1,34,210.17
II	Other income	3.90	0.73
III.	Total Revenue (I+II)	1,57,708.62	1,34,210.90
IV.	Expenses		
	Finance costs	1,12,370.53	1,01,626.62
	Impairment on financial instruments	27.15	21.41
	Employee benefit expense	78.47	62.65
	Depreciation and amortization expense	44.32	4.58
	Other expenses	1026.84	574.68
	Total Expenses	1,13,547.31	1,02,289.94
V.	Profit before tax (III-IV)	44,161.31	31,920.96
VI.	Tax expense:		
	(1) Current tax	-	-
	(2) Tax for Earlier Years	-	-
	(3) Deferred tax	-	-
	Total Taxes	-	-
VII.	Profit (Loss) for the current Year from continuing operations (V-VI)	44,161.31	31,920.96
VIII.	Other Comprehensive Income	14.76	(5.52)

Revenue from operations of your Company has increased by ₹ 23,494.55 million from ₹ 1,34,210.17 million in 2019-20 to ₹ 1,57,704.72 million in 2020-21, showing a growth of 17.51%.

Profit before Tax (PBT) of your Company for the year ending 31st March 2021 was ₹ 44,161.31 million as compared to ₹ 31,920.96 million for the previous year, registering a growth of 38.34%.

Profit after Tax (PAT) for the year ending 31st March, 2021 was ₹ 44,161.31 million which is the same as that of Profit Before Tax (PBT), as the 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 2020-21. Profit After Tax for the year ending 31st March, 2021 was ₹ 44,161.31 million as compared to ₹ 31,920.96 million for the previous year, up by an impressive 38.34%. This has enabled the Company to augment its net worth.

## 2. 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.

It was decided that interim dividend of ₹13,721.93 Mn paid for FY 2020-21 which works out to 31.07% of PAT for FY 2020-21, shall be the full and final dividend for FY 2020-21. Details of Unpaid Interim Dividend 2020-21 is available at <https://irfc.nic.in/wp-content/uploads/2021/07/Interim-Dividend-2020-21.pdf>

As per regulation 43A of the SEBI (Listing Obligation 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.nic.in/wp-content/uploads/2020/06/Dividend-Distribution-Policy>.

### 3. 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 ₹ 8,832.22 Mn has been transferred to Reserve Fund u/s Section 45 – IC of RBI Act, 1934.

Out of the remaining amount of profit, the sum of ₹ 14,980.12 Mn has been kept in Retained Earnings after meeting a sum of ₹ 5,000 Mn towards final dividend for FY 2019-20 and ₹ 13,721.93 Mn Interim & Final Dividend for the FY 2020-21.

### 4. Share Capital

The Government of India announced the divestment in Company's shares in the financial year 2017-18. Accordingly, Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, appointed DAM Capital Advisors Limited, HSBC Securities and Capital Markets (India) Private Limited, ICICI Securities Limited and SBI Capital Markets Limited as Book Running Lead Managers (BRLMs) and Khaitan & Co and Squire Patton Boggs, Singapore LLP as Legal Advisors for offer for sale of 5% of its present holdings by the Promoters (i.e., Government of India) to the public and additional offering of 10% through Initial Public Offerings (IPO) to the public. IPO got an encouraging

response from investors and was oversubscribed 3.8 times by QIB, 2.7 times by Non-Institutional Investors and 3.7 times by Retail Investors leading to overall subscription of 3.5 times. It is the first time, a Public Sector Enterprise has provided allocation to anchor investors in an issue. The Offer size was ₹ 4,663.38 Cr consisting of primary issuance of 1,18,80,46,000 shares worth ₹ 3,088.92 Cr and an Offer for Sale (OFS) of 59,40,23,000 equity shares worth ₹ 1,544.46 Cr. Equity shares got listed on 29th January, 2021 on BSE Limited and National Stock Exchange of India Limited. Listing of equity shares will enhance the company visibility and brand image and provide liquidity to the shareholders. Listing will also provide a public market for the equity shares in India. Post IPO, the President of India holds 11,28,64,37,000 equity shares i.e. 86.36% of the paid up equity share capital of the Company. Based on current market capitalization of Company, it is in the list of top 500 listed companies as on 31st March 2021.

## 5. Independent Evaluators' Assessment

### 5.1. Credit Ratings

Domestic: During the financial year 2020-21, 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 2020-21, 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 Negative 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.

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

The Company enters into Memorandum of Understanding (MoU) with Ministry of Railways (MoR) every year wherein Company is evaluated on various financial and non-financial parameters. MoU rating for the year 2019-20 is yet to be declared by the Department of Public Enterprises (DPE). Based on its performance, the Company has

been rated 'Excellent' by the Department of Public Enterprises (DPE) with a score of 91.82 (Excellent) for the year 2018-19.

## 6. Market Borrowings during 2020-21

The Company was initially assigned a borrowing target of ₹ 58,000 Crore including funding of Rolling stock to the extent of ₹ 29,300 Crore, financing of Railway Projects under EBR-IF to the tune of ₹ 28,000 Crore and meeting the debt financing requirements of RVNL amounting to ₹ 700 crore. During the last quarter of the financial year 2020-21, the target was revised and ₹ 1,04,369.00 crore including ₹ 29,480.56 crore towards Rolling Stock, ₹ 21,839.68 crore towards EBR-IF, ₹ 51,619.07 Cr towards project assets under EBR-S and ₹ 1,429.69 crore towards debt financing requirement of RVNL were disbursed respectively. This was the highest ever borrowing target for any financial year in the history of the Company and was an increase of 48.45% over the previous year's target of ₹ 70,471.96 crore. The cumulative funding to Railway Sector has crossed ₹ 4.44 lakh crore mark.

The total Capital Outlay (Capital Expenditure) of MoR for the year 2020-21 was ₹1,55,161 crore out of which IRFC's disbursement against the same was significant at ₹1,04,369.00 crore which constitutes 67.43% of total capital outlay for the year 2020-21.

Borrowings during the year include Taxable Bonds worth ₹ 21,537.70 crore (Previous year ₹30,046.83 crore including LIC Bonds ₹4300 crore), External Commercial Borrowings (ECB) of ₹ 29,586.95 crore (previous year ₹13,783.85 Crore) at exchange rate prevailing on the draw down date, Rupee Term Loans of ₹ 52,401.75 crore (previous year ₹25,789.00 Crore) and 54EC bonds of ₹842.60 crore (previous year ₹852.28 crore). The weighted average cost of the pool of borrowings made by Company during the year 2020-21 worked out to 6.51% (semi-annual) as against 7.36% (semi-Annual) during the previous year 2019-20.

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 further diversification of its borrowing portfolio, the Company upsized its USD 2 bn GMTN programme to USD 4 bn GMTN programme. The 144A/Reg S bonds under the USD 4 bn GMTN Programme were issued with the principal size of USD 750 mn at a coupon rate of 2.80%, priced lower

than the secondary yield curve prevalent at that point of time.

Company also raised USD 3 bn through Syndicated Foreign currency denominated USD loan from SBI, Hong Kong. The drawal comprised two loans of USD 1 bn for a tenor of 10 years on unsecured basis and USD 2 bn for a tenor of 7 years on partially secured basis. Both the loans were linked to 6-month USD Libor and have since been drawn in three tranches of USD 1 bn each. Further, Company also raised JPY equivalent to USD 325 Mn through Syndicated JPY Loan from SMBC. The loan was linked to 6-month JPY Libor and has since been drawn. In effect, the total ECB borrowings for FY 21 logged a total sum of USD 4.075 Bn during the FY 2020- 21.

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 2020-21, Company mobilized around ₹842.60 crore through 54EC Bond.

## 7. Redemption of Bonds / Repayment of Loans

During the year, the Company repaid Bonds amounting to ₹ 10,263.91 crore (including call option exercised for ₹ 3,000 crore) and External Commercial Borrowings (ECB) of ₹ 22.51 crore. The Company also redeemed long term loans from Banks of ₹ 3,625 crore and Commercial Paper with face value of ₹ 6,425 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.

## 8. Internal Financial Control Systems & their adequacy

The details are given in Management Discussion and Analysis.

## 9. 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. As such, the Company has complied with the applicable prudential norms.



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. 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.

#### **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.

### **10. Lease Arrangement with the Ministry of Railways (2020-21)**

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 2020-21 through IRFC funding, lease rentals have been fixed at ₹ 52.8672 per thousand per half year (PTPH) over a primary lease tenor of 15 years. The cost (IRR) to Ministry of Railways is 7.11% p.a. payable semi-annually as compared to 7.77% last year, down by 66 bps. Viewed in the context of significant increase in the annual borrowing target by 47% as compared to last year and huge uncertainty prevailing in the market caused by COVID-19 pandemic during the FY 2020-21, the pricing is considered very attractive for the Ministry.

### **11. Resource Mobilisation for 2021-22**

For the year 2021-22, the annual borrowing target for IRFC has been fixed at ₹ 65,258 crore which includes ₹ 30,300 crore for funding of Rolling Stock assets and funding of Railway projects to the extent of ₹34,258

crore. A target of ₹ 700 crore for meeting the debt funding requirements of RVNL has also been given.

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.

### **12. 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**.

### **13. Impact of 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 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 change to future economic conditions.

### **14. 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) in May, 2010. A few items in those Guidelines, which your Company is not in a position to adopt mainly because they do not apply to it, have been outlined, together with reasons for non-compliance thereof, in the Report on Corporate Governance. 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, 2021, the Board of Directors is comprised of five Directors, with two Executive Directors, Two Non-Executive Directors (Govt. Nominees) and one Independent Director. The Company is not having the prescribed number of Independent Directors in compliance of the Regulations 17 (1) (a) of SEBI (LODR) Regulations 2015, specifying the composition of Board of Directors. Also, due to the absence of Independent Director(s), the composition of Audit Committee, Nomination and Remuneration Committee are also not in consonance with the Regulation 18 & 19 of SEBI (LODR) Regulations 2015. 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.

## 15. 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.

## 16. 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 also the CSR Rules, the Company has constituted a CSR Committee (the Committee) comprising Independent Director, the Chairman & Managing Director and Director Finance, with the Independent Director as the Chairman of the Committee. 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 2020-21, the Company was required to spend ₹ 61.23 crore, being 2% of its average net profits of the last three financial years, against which, the Company approved total 6 projects with total outlay of ₹ 61.28 crore, against which, the Company has disbursed a sum of ₹ 41.51 crore, including contribution towards Armed Forces Flag Day Fund (AFFDF) for ₹ 1 Crore, contribution to PM CARES Fund for ₹ 30 crore and ₹ 10.51 Crore for construction of 105 Public Toilets and the balance amount of ₹ 19.77 crore would be disbursed on receipt of bills/claims from the implementing agencies in future. As per the latest amendment made effective w.e.f. 22.01.2021, CSR Unspent amount of ₹ 19.77 crore relating to the ongoing projects of the financial year 2020-21, 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 2020-21. The Company has also approved a project towards cold-chain storage equipments for Delhi (State) in support of COVID-19 vaccination programme of the Government of India.

### CSR Activities proposed for the FY 2021-22

For the financial year 2021-22, the Company would be required to spend about ₹ 70.06 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 2020-21 as required under the Companies Act are given in the **ANNEXURE - IV**.

## 17. 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, the applicable Indian Accounting Standards have been followed and there are no material departures;
- b) 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) 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.

## **18. Human Resource Management**

The details are given in Management Discussion and Analysis.

## **19. 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 year 2020-21.

The Comptroller & Auditor General of India has undertaken supplementary audit on accounts of the Company for the year ended 31st March, 2021 and have had no comments upon or supplements to the Auditors' Report under Section 143(6) of the Companies Act, 2013.

Secretarial Audit under Section 204 of the Act has been conducted by M/s Navneet K Arora & Co LLP, Company Secretaries, the existing Secretarial Auditors.

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

### **20.1. Number of Meetings of the Board**

The details are given in Corporate Governance Report which is enclosed as ANNEXURE-II.

### **20.2. Certificate of Independence by Independent Director**

Smt. Aditi Sengupta Ray, Shri Chetan Venugopal and Shri Ashok Kumar Singhal, Independent Directors, have given a declaration that they meet the criteria of Independence, as laid down under Section 149 (6) of the Act.

### **20.3. 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.

### **20.4. Internal financial control systems and their adequacy**

This has been discussed in Para 8.

### **20.5. Audit Committee**

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

### **20.6. Secretarial Auditors' Report**

M/s Navneet K Arora & Co LLP, Company Secretaries was appointed as the Secretarial Auditors of the Company for the FY 2020-21 by the Board of Directors of the Company. Secretarial Audit Report is placed at **ANNEXURE V**.

The observations of the Secretarial Auditor and reply of the management on the observations, for the FY 2020-21 along with copy of the audit report is annexed with Annual Report.

### **20.7 Certificate on Corporate Governance**

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

### **20.8 Risk Management**

The details are given in Management Discussion and Analysis.

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

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

### **20.10 Transactions with related parties**

None of the transactions with related parties falls under the scope of Section 188(1) of the Act.

### **20.11 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.

### 20.12 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.

### 20.13 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.

### 20.14 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 2020-2021 is placed at **ANNEXURE VIII**.

### 20.15 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 29th June, 2021. The same is enclosed as **ANNEXURE-IX**

### 20.16 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.

### 20.17 Deposits from public

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

### 20.18 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.

### 20.19 Foreign exchange earnings & outgo

The Company did not have any foreign exchange earnings during the year. Details of foreign exchange outgo have been given in the Notes on Accounts.

### 20.20 Expenditure on R&D

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

### 20.21 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.

## 21. 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 is in compliance to Public Procurement Policy during the financial year 2020-21 as placed below:

		₹ In Million
Sl. No.	Particulars	2020-21
1	Total annual procurement	88.78
2	Target %age of annual procurement	22.19
3	Total value of goods and services procured from MSEs (including MSEs owned by SC/ST entrepreneurs)	39.28
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	44.24%
6	% age of procurement from only MSEs owned by SC/ST entrepreneurs out of total procurement	---

## 22. Vigilance Activities

Considering the lean staff strength and nature of operations, the vigilance activities of the Company are being looked after by a Part-time Chief Vigilance Officer (CVO) nominated by the Ministry of Railways. The CVO carries out internal scrutiny of the activities on a random basis to ensure compliance with the laid down CVC guidelines and procedures.

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.

## 23. Official Language

The Company is committed to achieving extensive use of Hindi in transaction of its official business, and in the process also bring about compliance with provisions of Official Language Act and Official Language Policy of the Government of India. Considerable efforts were made to achieve the targets set under Annual Programme issued by Department of Official Language, Government of India. Provisions of Section 3(3) of the Official Language Act were fully complied with. Effective measures were taken to bring about progressively higher use of Hindi in day-to-day working of the Company. Ensuring more intensive use of bilingual / Hindi software, purchase of sufficient number of Hindi books, periodicals and journals for the office library in keeping with improving readership, and holding workshops to promote awareness and use of Hindi as official language formed core of the approach in the matter, even as the biggest driver has been a sense of pride inculcated amongst constituents of the Company in transacting their official work in Hindi.

During the year under review, three quarterly meetings of the Official Language Implementation Committee of the Company were held. Also, four Hindi Workshops were organised to give hands-on exposure to participants on various facets of use of Hindi in discharge of their official duties. As in the previous years, Hindi Week was celebrated, carrying out a variety of activities. Awards were given to employees making

most extensive use of Hindi in their day-to-day official work. Awards were also given to winners of the Hindi Poem recitation competition.

On 21st August, 2020, the 'Parliamentary Committee on Official Language' had carried out an inspection to assess the extent of use of Hindi and compliance with the Rajbhasha Guidelines in the Company. The Committee had appreciated the use of Hindi in the Company.

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

## 24. Presidential Approval

Following Presidential Approval was received during the year:-

Presidential Approval No. 2010/PL/47/5 dated 28th September, 2020 for alteration of certain articles of Articles of Association of the Company and substitution of Clause V of Memorandum of Association.

## 25. Right to Information Act, 2005

The Company follows Government instructions issued in pursuance of Right to Information Act, 2005, and has designated Public Information Officer and Appellate Authority under the Act. All relevant information has been hosted on the Company's website also.

## 26. Women Employees

Your Company has a very small organizational setup. As on 31st March, 2021, Company has 29 employees in all, out of which there are 6 women employees in the executive cadre. Thus, women employees constitute 20.69 % of the total employee strength at present and the Company would endeavour to further improve the number as and when opportunity arises.

## 27. Information under sexual harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013

No case of sexual harassment at the work place was reported in the last financial year.

The Company has an Internal Complaint Committee where women employees can register their complaints against sexual harassment.

## 28. Board of Directors and Key Managerial Personnel

Since the last Annual General Meeting in 30th September, 2020, following changes have taken place in the composition of the Board of Directors.

1. Shri Anand Prakash, EDF/B, Railway Board / Nominee Director on the Board of the Company with effect from 22nd July, 2020 to 26th October, 2020.
2. Smt. Aditi Sengupta Ray, Independent Director on the Board of the Company with effect from 19th September, 2017 to 18th September, 2020.
3. Shri Chetan Venugopal, Independent Director on the Board of the Company with effect from 8th March, 2018 to 7th March, 2021.
4. Shri Ashok Kumar Singhal, Independent Director on the Board of the Company with effect from 20th July, 2018 to 19th July, 2021.
5. Shri Bhaskar Choradia, EDF/B, Railway Board / Nominee Director on the Board of the Company with effect from 27th November, 2020.

Directors place on record their appreciation of the services rendered and contributions made by Mrs. Manjula Rangarajan, Financial Commissioner (Railways), nominated as Chairperson / IRFC, Shri Vijay Kumar, Financial Commissioner (Railways), additional charge as Managing Director / IRFC, Shri Niraj Kumar, Director Finance / IRFC, Dr. Kumar Vinay Pratap, Nominee Director / IRFC and Shri Kishore J. Devani, Independent Director / IRFC of the Company during their tenure.

Pursuant to Section 203 of the Companies Act, 2013, Director Finance, also designated as CFO and Company Secretary, have been designated as Key Managerial Personnel of the Company.

## 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 Bondholders, Banks, Financial Institutions, Arrangers, Registrar and Transfer Agents, Bond Holders Trustees, National Stock Exchange, Bombay Stock Exchange and Life Insurance Corporation 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. The Company expresses gratitude to the Comptroller & Auditor General of India, the Statutory 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 increasing level of 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/-

**(Shri Amitabh Banerjee)**

Place: New Delhi  
Date: 13th August, 2021

Chairman & Managing Director  
DIN: 03315975

**ANNEXURE I****Management Discussion and Analysis****Introduction to the Indian Economy**

The outbreak of covid-19 pandemic has caused severe disruption across the globe. This also resulted in contraction of India's GDP growth rate to 7.3% in FY21<sup>1</sup>. Government consumption and net exports have cushioned the growth from diving further down. GDP at Constant (2011-12) Prices in Q4 of 2020-21 is estimated at ₹ 38.96 lakh crore, as against ₹ 38.33 lakh crore in Q4 of 2019-20, showing a growth of 1.6 percent<sup>2</sup>.

India has been witnessing a 'V-shaped' recovery since June 2020 with the gradual easing of restrictions on economic activities<sup>3</sup>. India's mobility and pandemic trends aligned and improved concomitantly. Indicators like E-way bills, rail freight, GST collections and power consumption not only reached pre-pandemic levels but also surpassed previous year levels. Manufacturing rebounded and industrial value started to normalize.

For the Indian economy, private consumption and investment are the two biggest engines for growth. The discretionary spending on non-essential goods has declined drastically due to rising unemployment and fears of future job losses. While currently supply-side constraints are slowly easing, a potential surge in the COVID-19 pandemic would disrupt supply chains, and inhibit productivity, which in turn affect the pace at which industrial production and investment return to normal. The Government has announced two stimulus packages amounting to 10% of the GDP, to reduce the impact of the pandemic on the economy.

The path to recovery will depend on how long the pandemic lasts and how quickly the vaccine can be made available to a population of 1.3 billion people<sup>4</sup>. Even if the health crisis is managed by mid-2021, the economic recovery may be slow and uneven with adverse consequences on output, employment, and financial stability. Both private consumption and investment demand may take a long time to recover.

**Industry Overview**

The Indian Railways is a departmental undertaking of the Government of India (GoI), which owns and operates India's rail transport, through the Ministry of Railways (MoR). The Indian Railways is the largest rail network in Asia and the world's second-largest under one management, running approximately 13,169 passenger trains and 8,479 freight trains every day to transport approximately 22.15 million passengers and 3 million tonnes (MT) of freight per day in FY20<sup>5</sup>. In FY20 the total running track kilometres was 99,235 kilometres. The Indian Railways employs 1.25 million people<sup>1</sup>. The Indian Railways has deployed 12,729 locomotives, 70,236 passenger service vehicles, 2,93,077 wagons and 6,372 other coaching vehicles as of March 31, 2020<sup>1</sup>. There were 7,321 and 7,325 railway stations in India as of FY19 and FY20, respectively<sup>1</sup>.

The internal revenue of the Indian Railways is earned primarily from passenger and freight traffic. In FY20, the Indian Railways earned approximately ₹ 1,115 billion from freight traffic excluding demurrage/wharfage. The number of originating passengers on Indian Railways decreased in FY20 to 8,086 million from 8,439 million in FY19<sup>1</sup>. Further, the passenger earnings also decreased by 0.78% or by ₹ 397.56 crore in FY20. The Indian Railways has constantly expanded its network, developed, and grown across various parameters including freight and passenger revenues as detailed below:

**Freight Volumes**

Freight is the major revenue-earning segment for the Indian Railways, it utilises one-third of its capacity and generates two-thirds of Indian Railway's revenues. Approximately 30% of total freight traffic (in terms of tonne kilometres) of India moves on rail. Nine commodities including coal, iron, steel, iron ore, food grains, fertilizers and petroleum products primarily support freight business for the Indian Railways.

Particulars	Fiscal										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Tonnes originating (million tonnes) <sup>6</sup>	504	926	975	1,014	1,059	1,101	1,109	1,111	1,163	1,225	1,212 <sup>#</sup>
Earnings from freight carried* (₹ in billion) <sup>2</sup>	230	607	677	835	916	1,031	1,069	1,020	1,135	1,226	1,115 <sup>#</sup>

\*Excluding wharfage & demurrage charges

# Provisional figures

<sup>1</sup>Economic Survey 2020-21

<sup>2</sup>The Ministry of Statistics & Programme Implementation (MOSPI)

<sup>3</sup>Finance Ministry Report

<sup>4</sup>Frost & Sullivan

<sup>5</sup>Indian Railways - Year Book 2019-20

<sup>6</sup>[https://indianrailways.gov.in/railwayboard/uploads/directorate/stat\\_econ/Annual-Reports-2019-2020/Summery-sheet-Annual-Report-English\\_2019-20.pdf](https://indianrailways.gov.in/railwayboard/uploads/directorate/stat_econ/Annual-Reports-2019-2020/Summery-sheet-Annual-Report-English_2019-20.pdf)

The Indian Railways has always played a key role in India's social and economic development as it is a cheap and affordable means of transportation for millions of passengers. The Indian Railways plays a significant role in various industries, including agriculture and as a carrier of bulk freight, such as ores and minerals, iron and steel, cement, mineral oils, food grains and fertilizers, and containerized cargo. Most of the freight revenue in the Indian Railways is generated from the transportation of coal, cement, iron ore and food-grains, which accounted for 48.83%, 7.84%, 9.84% and 5.52%, respectively, of the total earnings from bulk commodities

## Passenger Traffic

Passenger trains utilise two-thirds of capacity, however, generate only one-third of revenues for the Indian Railways. The table below sets out details of passengers originated and passenger earnings in the periods indicated:

Particulars	Fiscal										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Passengers originating (million) <sup>2</sup>	4,833	7,651	8,224	8,421	8,397	8,224	8,107	8,116	8,286	8,439	8,086
Passenger earnings (₹ in billion) <sup>2</sup>	105	257	282	313	365	422	443	463	486	511	507

\* Provisional Figures

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

## Capital Investments in Railways

Indian Railways has now highest ever Capex plan of ₹ 2,15,058 crores for 2021-22 with ₹ 7,500 crores from internal resources, ₹ 1,00,258 crores from extra budgetary resources and ₹ 1,07,300 crores for capital expenditure allocation<sup>7</sup>. The Union budget has allocated outlay of ₹ 1,10,055 crore for the Indian Railways, out of which ₹ 1,07,300 crore will be utilized for capital expenditure for 2021-22 to expand rail infrastructure in India<sup>3</sup>.

With this increase in Capex, Indian Railways will have a major role in driving the Indian economy. The thrust of Annual Plan 2021-22 is on infrastructure development, development of terminal facilities, augmentation of speed of trains, signaling systems, improvement of passengers/users' amenities, safety works of road over/under bridges

in FY20. The Indian Railways goods earnings decreased from approximately ₹ 1,226 billion in FY19 to approximately ₹ 1,115 billion in FY20.

The MoR implemented several policies in FY18 in order to improve freight traffic such as: (i) liberalising automatic freight rebate scheme in empty flow directions (routes with low freight traffic), (ii) entering into long term tariff contracts with key freight customers, and (iii) introducing double stack dwarf containers as a new delivery model to increase load-ability of trains and attract new traffic under wire.

etc. The following plan heads have been allotted highest ever outlays in BE 2021-22:

(₹ in Cr.)

Particulars	BE 2020-21	BE 2021-22	Increase over BE 2020-21
New Lines	26,971	40,932	52%
Doubling	21,545	26,116	21%
Traffic Facilities	2,058	5,263	156%
ROB/RUBs	6,204	7,122	15%

Last Financial year Indian Railways faced innumerable Covid related challenges. Passenger services had to be stopped to prevent the spread of the virus. It, however, kept the national supply chain running and moved great many number of migrants in the most adverse conditions.

The railways will also monetize dedicated freight corridor (DFC) assets for operations and maintenance. The western and eastern DFCs are expected to be commissioned by June 2022. The 263.7 km Sonnagar-Gomoh stretch of the eastern DFC will be taken up in 2021-22 under the public private partnership (PPP) model. The Gomoh-Dankuni section of 274.3 km will also be taken up soon<sup>3</sup>. The future DFC projects will also be undertaken such as the east coast corridor from Kharagpur to Vijayawada, the east-west corridor from Bhusaval to Kharagpur to Dankuni, and the north-south corridor from Itarsi to Vijayawada.

<sup>7</sup><https://pib.gov.in/Pressreleaseshare.aspx?PRID=1694109>



Indian Railways has prepared a National Rail Plan (NRP) for India-2030. This will be for a future ready Railways, wherein infrastructure will be created by 2030, which shall be able to cater to the demand till 2050. NRP which identifies demand and required capacity augmentation needed till 2030 also lays focus on retrieving the modal share for Indian Railways to the level of 45% by 2050 with ultimate aim to reduce logistic cost of the economy.

Considering Passenger Convenience and Safety, the budget has also proposed Introduction of the aesthetically designed Vista Dome LHB coach on tourist routes to give a better travel experience to passengers and provision of indigenously developed automatic train protection on High density network and highly utilized network routes of Indian railways. This system minimized the possibility of train collision due to human error.

### Foreign Direct Investment

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

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

The cumulative FDI equity inflow in the Railway related components industry is USD 1,227.24 mn during the period April 2000 to March 2021<sup>8</sup>.

### Company Overview

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. 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). IRFC has played a significant role in its more than 30 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 endeavor 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 off shore borrowings, at competitive market rate.

### Human Resources

Performance level of your Company has been consistently high despite the fact that it consciously maintains a very lean workforce reflected in its low overhead to turnover ratio of around 0.11%.

In order to further strengthen the Organization Structure for coping with the additional workload due to manifold increase in the annual borrowing target mandated by MoR and significant increase in compliance requirements in the aftermath of implementation of the Companies Act, 2013, SEBI (LODR) Guidelines, migration to IND-AS and introduction of GST, the Company got a study conducted by the Management Development Institute (MDI). Company is increasing the employee strength suitably in a phased manner to meet the new challenges.

High levels of efficiency exhibited by the Company's dedicated workforce would not have been possible but for the Company laying deep emphasis on upgrading skills of its employees and keeping them abreast of latest developments and industry practices. The Company is committed to enhancing the professional expertise of all its

<sup>8</sup>[https://dipp.gov.in/sites/default/files/FDI\\_Factsheet\\_March%2C21.pdf](https://dipp.gov.in/sites/default/files/FDI_Factsheet_March%2C21.pdf)

employees. As a matter of general practice, the Company relies on training programmes involving assessment of training needs and providing necessary inputs to Company personnel, including through customised training programmes.

The Directors are also imparted training on a need-based manner. Shri Chetan Venugopal, Independent Director, attended Online Workshop on 'Board Governance for Chairman, Directors, Independent Directors and KMPs on 05th December, 2020. The main focus of the training was to make the Directors aware of the best corporate governance practices.

While selecting the training programme, the Company lays emphasis on development of skill and knowledge of its executives in the new vistas of Finance and Information Technology, besides developing the leadership and managerial skills for the future.

### Operational Highlights

Company was given a highest ever target of ₹ 1,04,369.00 crore to meet the funding requirement of Indian Railways for acquisition of Rolling Stock, for projects and EBR - IF, for projects under EBR (Special) and for financing requirement of RVNL. Company successfully met the aforesaid targets by transferring the required amount of funds. The annual disbursement had registered an impressive year-to-year growth of 48.45%. The cumulative funding to Railway Sector had crossed ₹ 4.44 lakh crore mark. The total Capital Outlay (Capital Expenditure) of MoR for the year 2020-21 was ₹ 2,40,840 crore out of which IRFC's disbursement against the same was significant at ₹ 1,04,369.00 crore which constitutes 43.44% of total capital outlay for the year 2020-21.

Company made borrowings during the year include Taxable Bonds worth ₹ 21,537.70 crore (Previous year ₹ 30,046.83 crore including LIC Bonds ₹ 4300 crore), External Commercial Borrowings (ECB) of ₹ 29,586.95 crore (previous year ₹ 13,783.85 Crore) at exchange rate prevailing on the draw down date and Rupee Term Loans of ₹ 52,401.75 crore (previous year ₹ 25,789.00 Crore) and 54EC bonds of ₹ 842.60 crore (previous year ₹ 852.28 crore). The weighted average cost and tenor of the pool of borrowings made by Company during the year 2020-21 remained at 6.51% (semi-annual) as against 7.36% (semi Annual) during the previous year 2019-20.

Company has upsized GMTN programme of USD 2 bn into a USD 4 bn GMTN programme. Company raised USD 3 bn through Syndicated Foreign currency denominated USD loan from SBI, Hong Kong. The drawl comprised of two

loans of USD 1 bn for a tenor of 10 years and USD 2 bn for a tenor of 7 years. Both the loans were linked to 6 months USD Libor and have since been drawn in three tranches of USD 1 bn each. Further, Company also raised JPY equivalent to USD 325 mn through Syndicated JPY Loan from SMBC. The loan was linked to 6 months JPY Libor and had since been drawn. In effect the total ECB borrowings for FY 21 were pegged at USD 4.075 bn during the FY 2020- 21. Also, 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 2020-21 Company mobilized around ₹ 842.60 crore through 54EC Bond.

Revenue from operations of your Company has increased by ₹ 23,494.32 Million from ₹ 1,34,210.17 million in 2019-20 to ₹ 1,57,704.49 million in 2020-21, showing a growth of 17.51%. Profit before Tax (PBT) of your Company for the year ending 31st March 2021 was ₹ 44,161.08 million as compared to ₹ 31,920.96 Mn for the previous year, registering a growth of 38.34%. due to increase in volume of business of Company.

Profit after Tax (PAT) for the year ending 31st March, 2021 was ₹ 44,161.08 Mn which is the same as that of Profit Before Tax (PBT), as the 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 as MAT payable u/s 115 JB was outside the ambit of the Section 115 BAA and on adoption of Section 115 BAA of the Income Tax Act, 1961, the Company was outside the scope and applicability of MAT provisions.

Profit After Tax for the year ending 31st March, 2021 was ₹ 44,161.08 Mn as compared to ₹ 31,920.96 Mn for the previous year, up by an impressive 38.34%. This has enabled the Company to augment its net worth.

### Financial Highlights

(Figures in ₹ crores)	FY 2020-21	FY 2019-20	YoY Change (in %)
Revenue from Operation	15770.47	13421.02	17.50
EBITDA	15657.61	13354.79	17.24
PBT	4416.13	3192.09	38.34
PAT	4416.13	3192.09	38.34
Networth	35913.38	30299.75	18.52

## Key Ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, the Company is required to provide details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor. The key financial ratios are given below:

(Figures in ₹ crores)	FY 2020-21	FY 2019-20
Interest Coverage Ratio (in times)	1.39	1.31
Debt Equity Ratio (in times)	9.00	7.74
Operating Profit Margin (in %)	28.00	23.78
EBITDA Margin (in %)	99.28	99.50
PAT Margin (in %)	28.00	23.78
Return on Net Worth (in %)	13.34	11.57

## 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 during the last ten years. From an annual target of ₹ 2,957 crore in 2004-05, the final borrowing target assigned for the year 2019-20 was at ₹ 1,04,369.00 crore. Annual borrowing target has increased with a CAGR of 24.96% over the last sixteen years.

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. The interest rate remained benign during the major part of the year due to accommodative stance of the Central Bank. During the MPC meeting held in May the rates were cut by 40 bps taking the repo rate at 4.00% and the reverse repo rate at 3.35% with the above rates persisting throughout the FY 2020. However, during the later part of the year, the market improved with better investor confidence due to the vaccination programme for Covid-19 being initiated across the globe. In spite of the fact that your Company was mandated a mammoth final borrowing target in excess of ₹ 1,00,000 Crore and upward revision in the mandate from the original target of ₹ 58,000 Crore was communicated to the Company only towards the end of the financial year, the Company managed its borrowing programme meticulously in an adverse macroeconomic environment which helped in keeping its unflinching commitment of making funds available to the Railways at the most competitive pricing.

In the Annual Report of Financial Year 2015-16, it was reported that MoR had tied up a loan of ₹ 1,50,000 crore

with Life Insurance Corporation of India (LIC), to be drawn in tranches over a period of five years for their project funding requirement. It was also reported that IRFC had been entrusted with the job of borrowing the funds from LIC on MoR's behalf.

Under the arrangement, amount totaling to only ₹ 20,500 crore, could be drawn from LIC from 2015-16 to 2019-20 due to its exposure limit constraint as per IRDAI Guidelines.

In the Union Budget for the year 2017-18, the Government had announced listing of shares of your Company on bourses. The Company has successfully achieved the listing target set by the GOI and as a result the shares of your Company were listed on the stock exchange with effect from 29th Jan, 2021. The IPO of your Company had achieved phenomenal response with the issue being oversubscribed to the tune of 3.5 times.

## 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 your Company, in as much as, an overwhelming segment of its assets is in the form of lease receivables from the Ministry of Railways, carrying zero 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 your Company, the single client is the owner, who also happens to be the sovereign itself. By virtue of consistently funding about 25% to 45% of plan outlay of the Ministry of Railways, IRFC commands a position of strategic importance for the Ministry. 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, your 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 negligible. Further, for the Railway Projects financed through Institutional Finance, it is proposed to adopt the lease structure akin to the structure of borrowing which will minimise the liquidity and interest rate risk.

The cash flows of your 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 respect amongst investors, both domestic and international, the Liquidity Risk in the case of IRFC is perceived at a very low level.

Although the foreign exchange fluctuation risk is passed through to MoR, still your Company has consistently been adopting prudent, efficient and cost-effective risk management strategies to safeguard its operations against 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, your Company usually resorts to external expert advice from reputed professional consultants, while taking hedging decisions.

Reserve Bank of India (RBI) has made it mandatory for all the Banks offering derivative products to ensure that all their clients who have business dealings must obtain certification regarding adoption of Risk Management Policy duly approved by their Board of Directors. 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 NBFCs 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 of the Board of Directors.

The Company has 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 places the same before the Risk Management Committee from time to time.

### 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. The track record of your Company with regard to handling its operational risks has been excellent.

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 (Listing Regulations), 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).

Indian Railway Finance Corporation Limited (IRFC), got listed on 29th January, 2021 and has established a sound framework of Corporate Governance. 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 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.

The 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" in June, 2008, 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 ([www.irfc.nic.in](http://www.irfc.nic.in)).

## 2. Board of Directors

IRFC is a Government Company within the meaning of Section 2 (45) of the Companies Act, 2013 as the President of India as on March 31, 2021 holds 86.36% of the total paid-up share capital of the Company and as per Articles of Association of the Company, the power to appoint Directors vests in 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, stipulates that the 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, there are 5 (Five) Directors on the Board of the Company. Besides Chairman & Managing Director and Director Finance, One Independent Director(s), 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 independent of the Management.

The number of independent directors during the financial year 2020-21 were insufficient as compared to the number of independent directors required to be on the Board under SEBI LODR, 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. Thus the Company from to time has requested Ministry of Railways to appoint requisite number of independent directors on the Board in order to comply with SEBI (LODR), Regulations 2015 and DPE Guidelines.

The details of Directors as on 31st March, 2021 were as follows:-

Details of Directors		Name	Date of Joining 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. Nominees 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 Ashok Kumar Singhal	20.07.2018

## 2.2 Attendance at the Meetings of the Board of Directors during 2020-21 :-

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 30.09.2020)	No. of Directorship held on 31.03.2021 in other Companies	No. of other Companies in which Membership or Chairmanship of Committee held on 31.03.2021*		Directorship held in other Listed Companies & Category as on 31.03.2021		
						Chairmanship	Membership	Name of Companies	Name of Directorship	
<b>Whole Time Directors</b>										
Shri Amitabh Banerjee Chairman & Managing Director/ IRFC From 12.10.2019**	12	12	100%	Yes	None	None	None	None	None	None
Shri Niraj Kumar Director Finance / IRFC From 01.07.2015 to 31.07.2020	2	2	100%	NA	None	None	None	None	None	None
Ms. Shelly Verma Director Finance / IRFC From 01.09.2020	9	8	88.89%	Yes	None	None	None	None	None	None
<b>Non-executive Directors (Government Nominees)</b>										
Shri Anand Prakash Government Director From 22.07.2020 to 26.10.2020	3	3	100%	Yes	None	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 30.09.2020)	No. of Directorship held on 31.03.2021 in other Companies	No. of other Companies in which Membership or Chairmanship of Committee held on 31.03.2021*		Directorship held in other Listed Companies & Category as on 31.03.2021	
						Chairmanship	Membership	Name of Companies	Name of Directorship
Shri Baldeo Purushartha Government Director From 03.06.2020	11	6	54.55%	No	5	None	1	None	None
Shri Bhaskar Choradia Government director From 27.11.2020	6	6	100%	NA	None	None	None	None	None
<b>Independent Directors</b>									
Smt. Aditi Sengupta Ray Independent Director From 19.09.2017 to 18.09.2020	3	3	100%	NA	None	None	None	None	None
Shri. Chetan Venugopal Independent Director From 08.03.2018 to 7.03.2021	11	11	100%	Yes	5	None	None	None	None
Shri Ashok Kumar Singhal Independent Director From 20.07.2018	12	10	83.33%	Yes	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. 12 (Twelve) such meetings were held on 29th May, 2020, 27th June, 2020, 28th August, 2020, 29th September, 2020, 23rd October, 2020, 13th November, 2020, 2nd December, 2020, 9th January, 2021, 22nd January, 2021, 13th February, 2021, 4th March, 2021 and 12th March, 2021.

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

**2.5** As on 31.03.2021, 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 after completion of the programme. The details posted on the website can be accessed following the web link: <https://irfc.nic.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 and 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 first meeting of the Board of the FY 2020-21 held on 29th May, 2020, 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.

Further, all the Independent Directors in the first meeting of the Board of the FY 2021-22 held on 19th May, 2021 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 2020-21.

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 for the online proficiency test and shall be taking it within the prescribed period.

#### Separate Meeting of Independent Directors

The Separate Meeting of Independent Directors was held during the year on 13th February, 2021 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, 2021, the Audit Committee comprised the following Directors:

Sr. No.	Name of Director	Nature	Status
(i)	Shri Ashok Kumar Singhal	Independent Director	Chairman
(ii)	Shri Baldeo Purushartha	Nominee Director	Member
(iii)	Shri Amitabh Banerjee	Chairman & Managing Director	Member

Company Secretary acts as Secretary to the Audit Committee.

During the financial year 2020-21, Nine Meetings of the Committee were held on 27th June, 2020, 28th August, 2020, 29th September, 2020, 23rd October, 2020 13th November, 2020, 2nd December, 2020, 13th February, 2021, 4th March, 2021 and 12th March, 2021. 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 Chetan Venugopal Non-Official / Independent Director	8	8
3	Shri. Amitabh Banerjee Chairman & Managing Director	9	9
4	Smt. Aditi Sengupta Ray Non- Official / Independent Director	2	2



<b>Sr. No.</b>	<b>Name of the Member of the Audit Committee</b>	<b>Number of Meetings held during their tenure</b>	<b>Number of Meetings attended</b>
5	Shri Ashok Kumar Singhal Non-Official / Independent Director	9	8
6	Shri Baldeo Purushartha Government Director	1	1

After adoption of the Government Guidelines read with the Companies Act, 2013, Terms of Reference of the Board Level 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) Regulation, 2015. The terms of reference are as follows: -

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

1. 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;
2. 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;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a). matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b). changes, if any, in accounting policies and practices and reasons for the same;
  - (c). major accounting entries involving estimates based on the exercise of judgment by management;
  - (d). significant adjustments made in the financial statements arising out of audit findings;
  - (e). compliance with listing and other legal requirements relating to financial statements;
  - (f). disclosure of any related party transactions;
  - (g). modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. 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;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the Company with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the Company, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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. statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses;
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
6. 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 CMD & 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, 2021, the Nomination & Remuneration Committee comprised the following Directors:

Sr. No.	Name of Director	Nature	Status
(i)	Shri Ashok Kumar Singhal	Independent Director	Chairman
(ii)	Shri Baldeo Purushartha	Nominee Director	Member
(iii)	Shri Bhaskar Choradia	Nominee Director	Member

Company Secretary acts as Secretary to the Committee.

During financial year 2020-21, Three Meetings of the Committee were held on 2nd December, 2020, 13th February, 2021, and 4th March, 2021. 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	3	3
2.	Shri. Chetan Venugopal Non- Official / Independent Director	3	3
3.	Shri Baldeo Purushartha Government Director	3	0

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. Stakeholders' Relationship Committee

In line 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 2021, the Stakeholders' Relationship Committee comprised the following Directors:

Sr. No.	Name of Director	Nature	Status
(i)	Shri Ashok Kumar Singhal	Independent Director	Chairman
(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 2020-21, One Meeting of the Committee was held on 27th June, 2020. 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 Amitabh Banerjee Chairman & Managing Director	1	1
2.	Smt. Aditi Sengupta Ray Non- Official / Independent Director	1	1
3.	Shri. Chetan Venugopal Non- Official / Independent Director	1	1
4.	Shri Niraj Kumar Director Finance	1	1

**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 March 31, 2021 is as follows:

Sr. No.	Particulars	Equity*	Bonds
1	Complaints pending at the beginning	Nil	Nil
2	Complaints received through correspondence	3300	1383
3	Complaints received from the SEBI during the period	0	10
4	Complaints resolved / replied during the period	3300	1393
5	Complaints pending at the end	Nil	Nil

\*The Company got listed on 29th January, 2021.

**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 March 31, 2021 the Risk Management Committee comprised of the following:

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

During the financial year 2020-21 Three Meeting were held on 9th July, 2020, 31st December, 2020 and 31st March, 2021 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	3	3
2.	Shri Niraj Kumar Director Finance	1	1
3.	Ms. Shelly Verma Director Finance	2	2

The Role and Terms of Reference of the Risk Management Committee are following:

- To formulate a detailed risk management policy which shall include:
  - (a) 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.
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (c) 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 CSR Committee.

As on 31st March 2021, the CSR Committee comprised the following Directors:

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

Company Secretary acts as Secretary of the Committee.

During the financial year 2020-21, two Meetings of the Committee were held on 29th September, 2020 and 13th February, 2021. Participation of the Members in these Meetings is outlined below: -

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

## 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 Year 2020-21 was 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 Managing Director and Director Finance

Remuneration was paid by the Company during 2020-21 to its Functional Directors as follows :-

(₹ In Lakhs)

Name of the Director	Salary & Allowances	Perquisites & Benefits	Contribution to PF	Total
Shri Amitabh Banerjee, Chairman & Managing Director	48.97	16.38	4.54	69.89
Shri Niraj Kumar, Director Finance, up to 31st July 2020	16.67	8.65	1.34	26.66

(₹ In Lakhs)

Name of the Director	Salary & Allowances	Perquisites & Benefits	Contribution to PF	Total
Ms. Shelly Verma, Director Finance, From 1st September 2020	27.97	2.69	2.24	32.90

The Directors are neither related to each other, nor have pecuniary relationship with the Company.

A Sitting Fee of ₹ 30,000/- per Meeting is paid to Independent Director(s) for attending Board meetings and ₹ 20,000/- per meetings of Committee(s) of the Board. In March, 2021 the Board enhanced sitting fee from 30,000/- to 40,000/- per Board meeting & from 20,000/- to 25,000/- per Committee meetings.

No remuneration / fee is paid to Government Nominee Directors.

## 7. General Body Meetings

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

AGM No.	AGM Date	Location	Time
33	30th September, 2020	UG -Floor, East Tower, NBCC Place, Bhisham Pitamah Marg, Lodhi Road , Pragati Vihar, New Delhi-110003	3:00 P.M.
32	26th September, 2019	Committee Room (237), 2nd Floor, Rail Bhawan, New Delhi.	5.30 P.M.
31	27th September, 2018	Committee Room (237), 2nd Floor, Rail Bhawan, New Delhi.	5.00 P.M.

- Three Special Resolutions were passed in the 31st Annual General Meeting held on 27th September, 2018.
- Three Special Resolutions were passed in the 32nd Annual General Meeting held on 26th September, 2019.
- Three Special Resolutions were passed in the 33rd Annual General Meeting held on 30th September, 2020.

### Extra -Ordinary General Meeting

No Extra -Ordinary General Meeting was held during the financial year ended on March 31, 2021.

### Postal Ballot

During the year under review, no resolution was passed through postal ballot. Currently, no resolution is proposed to be 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

The Company communicates with its shareholders through its 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: [www.irfc.nic.in](http://www.irfc.nic.in) includes the following:

- Financial Information;
- Shareholding Pattern;
- Corporate Governance;
- Investors Presentations and Transcripts ;
- Notice and Intimations with Stock Exchanges from time to time;
- Debenture Trustee;
- Investor Contact; etc.

The Company also communicates with its institutional shareholders through a combination of analysts briefing and individual discussions and also participation in investor conferences from time to time. Financial results are discussed by way of conference calls, regularly after the close 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 and BSE Limited. 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 others interested in its business.

## 9. General Shareholder Information

### i) Annual General Meeting:

Date : 29th September, 2021

Day : Wednesday

Time : 3.00 p.m.

### 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 interim dividend of ₹ 1.05/ per share (i.e. @10.50 % on the paid up equity share capital of ₹ 10/- each) declared on 13th February, 2021.

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.nic.in/policies/>.

### iv) Listing on Stock Exchange

IRFC equity shares are listed on the following Stock Exchanges:

<b>National Stock Exchange of India Limited</b>	<b>BSE Limited</b>
Listing department, Exchange Plaza, Bandra- Kurla Complex, Bandra (E) Mumbai- 400 051	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 2020-21 has been paid to the stock exchange.

### v) Market Price Data \*

Month	NSE		BSE	
	High	Low	High	Low
January 2021	25.80	24.35	25.80	24.30
February 2021	26.20	23.85	26.20	23.85
March 2021	26.70	22.90	26.60	22.90

\*The Company got listed on BSE & NSE 29th January, 2021.

### vi) Stock Exchange Index \*

Month	NSE		BSE	
	High	Low	High	Low
January 2021	14,753.55	13,596.75	50,184.01	46,160.46
February 2021	15,431.75	13,661.75	52,516.76	46,433.65
March 2021	15,336.30	14,264.40	51,821.84	48,236.35

\*The Company got listed on BSE & NSE 29th January, 2021.

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

### viii) Registrar and Transfer Agents:

<b>EQUITY SHARES</b>	<b>BONDS</b>
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: <a href="mailto:irfc@beetalfinancial.com">irfc@beetalfinancial.com</a> Ph. No : 91-11-2996 1281-83 Website: <a href="http://www.beetalfinancial.com">www.beetalfinancial.com</a>	KFin technologies Private Limited Selenium Tower B, Plot Nos. 31 & 32   Financial District Nanakramguda   Serilingampally Mandal   Hyderabad – 500032   India P : +91 040 6716 1598   Toll Free No: 1800-345-4001 <a href="mailto:brahma.k@kfintech.com">brahma.k@kfintech.com</a>   Website: <a href="http://www.kfintech.com">www.kfintech.com</a>

### 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 with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities.

Pursuant to SEBI (LODR), Regulations, 2015 certificate on half-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 March 31, 2021

Sr. No.	Amount	No. of shareholders	% of shareholders	No. of shares	% of shares
1	1-500	4,35,768	31.88	668,15,440	0.51
2	501-1000	8,45,300	61.83	5119,18,630	3.92
3	1001-2000	49,946	3.65	729,08,100	0.56
4	2001-3000	12,105	0.89	305,89,298	0.23
5	3001-4000	7,089	0.52	257,40,140	0.20
6	4001-5000	5,218	0.38	247,48,398	0.19
7	5001-10000	6,905	0.51	522,37,115	0.39
8	10001 & Above	4,698	0.34	122835,48,879	93.99
<b>Total</b>		<b>13,67,029</b>	<b>100</b>	<b>130685,06,000</b>	<b>100</b>

Shareholding pattern as on March 31, 2021

Category	Total No. of shares	% to Equity
PRESIDENT	112864,37,000	86.36
RESIDENT INDIVIDUAL	9150,21,418	7.00
MUTUAL FUND	3940,18,521	3.02
FPI CATEGORY I BODY CORPORATE	1881,01,449	1.44
QIB INSURANCE COMPANY REGISTERED WITH IRDA	1538,37,512	1.18
H U F	312,09,919	0.24
BODY CORPORATE	303,53,189	0.23
QIB PENSION FUND CORPUS RS. 25 CRORE & MORE	207,64,857	0.16
CLEARING MEMBER	141,81,950	0.11
NRI REPATRIABLE	139,18,164	0.11
BANK NATIONALISED	48,01,320	0.04
NRI NON REPATRIABLE	45,08,112	0.03
TRUSTS	36,30,432	0.03
BODY CORPORATE MARGIN TRADING	27,64,362	0.02
BODY CORPORATE LLP	22,71,850	0.02
BODY CORPORATE CLIENT COLLATERAL ACCOUNT	20,26,913	0.02
FPI CATEGORY II BODY CORPORATE	2,57,400	0.00
BODY CORPORATE NBFC	1,67,626	0.00
BANK OTHERS	95,900	0.00
BODY CORPORATE BROKER	84,930	0.00
RESIDENT INDIVIDUAL MARGIN TRADING ACCOUNT	40,600	0.00
BODY CORPORATE GOVERNMENT COMPANY	6,900	0.00
NRI DR	2,000	0.00
FOREIGN NATIONAL	1,925	0.00
INDIVIDUAL ASSOCIATION OF PERSONS AOP	1,751	0.00
<b>Total</b>	<b>130685,06,000</b>	<b>100</b>



**xi) Dematerialization of shares**

Number of shares held in dematerialized form with NSDL, CDSL and physical mode as on March 31, 2021.

Description	No. of Shares	% to total Capital Issued
NSDL	12,41,05,88,702	94.97%
CDSL	65,79,17,273	5.03%
Physical	25	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 Currency Risk Management (CRM) 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 in the business of Lease & Project Financing.

**xv) Address for correspondence :-**
**Registered Office**

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

**Company Secretary**

Vijay Babulal Shirode  
Tel: +91 11 24100385  
Email: [cs@irfc.nic.in](mailto:cs@irfc.nic.in)

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

During the financial year 2020-21, 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 2020-21, 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 Negative 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 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) The Company has complied with provisions of all major laws applicable to it and no penalty has been imposed or any strictures passed against the

- Company by the Stock Exchanges or SEBI on any matter related to capital market during the last three years.
- 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 <http://irfc.nic.in/wp-content/uploads/2021/03/Whistle-Blower-Policy-New.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.nic.in/policies/>.
- vi) Certificate pursuant to Regulation 34 (3) and Schedule V Para C clause (10) (i) of SEBI LODR, 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 2020-21 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 2020-21	Nil
2	Number of Complaints disposed of during FY 2020-21	Nil
3	Number of Complaints pending as on end of the FY 2020-21	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 static at 0.11% of the turnover. Last year, the figure was 0.13%.
- xi) Auditors of the Company have audited and accorded an unqualified certification to its accounts for the year ended 31st March, 2021.
- xii) The Company has complied with the requirements of the SEBI LODR, 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 that the Company is non-compliant w.r.t. composition of Board of Directors due to non-nomination of the requisite number of Independent Directors by the Government of India.
- xiii) The Financial Statements for the financial year 2020-21 have been prepared as per the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013.

#### 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 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 from the auditor is annexed as **ANNEXURE-V**.

The Secretarial Auditor as well as the Auditor who has given Corporate Governance Compliance certificate had observed that the Company was not having adequate number of independent Directors for part of 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 Statutory Auditors 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 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. [www.irfc.nic.in](http://www.irfc.nic.in).

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 March 31, 2021 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 29th January, 2021*	28	49318
Less: Number of shareholders to whom shares were transferred from suspense account during the year 2020-21	16	42418
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. March 31, 2021.	12	6900

\*Company got listed on BSE & NSE 29th January, 2021.

## 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.

## 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 two 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 Half-yearly Financial Results were published as under:

<b>Half year ended 30.09.2020 (Audited)</b>	
Financial Express	14.11.2020
Jansatta (Hindi)	14.11.2020
<b>Year ended 31.03.2021 (Audited)</b>	
Financial Express & Jansatta (Hindi)	30.06.2021
Economic Times & Business Standard	01.07.2021

## 20. Trustees of the Bonds

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

- SBI CAP Trustee Co. Limited                      For the Bonds issued under  
Apeejay House    81st Series and onwards  
6th Floor,  
3, Dinshaw Wachh Road  
Churchgate, Mumbai – 400 020
- Indian Bank    For the Bonds issued under  
254-260, Shanmugam Salai                              46th “EE” Series to 80th ‘A’ Series  
Chennai – 600 014

## 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 Delh-110021

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **INDIAN RAILWAY FINANCE CORPORATION LIMITED** having CIN **U65910DL1986GOI026363** and having registered office at Room No 1316-1349, 3rd Floor Hotel The Ashok Diplomatic Enclave, 50-B, Chanakyapuri, New Delh-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](http://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, 2021 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. ASHOK KUMAR SINGHAL	08193963	20/07/2018
5.	MR. BHASKAR CHORADIA	08975719	27/11/2020

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

Place: New Delhi  
Date: 9th August, 2021

FCS: 3214, COP: 3005  
UDIN:F003214C000756637

## 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, 2021.
- 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	U65910DL1986GOI026363
2.	Name of the Company	Indian Railway Finance Corporation Limited
3.	Registered address	Room Nos. 1316 - 1349, 3rd Floor, Hotel Ashok, Diplomatic Enclave, 50-B, Chanakyapuri New Delhi-110021
4.	Website	www.irfc.nic.in
5.	E-mail Id	cs@irfc.nic.in
6.	Financial year reported	2020-21
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 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, Lease Income & interest income.
9.	Total number of locations where business activity is undertaken by the Company	
10.	(a) Number of International Locations	None
	(b) Number of National Locations	1
	Markets served by the Company – Local/State/National/ International	National

## Section B: Financial Details of the Company (as on March 31, 2021)

1.	Paid-up Capital	13068,50,60,000
2.	Total Turnover	1,57,704.72
3.	Total Profit After Taxes	44,161.31
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax	During the financial year 2020-21, the Company was required to spend ₹ 61.23 crore, being 2% of its average net profits of the last three financial years, against which the Company approved total 6 projects with total outlay of ₹ 61.28 crore, against which the Company has disbursed a sum of ₹ 41.51 crore.
5.	List of activities in which expenditure in 4 above has been incurred.	The major areas on which the above expenditure has been incurred includes contribution towards Armed Forces Flag Day Fund (AFFDF), contribution to PM CARES Fund and for construction of 105 Public Toilets in circulating areas of Railway stations.

## 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

Sl. 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	<a href="mailto:cmd@irfc.nic.in">cmd@irfc.nic.in</a>

### 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)**

Sl. No.	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for...	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
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 I** to this Report.

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?	Company got listed on 29th January, 2021. The current Report shall form part of Annual Report for FY 2020-21 and shall be available on company's website: <a href="http://www.irfc.nic.in">www.irfc.nic.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>
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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.	As the Company got listed on 29th January, 2021. The company had received a total of 4,693 complaints from the shareholders and bondholders of the Company during the FY 2020-21. All of which were resolved by March 31, 2021.
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### 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.nic.in/wp-content/uploads/2018/11/CSR-Policy.pdf">https://irfc.nic.in/wp-content/uploads/2018/11/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 March 31, 2021 there were 29 employees in IRFC.
2.	Please indicate the total number of employees hired on temporary/contractual/casual basis	There were 57 employees hired on contractual basis in IRFC as on March 31, 2021.
3.	Please indicate the number of permanent women employees	As on March 31, 2020, there were 6 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 reserved category employees (SC/ST/OBC/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 this category. 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 1,393 bond complaints and 3,300 complaints related to Equity were received during the years 2020-21, which were resolved and no complaint was 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.	IRFC undertakes various programmes/ projects under CSR for inclusive Growth and equitable development. During the financial year the Company approved construction of 105 public toilets in circulating areas of the Railways to improve the sanitation, cleanliness in the circulating areas of Indian Railway, contributed ₹ 30 crores in PM CARES and provided cold-storage equipment's for COVID vaccination programme for community at large.																			
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 & SD 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.																			
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 2020-21, 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" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Nature of Activities</th> <th style="text-align: right;">Sanctioned</th> <th style="text-align: right;">Disbursement</th> </tr> </thead> <tbody> <tr> <td>Sanitation/Waste Management/Drinking Water</td> <td style="text-align: right;">26.28</td> <td style="text-align: right;">10.51</td> </tr> <tr> <td>Skill Development and Education</td> <td style="text-align: right;">01.00</td> <td style="text-align: right;">01.00</td> </tr> <tr> <td>Solar Application Environment/Tree Plantation Health Sector</td> <td style="text-align: right;">34.00</td> <td style="text-align: right;">30.00</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></td> <td></td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>61.28</b></td> <td style="text-align: right;"><b>41.51</b></td> </tr> </tbody> </table>		Nature of Activities	Sanctioned	Disbursement	Sanitation/Waste Management/Drinking Water	26.28	10.51	Skill Development and Education	01.00	01.00	Solar Application Environment/Tree Plantation Health Sector	34.00	30.00	Others (Impact Studies, Admin. Overheads, Saubhagya, Arrah and Sitamarhi district village Dev. programmes & restoration of Kedarnath & its surrounding areas)			<b>Total</b>	<b>61.28</b>	<b>41.51</b>
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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 to be conducted by an external independent agency.
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**Principle 9 - Customer Value**

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	All 4693 complaints received during Financial Year 2020-21 from bondholders and equity shareholders were satisfactorily resolved as on March 31, 2021 and no complaint was 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 I**

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:-																								
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	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.nic.in/leasing/">https://irfc.nic.in/leasing/</a> , <a href="https://irfc.nic.in/lending/">https://irfc.nic.in/lending/</a> and <a href="https://irfc.nic.in/borrowing/">https://irfc.nic.in/borrowing/</a> .																								
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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.nic.in/wpcontent/uploads/2018/11/CSR Policy.pdf">https://irfc.nic.in/wpcontent/uploads/2018/11/CSR Policy.pdf</a> .																								



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**P5 Promotion of Human Rights**

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 <https://irfc.nic.in/wp-content/uploads/2017/09/Code-of-business-conduct-ethics.pdf>.

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**P6 Environmental Protection**

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.

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.

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**P7 Responsible Public Policy Advocacy**

IRFC plays an active and responsible role in matters concerning public & regulatory policy. Senior officials of the Company are involved from time to time in formulation & implementation of various Government Programmes.

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**P8 Inclusive Growth and Equitable Development**

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 & 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 <https://irfc.nic.in/wpcontent/uploads/2018/11/CSR Policy.pdf>.

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**P9 Customer Value**

As per RBI norms, IRFC has a Board-approved 'KYC & 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 & Prevention of Money Laundering Policy is available at <https://irfc.nic.in/wp-content/uploads/2020/06/Know-Your-Customer-KYC-and-Prevention-of-Money-Laundering-Activities-PMLA.pdf>.

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**ANNEXURE – IV****The Annual Report on CSR activities to be included in the Board's Report****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 support Sustainable Development programmes of the Government to save the mother earth and for healthy living of future generations of mankind. It also contribute 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. One GM Committee has been constitute for the evaluation of the received proposals in terms of the CSR Policy and the applicable laws. Once the GM Committee approved the proposals, the approved proposals be placed before the CSR Committee of the Board for its approval and further recommendation of the Board of Directors.

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.

Considering the small size of the Company in terms of manpower, the Company endeavor to take up short term Sustainability CSR activities which can be completed within a Financial Year. Wherever possible, it also contribute 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 statues, guidelines, if any.

**2. The composition of CSR Committee**

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Designation / Nature of Directorship</b>	<b>Number of meetings of CSR Committee held during the year</b>	<b>Number of meetings of CSR Committee attended during the year</b>
1.	Shri Chetan Venugopal	Chairman/ Independent Director	2	2
2.	Shri Ashok Kumar Singhal	Member/ Independent Director	2	2
3.	Shri Amitabh Banerjee	/Member/ Chairman & Managing Director	2	2
4.	Ms. Shelly Verma	Member/ Director Finance	2	2

**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="http://irfc.nic.in/investors/">http://irfc.nic.in/investors/</a>
web-link for the CSR Policy	<a href="http://irfc.nic.in/policies/">http://irfc.nic.in/policies/</a>
Web-link for the CSR projects	<a href="http://irfc.nic.in/csr-initiatives/">http://irfc.nic.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 2020-21 are approved by the Board of Directors and hosted on the website of the Company. 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 2020-21, shall be done after the expiry of atleast one year after the completion of the respective project. IRFC bound the Implementing agency to conduct the Impact Assessment and submit the report to IRFC from time to time.

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
<b>Total</b>		<b>NIL</b>	<b>NIL</b>

6. Average net profit of the company as per section 135(5). ₹ 3061.64 Crore applicable for CSR allocation for 2020-21.

7. (a) Two percent of average net profit of the company as per section 135(5)	61.23 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).	61.23

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.
41,51,22,000/-	19,77,09,606/-	30.04.2021	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.	105 Public Toilets to be constructed in circulating areas of Railway stations	(iv)	No.	PAN INDIA	PAN INDIA	Nine Months	26,28,15,000/-	10,51,26,000/-	15,76,89,000/-	Yes	NA	NA
2.	02 (Two) advanced fully-equipped life supporting ambulances for Central Hospital, Southern Eastern Railway, Kolkata	(i)	No.	West Bengal	Kolkata	Six Months	72,18,818/-	0.00	72,18,818/-	Yes	NA	NA

1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(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.		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	
3.	Computer Navigation System for Dr. Babasaheb Ambedkar Memorial Hospital, Central Railway	(i)	No	Maharashtra	Mumbai	Six Months	2,80,00,000/-	0.00	2,80,00,000/-	Yes	NA	NA
4.	cold-chain storage equipment to Delhi (State) to support COVID-19 vaccination programme	(i)	Yes	Delhi	Delhi	Six Months	48,01,788/-	0.00	48,01,788/-	Yes	NA	NA
<b>TOTAL</b>							<b>30,28,35,606/-</b>	<b>10,51,26,000/-</b>	<b>19,77,09,606/-</b>			

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

1)	(2)	(3)	(4)	(5)		(6)	(7)	(7)		
				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.	PM Cares Fund	(viii)	NA	NA	NA	30,00,00,000/-	Yes	NA	NA	
2.	Contribution towards Armed Forces Flag Day Fund (AFFDF)	(vi)	NA	NA	NA	99,96,000/-	Yes	NA	NA	
<b>TOTAL</b>							<b>30,99,96,000/-</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):- ₹ 61,28,31,606/-

(g) Excess amount for set off, if any

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	61,23,00,000/-
(ii)	Total amount spent for the Financial Year	61,28,31,606/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	5,31,606/-
(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)]	5,31,606/-

**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*	*NIL	*NIL	NA	NA	NA	19,77,09,606/-
<b>TOTAL</b>		<b>*NIL</b>	<b>*NIL</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>19,77,09,606/-</b>

\*As per the latest amendment made effective w.e.f. 22.01.2021, 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.

**(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)
Sl. 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-1/2019-20	Mission Smile	2019-20	NA	45,00,000/-	40,50,000/-	45,00,000/-	Completed
2.	CSR-2/2019-20	Construction of toilets	2019-20	9 Month Extendable up to Maximum 3 Years.	16,01,92,000/-	6,40,76,800/-	6,40,76,800/-	Ongoing
3.	CSR-6/ RITES/2018-19	Construction of toilets	2018-19	9 Month Extendable up to Maximum 3 Years.	14,01,68,000/-	4,20,50,400/-	5,60,67,200/-	Ongoing
4.	CSR-10/ IFCI/2018-19	Sanitary Napkin Vending Machine- IFCI Social Foundation	2018-19	NA	2,00,00,000/-	40,00,000/-	2,00,00,000/-	Completed
5.	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/-	1,23,12,358/-	1,53,12,358/-	Ongoing
6.	CSR1/2018-19	Installation of hand pumps in ghazipur- Jal Nigam,	2018-19	NA	77,17,200/-	32,82,644/-	75,79,860/-	Completed
7.	CSR-12/ CEL/2018-19	Solar Powered Lightning System at Government School, Community Centre & Health Care	2018-19	8-12 Weeks Extendable up to Maximum 3 years.	5,00,00,000/-	97,60,000/-	1,97,60,000/-	Ongoing
8.	CSR-11/CEL/2018-19	Solar Powered Street Lightning System at Government School, community centre & health care	2018-19	8-12 Weeks Extendable up to Maximum 3 years.	4,00,00,000/-	83,30,083/-	1,63,30,083/-	Ongoing
9.	CSR-9/ NBCFDC/2018-19	Skill development of marginalized youth	2018-19	NA	3,00,00,000/-	1,38,43,461/-	2,28,36,385/-	Completed
10.	CSR-5/SER/2018-19	Cochlear implants along with Audiological setup in Central Hospital /SER/GRC	2018-19	NA	1,79,67,100/-	55,12,500/-	1,79,60,063/-	Completed
<b>TOTAL</b>					<b>50,05,44,300/-</b>	<b>16,72,18,246/-</b>	<b>24,44,22,749/-</b>	

An amount of ₹ 14,68,42,044/- transferred to PM CARES against unspent amount for the financial year 2015-16 and 2016-17 which includes ₹90,92,210/- returned by one of the implementing agency.

- 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). NA

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, 2021]**

[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 Delh-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 maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2021 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 2021 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (e) 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;
  - (f) 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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

[No such Transaction was held during the financial year hence the Regulations stated at (v) f) to h) above were 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) Guidelines on Corporate Social Responsibility for Central Public Sector Enterprises-March 2010 issued by the Ministry of Heavy Industries & Public Enterprises (Department of Public Enterprises), Government of India;
- (c) The Employees Provident Fund & Miscellaneous Provisions Act 1952 & The Employees Deposit-Linked Insurance Scheme, 1976 and Employees Provident Fund Scheme, 1952;
- (d) The Contract Labour (Regulations and Abolition) Act 1970;
- (e) Maternity Benefit Act 1961;
- (f) Minimum Wages Act, 1948;
- (g) Environment (Protection) Act 1986 read with The Environment (Protection) Rules 1986 and other Environment Laws;
- (h) Indian Stamp Act 1899;
- (i) The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act 2013 read with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules 2013;
- (j) 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) Filing of third quarterly returns viz. DNBS-03, NBFC-ND-SI, ALM Returns for the financial year 2020-21 with Reserve Bank of India in compliance of Non-Banking Financial Companies (Reserve Bank) Directions 2016 with the RBI Portal (COSMOS) have been delayed.
- (ii) Company's equity shares got listed on 29th January 2021. During the period, the Board of Directors has five Directors comprising two Executive Directors, Two Non-Executive Directors (Govt. Nominees) and one Independent Director. Company should have three more Independent Directors in compliance of the Regulations 17 (1) (a) of SEBI (LODR) Regulations 2015. Also due to non-compliance in the appointment of optimum combination of Independent Directors in the Board of Directors, the Composition of Audit Committee, Nomination and Remuneration Committee were also not in consonance with the Regulation 18 & 19 of SEBI (LODR) Regulations 2015.

We further report that:

- 1) The Company has complied with Companies Act 2013, Corporate Governance Guidelines for Central Public Sector Enterprises, 2010 issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India in respect of constitution of the board with proper balance of Executive, Non-Executive Directors & Independent Directors except as stated above.
- 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) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.



- 4) a) 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.
- b) Company has issued by way of initial Public offering of 1,78,20,69,000 Equity Shares of face value of ₹ 10/- at a price of ₹26/- per Equity Shares including premium of ₹16/- per shares which includes an offer for sale of 59,40,23,000 Equity Shares by President of India acting through Ministry of Railways of face value of ₹10/- at a price of ₹26/- per Equity Shares including premium of ₹16/- per shares to the General Public which also includes reservation of 192307 equity shares for subscription by the eligible employee. Accordingly, Company has allotted 1,188,046,000 equity shares of face value of ₹ 10/- at a premium of ₹16/- per shares each to General Public by way of passing of requisite Resolution by IPO Committee on 27th January 2021. 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 Initial Public Offer of Equity Shares and has duly complied with the applicable provisions of the laws, rules and guidelines.
- c) Company has applied & obtained requisite order for adjudication of stamp duty on issuance of shares since inception of the Company till the allotment made till 30th March 2020 vide order no F.1/Stamp duty/COS(HQ)/2020/2068 dated 10th February 2021 for depositing of stamp duty of ₹11,88,04,600/- and penalty of ₹11,88,046/-. Further Company has deposited the requisite stamp duty including penalty and obtained requisite certificates from the adjudicating authority i.e. Collector of Stamps, New Delhi.

- 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 except as stated in point No 4(c).
- 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:

- Preferential Issue of Shares / Sweat Equity except as stated above in point No. 4(b);
- Buy-back of Securities;
- Merger / Amalgamation / Reconstruction etc. and
- Foreign Technical Collaborations.

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

Sd/-

**CS Navneet Arora**

Managing Partner

CS: 3214, COP: 3005

Firm Unique Identification No: P2009DE061500

UDIN: F003214C000757286

Place: New Delhi

Date: 9th August, 2021

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

## Annexure to Secretarial Audit Report

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 Delh-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  
FCS: 3214, COP: 3005  
Firm Unique Identification No: P2009DE061500  
UDIN: F003214C000757286  
Place: New Delhi  
Date: 9th August, 2021

## Annexure

### OBSERVATIONS OF THE SECRETARIAL AUDITOR ALONG WITH EXPLANATIONS TO THE SAME BY THE MANAGEMENT

Sl. No.	Observations	Management Reply
1.	Filing of third quarterly returns viz. NBFC-ND-SI, ALM Returns for the financial year 2020-21 with Reserve Bank of India in compliance with Non-Banking Financial Companies (Reserve Bank) Directions 2016 with the RBI Portal (COSMOS) has been delayed.	Filing of quarterly returns viz. NBFC-ND-SI, ALM Returns for the financial year 2020-21 with Reserve Bank of India in compliance of Non-Banking Financial Companies (Reserve Bank) Directions 2016 with the RBI Portal (COSMOS) has been delayed as Company was facing technical issues in shifting from COSMOS portal to XBRL platform.
2.	Company's equity shares got listed on 29th January 2021. During the period, the Board of Directors has five Directors comprising two Executive Directors, Two Non-Executive Directors (Govt. Nominees) and one Independent Director. Company should have three more Independent Directors in compliance of the Regulations 17 (1) (a) of SEBI (LODR) Regulations 2015. Also due to non-compliance in the appointment of optimum combination of Independent Directors in the Board of Directors, the Composition of Audit Committee, Nomination and Remuneration Committee were also not in consonance with the Regulation 18 & 19 of SEBI (LODR) Regulations 2015.	The company has submitted in its quarterly corporate governance report for the quarter ended 31st March, 2021 to the Stock Exchanges that the Company is a Government Company. 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 Government for appointment of Requisite number of Independent Directors. In absence of non-appointment of Independent Directors, the listed entity could not comply with the provisions of Regulation 17(1) (a), 18 and 19 of the SEBI (LODR) Regulations, 2015.

**Annexure VI****Navneet K Arora & Co LLP**

E-8/1, Near Geeta Bhawan Mandir, Malviya Nagar,  
New Delhi - 110 017  
Phone : +91-11-26684877  
Website: [www.navneetaroracs.com](http://www.navneetaroracs.com)

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

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 Delh-110021

We have examined the compliance of conditions of Corporate Governance by **Indian Railway Finance Corporation Limited** for the year ended 31st March, 2021, as prescribed in Regulations 17 to 27, 46 (2) (b) to (i) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as "SEBI (LODR) Regulations, 2015") and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE), Government of India.

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 and based on representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, 46 (2) (b) to (i) and para C and D of Schedule V of SEBI (LODR) Regulations, 2015 and DPE Guidelines on Corporate Governance except:

- (i) Regulation 17(1)(a), 18 & 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 composition of the Board of Directors of the Company, composition of Audit Committee & Nomination & Remuneration Committee.
- (ii) Clause 3.1.2, 3.1.4 and 4.1.1 of the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises, with regard to composition of the Board of Directors of the Company & composition of Audit Committee.
- (iii) Regulation 17 (10) of SEBI (LODR) Regulations, 2015, the performance evaluation of Independent Directors shall be done by the entire Board of Directors.
- (iv) Regulation 19 (4) read with Schedule II Part D (A) of SEBI (LODR) 2015, the Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees and formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.

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: F003214C000757066  
Place: New Delhi  
Date: 9th August, 2021

## Annexure VII

### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN as on the financial year ended on 2020-21

[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	- U65910DL1986GOI026363
ii) Registration Date	- 12.12.1986
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, Hotel Ashok , Diplomatic Enclave, 50-B, Chanakyapuri, New Delhi - 110 021 Contact No(s) - 011 - 24100385 Website - www.irfc.nic.in
vi) Whether listed company (Yes / No)	- Yes, (w.e.f. 29th January, 2021)
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	- Beetal Financial Computers Private limited, 3rd Floor 99 Madangir, Behind Local Shopping Centre New Delhi- 110062

#### 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:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1.	Lease Income	-	74.99
2.	Interest Income	-	25.00

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

Sl. 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. 01.04.2020				No. of shares held at the end of the year i.e. 31.03.2021				% 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)
(A)	<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	11880460000	-	11880460000	100	11286437000	-	11286437000	86.36	13.64
(d)	Financial Inst/ banks	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	Other - Body Corporate	-	-	-	-	-	-	-	-	-
	<b>Sub - Total A(1)</b>	11880460000	-	11880460000	100	11286437000	-	11286437000	86.36	13.64
(2)	Foreign	-	-	-	-	-	-	-	-	-
(a)	Individual(nri/ Foreign Individual )	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub - Total</b>	-	-	-	-	-	-	-	-	-
	Total A=A(1)+A(2)	11880460000	-	11880460000	100	11286437000	-	11286437000	86.36	13.64
(B)	<b>PUBLIC SHAREHOLDING</b>									
(1)	Institutions									
(a)	Mutual Funds	-	-	-	-	394018521	-	394018521	3.02	3.02
	Hdfc Trustee Company Limited-hdfc Flexi Cap Fund	-	-	-	-	191062702	-	191062702	1.45	1.45
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investros	-	-	-	-	188358849	-	188358849	1.44	1.44
(f)	Financial Inst/ banks	-	-	-	-	4897220	-	4897220	0.04	0.04
(g)	Insurance Companies	-	-	-	-	153837512	-	153837512	1.18	1.18
(h)	Provident Funds/ Pension Fund	-	-	-	-	-	-	-	-	-
(i)	Any other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (B)(1)</b>	-	-	-	-	741112102	-	741112102	5.68	5.68

Category Code	Category of Shareholder	No. of shares held at the beginning of the year i.e. 01.04.2020				No. of shares held at the end of the year i.e. 31.03.2021				% 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)
(2)	Central Govt / state Govt/ President Of India	-	-	-	-	6900	-	6900	0.00	0.00
	<b>Sub-total (B)(2)</b>	-	-	-	-	6900	-	6900	0.00	0.00
(3)	Non-institutions	-	-	-	-	-	-	-	-	-
(a)	(i) Individual-Holding Nom. Val. upto ₹2 lakhs	-	-	-	-	789825711	-	789825711	6.04	6.04
	(ii) Individual-Holding Nom. Val. greater then ₹2 lakhs	-	-	-	-	125238058	-	125238058	0.96	0.96
(b)	Nbfc Registered With Rbi	-	-	-	-	-	-	-	-	-
(c)	Employees Trust	-	-	-	-	-	-	-	-	-
(d)	Overseas Depository Holding DRs	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	Other - Body Corp	-	-	-	-	37670445	-	37670445	0.29	0.29
	Other - Trusts	-	-	-	-	3630432	-	3630432	0.03	0.03
	Other - Clearing Member	-	-	-	-	14180375	-	14180375	0.11	0.11
	Other - N R I - NON - REPATARIABLE	-	-	-	-	4512037	-	4512037	0.03	0.03
	Other - N R I - REPATARIABLE	-	-	-	-	13918164	-	13918164	0.11	0.11
	Other - Individual HUF	-	-	-	-	31209919	-	31209919	0.24	0.24
	Other - QIB	-	-	-	-	20764857	-	20764857	0.16	0.16
	<b>Sub-total (B)(3)</b>	-	-	-	-	1040949998	-	1040949998	7.97	7.97
	<b>Total Public Shareholding</b>	-	-	-	-	1782069000	-	1782069000	13.6364	
(C)	Shares held by custodians,	-	-	-	-	-	-	-	-	-
	<b>GRAND TOTAL (A+B+C) :</b>	11880460000	-	11880460000	100	13068506000	-	13068506000	100	

Note: Offer for sale of 5% of its present holdings by the Promoters (i.e . Government of India) to the public and additional offerings of 10% through Initial Public Offerings (IPO) to the public. The Company got listed on 29.01.2021 on BSE and NSE.

## ii) Shareholding of Promoters:

S. N. Code	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	11880460000	100	-	11286437000	86.36	-	13.64
	Total	11880460000	100	-	11286437000	86.36	-	13.64

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

S.N.	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
	President of India through Ministry of Railways				
	At the beginning of the year	1188,04,60,000	100	1128,64,37,000	86.36
	Date wise increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.				
	29.01.2021	Offer for sale of 5% of its present holdings by the Promoters (i.e . Government of India) to the public through Initial Public Offerings (IPO)			
	At the end of the year	1188,04,60,000	100	1128,64,37,000	86.36

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

S.N.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		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 Acting through the Ministry of Railways	1188,04,06,000	100	112864,37,000	86.36
2	HDFC TRUSTEE Company Limited- HDFC FLEXI CAP Fund	-	-	1910,62,702	1.46
3	LIFE INSURANCE CORPORATION OF INDIA	-	-	1142,00,185	0.87
4	ITPL - INVESCO INDIA DYNAMIC EQUITY FUND	-	-	1025,76,319	0.78
5	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA VIS	-	-	1003,79,500	0.77
6	GOVERNMENT OF SINGAPORE	-	-	990,05,459	0.76
7	MONETARY AUTHORITY OF SINGAPORE	-	-	241,55,243	0.18
8	BNP PARIBAS ARBITRAGE	-	-	218,62,767	0.17
9	TATA AIG GENERAL INSURANCE COMPANY LIMITED	-	-	211,36,134	0.16
10	NPS TRUST- A/C SBI PENSION FUND SCHEME E - TIER I	-	-	207,64,857	0.16



**(v) Shareholding of Directors and Key Managerial Personnel:****1. Shri Vijay Babulal Shirode, Company Secretary**

For Each of the Directors & 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
At the beginning of the year 01/04/2020	0	0	0	0
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	13,225	0	13,225	0
At the end of the year 31/03/2021	13,225	-	13,225	0

**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	18,29,303.94	5,14,443.27	-	23,43,747.21
ii) Interest due but not paid	-	-	-	-
iii) Interest Accrued but not due	1,00,393.49	926.25	-	1,01,319.74
<b>Total (i+ii+iii)</b>	<b>19,29,697.43</b>	<b>5,15,369.52</b>	<b>-</b>	<b>24,45,066.95</b>
<b>Changes in Indebtedness during the financial year</b>				
Addition	10,61,766.40	10,09,926.49	-	20,71,692.88
Reduction	4,61,881.19	7,64,871.03	-	12,26,752.22
Net Change	5,99,885.21	2,45,055.45	-	8,44,940.66
<b>Indebtedness at the end of the financial year</b>				
i) Principal amount	24,19,161.39	8,11,945.40	-	32,31,106.79
ii) Interest due but not paid	-	-	-	-
iii) Interest Accrued but not due	61,031.94	61,105.33	-	1,22,137.27
<b>Total (i+ii+iii)</b>	<b>24,80,193.33</b>	<b>8,73,050.73</b>	<b>-</b>	<b>33,53,244.06</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Chairman & Managing Director, Whole-time Directors and/or Manager:**

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		Shri Amitabh Banerjee Chairman & Managing Director from 12.10.2019	Shri Niraj Kumar, Director Finance Up to 31.07.2020	Ms. Shelly Verma, Director Finance From 01.09.2020	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	67.40	62.79	27.97	158.16
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.78	0.74	1.52	3.04

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		Shri Amitabh Banerjee Chairman & Managing Director from 12.10.2019	Shri Niraj Kumar, Director Finance Up to 31.07.2020	Ms. Shelly Verma, Director Finance From 01.09.2020	
	(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	-	-	-	-
	<b>Total (A)</b>	<b>68.18</b>	<b>63.53</b>	<b>29.49</b>	<b>161.20</b>
	Ceiling as per the Act	-	-	-	-

\* Not applicable under the exemptions granted by the Government of India vide its Notification dated 5th June, 2015.

#### B. Remuneration to other Directors:

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount	
		Independent Directors	Smt. Aditi Sengupta Ray	Shri Chetan Venugopal		Shri Ashok Kumar Singhal
	• Fee for attending Board Committee Meetings		1.50	5.90	5.80	13.20
	• Commission		-			
	• Others, please specify		-			
	Total (1)		1.50	5.90	5.80	13.20
	Other Non-Executive Directors	Shri Anand Prakash	Shri Baldeo Purushartha	Shri Bhaskar Choradia		
	• Fee for attending Board Committee Meetings		-	-		-
	• Commission		-	-		-
	• Others, please specify		-	-		-
	Total (2)		-	-		-
	Total (B)=(1+2)		1.50	5.90	5.80	13.20
	Total Managerial Remuneration		-	-		-
	Overall Ceiling as per the Act		-	-		-

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

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Company Secretary	
		Shri Vijay Babulal Shirode Joint General Manager (Law) & Company Secretary	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		22.76
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		2.24
	(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		
	<b>Total (A)</b>		<b>25.00</b>

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			<b>NIL</b>		
Punishment					
Compounding					
<b>C. OTHR 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 2020-2021.

Sd/-

Place: New Delhi  
Date: 13th August, 2021

**(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 31.03.2021 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: New Delhi  
Dated: 29th June, 2021

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

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



**Financial**

Statements

# Balance Sheet

as at 31 March 2021

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

Particulars	Notes	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
<b>ASSETS</b>				
<b>Financial Assets</b>				
Cash And Cash Equivalents	3	2,971.91	13.80	37.07
Bank Balance Other Than Above	4	1,617.33	993.83	773.59
Derivative Financial Instruments	5	760.14	-	466.90
Receivables	6			
- Lease Receivables		1,655,689.91	1,485,798.00	1,250,265.12
Loans	7	69,698.15	64,233.71	58,954.87
Investments	8	119.82	115.12	131.45
Other Financial Assets	9	1,971,282.49	1,182,742.54	738,239.44
<b>Total Financial Assets</b>		<b>3,702,139.75</b>	<b>2,733,897.00</b>	<b>2,048,868.44</b>
<b>Non-Financial Assets</b>				
Current Tax Assets (Net)	10	9,303.25	6,308.41	414.67
Property, Plant And Equipment	11	453.16	110.04	112.25
Other Intangible Assets	12	0.41	0.43	0.50
Other Non-Financial Assets	13	68,620.61	14,725.41	14,987.09
<b>Total Non-Financial Assets</b>		<b>78,377.43</b>	<b>21,144.29</b>	<b>15,514.51</b>
<b>Total Assets</b>		<b>3,780,517.18</b>	<b>2,755,041.29</b>	<b>2,064,382.95</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Financial Liabilities</b>				
Derivative Financial Instruments	5	3,601.28	4,065.15	3,105.95
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		3.78	0.50	0.08
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		503.83	377.02	121.65
Debt Securities	15	1,785,747.89	1,552,904.56	1,235,978.99
Borrowings (Other Than Debt Securities)	16	1,445,358.90	790,862.65	503,347.76
Other Financial Liabilities	17	172,076.86	103,373.67	72,999.42
<b>Total Financial Liabilities</b>		<b>3,407,292.54</b>	<b>2,451,583.55</b>	<b>1,815,553.85</b>
<b>Non-Financial Liabilities</b>				
Provisions	18	291.22	138.03	117.96
Deferred Tax Liabilities (Net)	19	-	-	-
Other Non-Financial Liabilities	20	13,799.60	322.19	48.15
<b>Total Non-Financial Liabilities</b>		<b>14,090.82</b>	<b>460.22</b>	<b>166.11</b>
<b>Total Liabilities</b>		<b>3,421,383.36</b>	<b>2,452,043.77</b>	<b>1,815,719.96</b>
<b>Equity</b>				
Equity Share Capital	21	130,685.06	118,804.60	93,804.60
Other Equity	22	228,448.76	184,192.92	154,858.39
<b>Total Equity</b>		<b>359,133.82</b>	<b>302,997.52</b>	<b>248,662.99</b>
<b>Total Liabilities And Equity</b>		<b>3,780,517.18</b>	<b>2,755,041.29</b>	<b>2,064,382.95</b>

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/-  
**(Dashrath Kumar Singh)**  
(Partner)  
M.No. 060030  
UDIN:21060030AAAAEK2554

Place: New Delhi  
Date: 29th June 2021

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

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

# Statement of Profit and Loss

for the year ended 31 March 2021

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

Particulars	Notes	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
<b>Revenue From Operations</b>			
Interest Income	23	39,436.59	27,479.98
Dividend Income		2.51	5.92
Lease Income	24	118,265.62	106,724.27
<b>Total Revenue From Operations</b>		<b>157,704.72</b>	<b>134,210.17</b>
Other Income	25	3.90	0.73
<b>Total Income</b>		<b>157,708.62</b>	<b>134,210.90</b>
<b>Expenses</b>			
Finance Costs	26	112,370.53	101,626.62
Impairment on Financial Instruments	27	27.15	21.41
Employee Benefit Expense	28	78.47	62.65
Depreciation, Amortization and Impairment	29	44.32	4.58
Other Expenses	30	1,026.84	574.68
<b>Total Expenses</b>		<b>113,547.31</b>	<b>102,289.94</b>
<b>Profit Before Exceptional Items and Tax</b>		<b>44,161.31</b>	<b>31,920.96</b>
Exceptional Items		-	-
<b>Profit Before Tax</b>		<b>44,161.31</b>	<b>31,920.96</b>
Tax Expense	31		
Current Tax		-	-
Deferred Tax		-	-
Adjustment for Earlier Years		-	-
<b>Total Tax Expenses</b>		<b>-</b>	<b>-</b>
<b>Profit for the Period from Continuing Operations</b>		<b>44,161.31</b>	<b>31,920.96</b>
Profit from Discontinued Operations		-	-
Tax Expense of Discontinued Operations		-	-
Profit from Discontinued Operations (After Tax)		-	-
<b>Profit for the Period</b>		<b>44,161.31</b>	<b>31,920.96</b>
<b>Other Comprehensive Income</b>			
(A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		0.01	(0.35)
- Remeasurement of Equity Instrument		14.75	(5.17)
(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>14.76</b>	<b>(5.52)</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>14.76</b>	<b>(5.52)</b>
<b>Total comprehensive income for the period (comprising profit (loss) and other comprehensive income for the period)</b>		<b>44,176.07</b>	<b>31,915.44</b>
<b>Earnings per equity share (for continuing operations)</b>	32		
Basic (₹)		3.66	3.40
Diluted (₹)		3.66	3.40
<b>Earnings per equity share (for discontinued operations)</b>			
Basic (₹)		-	-
Diluted (₹)		-	-
<b>Earnings per equity share (for continuing and discontinued operations)</b>	32		
Basic (₹)		3.66	3.40
Diluted (₹)		3.66	3.40

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/-  
**(Dashrath Kumar Singh)**  
(Partner)  
M.No. 060030  
UDIN: 21060030AAAAEK2554

Place: New Delhi  
Date: 29th June 2021

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

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



# Statement of Cash Flow

for the year ended 31 March 2021

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

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxes	<b>44,161.31</b>	31,920.96
<b>Adjustments for:</b>		
Remeasurement of Defined Benefit Plans	0.01	(0.35)
Depreciation and Amortisation (including adjustment to ROU assets)	44.32	4.58
Provision of Interest on Income Tax	5.33	20.91
Loss on Sale of Fixed Assets	0.25	0.07
Profit on Sale of Fixed Assets	(0.01)	-
Discount of Commercial Paper	505.55	1,358.05
Adjustments Towards Effective Interest Rate	(3,217.08)	(1,482.30)
Interest Expense on Lease Liabilities	6.79	-
Dividend Income Received	(2.51)	(5.92)
<b>Operating Profit Before Working Capital Changes</b>	<b>41,503.96</b>	<b>31,816.00</b>
<b>Movements in Working Capital:</b>		
increase/(Decrease) in Payables	130.09	255.79
increase/(Decrease) in Provisions	193.76	(0.84)
increase/(Decrease) in Others Non Financial Liabilities	13,477.41	274.04
increase/(Decrease) in Other Financial Liabilities	68,357.31	30,374.25
Decrease/(Increase) in Receivables	(169,891.91)	(235,532.88)
Decrease/(Increase) in Loans and Advances	(5,464.44)	(5,278.84)
Decrease/(Increase) in Bank Balance Other Than Cash and Cash Equivalents	(623.50)	(220.24)
Decrease/(Increase) in Other Non Financial Assets	(53,895.20)	261.68
Decrease/(Increase) in Other Financial Assets	(789,813.21)	(443,061.27)
<b>Cash Generated From Operations</b>	<b>(896,025.73)</b>	<b>(621,112.31)</b>
Less: Direct Taxes Paid (Net of Refunds)	3,040.74	5,893.75
<b>Net Cash Flow/(Used) in Operating Activities (A)</b>	<b>(899,066.47)</b>	<b>(627,006.06)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property Plant & Equipments and Intangible Assets	(8.65)	(2.41)
Proceeds From Sale of Property Plant & Equipment	0.32	0.05
Proceeds From Realization of Pass Through Certificates / Sale of Investments	10.05	11.16
Dividend Income Received	2.51	5.92
<b>Net Cash Flow/(Used) in Investing Activities (B)</b>	<b>4.23</b>	<b>14.72</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Equity Share Capital	11,880.46	25,000.00
Proceeds from Security Premium	19,008.74	-
Issue of Debt Securities (Net of Redemptions)	24,2488.51	308,125.43
Raising of Rupee Term Loans/ Foreign Currency Borrowings (Net of Repayments)	657,781.22	289,007.28
Issue of Commercial Paper (Net of Repayments)	(10,169.37)	7,416.27
Payments for Lease Liabilities (including interest)	(40.24)	-
Share Issue Expenses	(207.04)	(169.80)
Final Dividend Paid	(5,000.00)	(2,000.00)
Interim Dividend Paid	(13,721.93)	-
Dividend Tax Paid	-	(411.11)
<b>Net Cash Generated By/(Used In) Financing Activities (C)</b>	<b>902,020.35</b>	<b>626,968.07</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>2,958.11</b>	<b>(23.27)</b>
Cash and Cash Equivalents at the beginning of the year	13.80	37.07
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>2,971.91</b>	<b>13.80</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/-  
**(Dashrath Kumar Singh)**  
(Partner)  
M.No. 060030  
UDIN: 21060030AAAAEK2554**For and on behalf of the Board of Directors  
Indian Railway Finance Corporation Limited**Sd/-  
**(Vijay Babulal Shirode)**  
Company Secretary  
& JGM (Law)  
FCS: 6876Sd/-  
**(Shelly Verma)**  
Director Finance  
DIN: 07935630Sd/-  
**(Amitabh Banerjee)**  
Chairman &  
Managing Director  
DIN: 03315975Place: New Delhi  
Date: 29th June 2021

# Statement of Changes in Equity

for the year ended 31 March 2021

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

## A. Equity Share Capital

Particulars	Note	Amount
<b>Balance as at 1 April 2019</b>	<b>21</b>	<b>93,804.60</b>
Changes in equity share capital during the period		25,000.00
<b>Balance as at 31 March 2020</b>		<b>118,804.60</b>
<b>Balance as at 1 April 2020</b>	<b>21</b>	<b>118,804.60</b>
Changes in equity share capital during the period		11,880.46
<b>Balance as at 31 March 2021</b>		<b>130,685.06</b>

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

Chartered Accountants  
(FRN 323288E)

Sd/-

**(Dashrath Kumar Singh)**

(Partner)

M.No. 060030

UDIN: 21060030AAAAEK2554

Place: New Delhi

Date: 29th June 2021

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

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

# Statement of Changes in Equity

for the year ended 31 March 2021

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

## B. Other Equity

Particulars	Share issue expenses*	General Reserve	Bond redemption reserve**	Reserve and surplus Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	Security Premium Reserve	Retained Earnings	Equity instruments through other comprehensive income	Total other equity
<b>Balance as at 1 April 2019</b>	-	30,327.36	57,145.59	4,509.50	-	64,431.40	68.08	156,481.93
Prior Period Adjustments***	-	-	-	-	-	(1,623.54)	-	(1,623.54)
<b>Restated Balance as at 1 April 2019</b>	-	30,327.36	57,145.59	4,509.50	-	62,807.86	68.08	154,856.39
Total comprehensive income for the period	-	-	-	-	-	31,920.61	(5.17)	31,915.44
Addition during the period	(169.80)	-	-	-	-	-	-	(169.80)
Transfer to bond redemption reserve	-	-	(57,145.59)	-	-	57,145.59	-	-
Transfer to general reserve	-	143,704.92	-	-	-	(143,704.92)	-	-
Transfer to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	-	-	-	7,384.85	-	(7,384.85)	-	-
Interim Dividend	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	(2,000.00)	-	(2,000.00)
Dividend tax	-	-	-	-	-	(411.11)	-	(411.11)
<b>Balance as at 31 March 2020</b>	<b>(169.80)</b>	<b>174,032.28</b>	-	<b>11,894.35</b>	-	<b>(1,626.82)</b>	<b>62.91</b>	<b>184,192.92</b>
<b>Balance as at 1 April 2020</b>	<b>(169.80)</b>	<b>174,032.28</b>	-	<b>11,894.35</b>	-	<b>5,000.00</b>	<b>62.91</b>	<b>190,819.74</b>
Prior Period Adjustments ***	-	-	-	-	-	(6,626.82)	-	(6,626.82)
<b>Restated Balance as at 1 April 2020</b>	<b>(169.80)</b>	<b>174,032.28</b>	-	<b>11,894.35</b>	-	<b>(1,626.82)</b>	<b>62.91</b>	<b>184,192.92</b>
Total comprehensive income for the period	-	-	-	-	-	44,161.32	14.75	44,176.07
Addition during the period	(207.04)	-	-	-	19,008.74	-	-	18,801.70
Transfer to bond redemption reserve	-	-	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-	-	-
Transfer to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	-	-	-	8,832.26	-	(8,832.26)	-	-
Bank of India Act, 1934	-	-	-	-	-	-	-	-
Interim Dividend	-	-	-	-	-	(13,721.93)	-	(13,721.93)
Final Dividend	-	-	-	-	-	(5,000.00)	-	(5,000.00)
Dividend tax	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>(376.84)</b>	<b>174,032.28</b>	-	<b>20,726.61</b>	<b>19,008.74</b>	<b>14,980.31</b>	<b>77.66</b>	<b>228,448.76</b>

\*Refer Note No. 22.1

\*\* Refer Note No. 22.4

\*\*\* Refer Note No. 46(e)

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/-  
**(Dashrath Kumar Singh)**  
(Partner)  
M.No. 060030

UDIN: 21060030AAAAEK2554

Place: New Delhi

Date: 29th June 2021

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

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

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

# Notes to Financial Statements

for the year ended 31 March 2021

(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 100% 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 on previous experience & other factors considered reasonable and prudent

# Notes to Financial Statements

for the year ended 31 March 2021

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

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

# Notes to Financial Statements

for the year ended 31 March 2021

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

operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is entity's functional and presentation currency.

## Transactions and Balances

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

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

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

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

## 2.6 Employee Benefits

### Defined contribution plan

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

### Defined benefit plan

The defined benefit plans sponsored by the Company define the amount of the benefit that an employee will receive on completion of services by reference to length of service and last drawn salary. Gratuity is in the nature of a defined benefit plan. The liability recognised in the financial statements in respect of the plan is the present value of the defined benefit obligation net of fair value of plan assets at the reporting

date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated at the reporting date by an independent actuary using the projected unit credit method.

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

### Other long-term employee benefits

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

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

### Short-term employee benefits

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

## 2.7 Taxation

Tax expense comprises Current Tax and Deferred Tax.

### Current Tax

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

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

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

# Notes to Financial Statements

for the year ended 31 March 2021

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

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

# Notes to Financial Statements

for the year ended 31 March 2021

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

done at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

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

## De-recognition

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

## Amortization

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

## 2.10 Borrowing costs

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

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

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

period and used for the acquisition, construction/exploration or erection of the qualifying asset.

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

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

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

## 2.11 Cash and cash equivalents

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

## 2.12 Provisions, contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance costs.

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

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



# Notes to Financial Statements

for the year ended 31 March 2021

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

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

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

## 2.13 Impairment of non-financial assets

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

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

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

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

## 2.14 Leases

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

# Notes to Financial Statements

for the year ended 31 March 2021

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

leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

## Company as a lessee

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

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

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

## 2.15 Securitisation of Finance Lease Receivable

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

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

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

## 2.16 Leasing of Railway Infrastructure Assets

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

The commencement of the lease term is the date 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

# Notes to Financial Statements for the year ended 31 March 2021

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

balances of assets, liabilities and equity for the earliest period presented, are restated.

## 2.19 Earnings per share

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

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

## 2.20 Statement of Cash Flows

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

## 2.21 Operating Segments

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

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

## 2.22 Financial Instruments

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

### 2.22.1. Financial Assets

#### Initial recognition and measurement

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

#### Subsequent measurement

##### Debt instruments at amortized cost

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

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

After initial measurement, such financial assets are subsequently measured at amortized cost using the 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.

# Notes to Financial Statements

for the year ended 31 March 2021

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

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

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

## Equity investments

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

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

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

## De-recognition

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

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

## Impairment of financial assets

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

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

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

# Notes to Financial Statements for the year ended 31 March 2021

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

## 2.22.2. Financial liabilities

### Initial recognition and measurement

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

### Subsequent measurement

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

#### Financial liabilities at amortized cost

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

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are

not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

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

### De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the 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

# Notes to Financial Statements

for the year ended 31 March 2021

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

## 2.23 New amended standards:

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

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

#### Ind AS 1 defined the term 'material, as under:

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

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

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

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

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

This amendment has not affected these financial statements.

### Amendments to Ind AS 103, Business Combinations

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

#### The amendment revises the definition as under:

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

#### The amendments also:

- Introduces an optional concentration test to permit a simplified assessment of whether an acquired set of activities and assets is a business or asset acquisition;

Provides additional guidance on how to assess whether an acquired process is substantive, if the acquired set of activities and assets does not have outputs and if it does have outputs.

# Notes to Financial Statements for the year ended 31 March 2021

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**The amendment is not applicable to the Company.**

## **Amendments to Ind AS 116:**

A practical expedient is inserted which permits lessees not to account for Covid – 19 related rent concessions as a lease modification. As the Company has not availed any Covid 19 related rent concessions, the practical expedient has no applicability on the Company's financial statements.

## **Amendments to Ind AS 107, Financial Instruments : Disclosures**

### **Amendments to Ind AS 109, Financial Instruments**

The amendments addresses the issues arising from the replacement of existing IBOR based interest rate benchmarks with alternative nearly risk – free interest rates (RFRs) in the context of hedge accounting. These amendments allow hedging relationships affected by the IBOR reform to be accounted for as continuing hedges.

The amendments provide relief on key areas of hedge accounting most notably the hedge effectiveness and the ability to identify LIBR based cash flows for the purpose of designation (re – designation) during the period of the Reform. Additional disclosures are shown in Note No. 38.6.

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

The Ministry of Corporate Affairs (MCA) vide Notification dated 18 June 2021 has issued new Companies (Indian Accounting Standard) Amendment Rules, 2021 in consultation with the National Financial Reporting Authority (NFRA).

The notification states that these rules shall be applicable with immediate effect from the date of the notification. This means that the amendments are effective for the financial year ended 31 March 2022 onwards.

The amendments are intended to keep the Ind ASs aligned with the amendments made in International Financial Reporting Standards. While, largely, the amendments are clarificatory or editorial in nature, there are significant amendments relating to the extension of COVID 19 related to practical expedient under Ind AS 116

for lease concessions and practical expedient due to the interbank offered rate (IBOR) interest rates for financial instruments.

The amendments to Ind ASs are in terms of insertion of certain paragraphs, substituting the definition of certain terms used in the standard along with aligning the bare text of Standards with Conceptual Framework of Financial reporting under Ind ASs.

Major amendments notified in the Companies (Ind AS) Amendment Rules, 2021 are provided below:-

- a) **Ind AS 116: Leases** – The amendments extend the benefits of the COVID 19 related rent concession that were introduced last year (which allowed lessees to recognize COVID 19 related rent concessions as income rather than as lease modification) from 30 June 2021 to 30 June 2022.
- b) **Ind AS 109: Financial Instruments** – The amendment provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform along. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.
- c) **Ind AS 101: Presentation of Financial Statements** – The amendment substitutes the item (d) mentioned in paragraph B1 as 'Classification and measurement of financial instruments'. The term 'financial asset' has been replaced with 'financial instruments'.
- d) **Ind AS 102: Share-Based Payment** – The amendments to this standard are made in reference to the Conceptual Framework of Financial Reporting under Ind AS in terms of defining the term 'Equity Instrument' which shall be applicable for the annual reporting periods beginning on or after 1 April 2021.
- e) **Ind AS 103: Business Combinations** – The amendment substitutes the definition of 'assets' and 'liabilities' in accordance with the definition given in the framework for the Preparation and Presentation of Financial Statements

# Notes to Financial Statements

for the year ended 31 March 2021

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- in accordance with Ind AS for qualifying the recognition criteria as per acquisition method.
- f) Ind AS 104: Insurance Contracts – The amendment covers the insertion of certain paragraphs in the standard in order to maintain consistency with IFRS 4 and also incorporates the guidance on accounting treatment for amendments due to Interest Rate Benchmark Reform.
- g) Ind AS 105: Non-current assets held for sale and discontinued operations – The amendment substitutes the definition of “fair value less costs to sell” with “fair value less costs of disposal”
- h) Ind AS 106: Exploration for and evaluation of mineral resources – The amendment has been made in reference to the Conceptual Framework for Financial Reporting under Indian Accounting Standards in respect of expenditures that shall not be recognized as exploration and evaluation assets.
- i) Ind AS 107: Financial Instruments: Recognition, Presentation and Disclosure – The amendment clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform like
- a. the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform;
  - b. the entity’s progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition.
- j) Ind AS: 111 Joint Arrangements – In order to maintain consistency with the amendments made in Ind AS 103, respective changes have been made in Ind AS 111.
- k) Ind AS 114: Regulatory Deferral Accounts – The amendment clarifies that an entity may only change its accounting policies for the recognition, measurement, and impairment & derecognition of regulatory deferral account balances if the change makes the financial statements more relevant to the economic decision-making needs of users and no less reliable.
- l) Ind AS 115: Revenue from Contracts with Customers – Certain amendments have been made in order to maintain consistency with number of paragraphs of IFRS 15.
- m) Ind AS 8: Accounting Policies, Changes in Accounting Estimates and Errors – In order to maintain consistency with the amendments made in Ind AS 114 and to substitute the word ‘Framework’ with the ‘Conceptual Framework of Financial Reporting in Ind AS’, respective changes have been made in the standard.
- n) Ind AS 16: Property, Plant and Equipment –The amendment has been made by substituting the words “Recoverable amount is the higher of an asset’s fair value less costs to sell and its value in use” with “Recoverable amount is the higher of an asset’s fair value less costs of disposal and its value in use”.
- o) Ind AS 34: Interim Financial Reporting –The amendments to this standard are made in reference to the conceptual framework of Financial Reporting in Ind AS.
- p) Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets – The amendment substitutes the definition of the term ‘Liability’ as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standards.
- q) Ind AS 38: Intangible Assets – The amendment substitutes the definition of the term ‘Asset’ as provided in the Conceptual Framework for Financial Reporting under Indian Accounting Standards.

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

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

## Note 3: Cash and Cash Equivalents

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Balances with banks			
- in current accounts			
- For Statutory Dues	2,352.31	-	-
- For Other than above	619.50	13.70	36.97
Deposits with Reserve Bank of India			
- in public deposit account	0.10	0.10	0.10
<b>Total</b>	<b>2,971.91</b>	<b>13.80</b>	<b>37.07</b>

## Note 4: Bank Balances Other Than Above

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Balances with banks			
- in interest redemption accounts*	86.90	96.82	80.91
- in escrow pool account**	1,522.44	897.01	692.68
- in dividend payable account	7.99	-	-
<b>Total</b>	<b>1,617.33</b>	<b>993.83</b>	<b>773.59</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 2021

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## 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 2021			As at 31 March 2020			As at 01 April 2019		
	Notional amounts	Fair value- assets	Fair value- liabilities	Notional amounts	Fair value- assets	Fair value- liabilities	Notional amounts	Fair value- assets	Fair value- liabilities
<b>(i) Currency Derivatives</b>									
Spot and forwards	-	-	-	-	-	-	-	-	-
Currency swaps	19,063.88	360.88	3,500.36	13,884.67	-	3,090.22	12,737.67	-	3,105.95
<b>Subtotal (A)</b>	<b>19,063.88</b>	<b>360.88</b>	<b>3,500.36</b>	<b>13,884.67</b>	<b>-</b>	<b>3,090.22</b>	<b>12,737.67</b>	<b>-</b>	<b>3,105.95</b>
<b>(ii) Interest Rate Derivatives</b>									
Forward rate agreements and interest rate swaps	19,063.88	399.26	100.92	13,884.67	-	974.93	12,737.67	466.90	-
<b>Subtotal (B)</b>	<b>19,063.88</b>	<b>399.26</b>	<b>100.92</b>	<b>13,884.67</b>	<b>-</b>	<b>974.93</b>	<b>12,737.67</b>	<b>466.90</b>	<b>-</b>
<b>Total Derivative Financial Instruments (A+B)</b>	<b>38,127.76</b>	<b>760.14</b>	<b>3,601.28</b>	<b>27,769.34</b>	<b>-</b>	<b>4,065.15</b>	<b>25,475.34</b>	<b>466.90</b>	<b>3,105.95</b>
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:									
<b>PART-II</b>	As at 31 March 2021			As at 31 March 2020			As at 01 April 2019		
	Notional amounts	Fair value- assets	Fair value- liabilities	Notional amounts	Fair value- assets	Fair value- liabilities	Notional amounts	Fair value- assets	Fair value- liabilities
<b>(i) Fair Value Hedging</b>									
Currency derivatives	19,063.88	360.88	3,500.36	13,884.67	-	3,090.22	12,737.67	-	3,105.95
Interest rate derivatives	-	-	-	-	-	-	-	-	-
<b>Subtotal (A)</b>	<b>19,063.88</b>	<b>360.88</b>	<b>3,500.36</b>	<b>13,884.67</b>	<b>-</b>	<b>3,090.22</b>	<b>12,737.67</b>	<b>-</b>	<b>3,105.95</b>
<b>(ii) Cash Flow Hedging</b>									
Currency derivatives	-	-	-	-	-	-	-	-	-
Interest rate derivatives	19,063.88	399.26	100.92	13,884.67	-	974.93	12,737.67	466.90	-
<b>Subtotal (B)</b>	<b>19,063.88</b>	<b>399.26</b>	<b>100.92</b>	<b>13,884.67</b>	<b>-</b>	<b>974.93</b>	<b>12,737.67</b>	<b>466.90</b>	<b>-</b>
<b>Total Derivative Financial Instruments (A+B)</b>	<b>38,127.76</b>	<b>760.14</b>	<b>3,601.28</b>	<b>27,769.34</b>	<b>-</b>	<b>4,065.15</b>	<b>25,475.34</b>	<b>466.90</b>	<b>3,105.95</b>

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

# Notes to Financial Statements

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

## Note 6 : Receivables

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Lease receivables*	<b>1,655,689.91</b>	1,485,798.00	1,250,265.12
(Unsecured, considered good due from Ministry of Railways, Government of India)			
<b>Total</b>	<b>1,655,689.91</b>	<b>1,485,798.00</b>	<b>1,250,265.12</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

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## Note 8 : Investments

Particular	As at 31 March 2021					As at 31 March 2020					As at 01 April 2019							
	At Fair Value					At Fair Value					At Fair Value							
	Amortised cost (A)	Through Other Comprehensive Income (B)	Through Profit or Loss (C)	Designated at Fair Value Through Profit or Loss (D)	Subtotal E= (B+C+D)	Total (A+B)	Amortised cost (A)	Through Other Comprehensive Income (B)	Through Profit or Loss (C)	Designated at Fair Value Through Profit or Loss (D)	Subtotal E= (B+C+D)	Total (A+B)	Amortised cost (A)	Through Other Comprehensive Income (B)	Through Profit or Loss (C)	Designated at Fair Value Through Profit or Loss (D)	Subtotal E= (B+C+D)	Total (A+B)
Debt Securities*	12.14	-	-	-	-	12.14	22.23	-	-	-	22.23	33.30	33.30	-	-	-	-	33.30
Equity Instruments #	-	107.73	-	-	107.73	107.73	92.98	-	-	92.98	92.98	33.30	98.15	-	-	-	98.15	
<b>Total (A)</b>	<b>12.14</b>	<b>107.73</b>	-	-	<b>107.73</b>	<b>119.87</b>	<b>22.23</b>	-	-	<b>22.23</b>	<b>115.21</b>	<b>33.30</b>	<b>98.15</b>	-	-	-	<b>131.45</b>	
Investments Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Investments in India	12.14	107.73	-	-	107.73	119.87	22.23	92.98	-	92.98	115.21	33.30	98.15	-	-	-	131.45	
<b>Total (B)</b>	<b>12.14</b>	<b>107.73</b>	-	-	<b>107.73</b>	<b>119.87</b>	<b>22.23</b>	<b>92.98</b>	-	<b>92.98</b>	<b>115.21</b>	<b>33.30</b>	<b>98.15</b>	-	-	-	<b>131.45</b>	
Less: Allowance for Impairment <sup>1</sup> (C)	0.05	-	-	-	-	0.05	0.09	-	-	-	0.09	-	-	-	-	-	-	
<b>Total (A)-(C)</b>	<b>12.09</b>	<b>107.73</b>	-	-	<b>107.73</b>	<b>119.82</b>	<b>22.14</b>	<b>92.98</b>	-	<b>92.98</b>	<b>115.12</b>	<b>33.30</b>	<b>98.15</b>	-	-	-	<b>131.45</b>	

Details of Debt securities*	As at 31 March 2021		As at 31 March 2020		As at 01 April 2019	
	Numbers of Senior Pass through Certificates of NOVO X Trust Locos	15	25	35	33.30	33.30
Fair value of Senior Pass through Certificates of NOVO X Trust Locos	12.14	12.14	22.23	33.30	33.30	33.30

Details of Equity Instruments#	As at 31 March 2021		As at 31 March 2020		As at 01 April 2019	
	Numbers of Equity Shares of IRCON International Limited	1,220,000	244,000	244,000	98.15	98.15
Fair value of Equity Shares of IRCON International Limited	107.73	107.73	92.98	92.98	98.15	98.15

The Company holds nominal Equity (less than 0.26%) in IRCON International Limited. The Equity shares of IRCON International Limited were listed on National Stock Exchange with effect from 28 September 2018. The Company had elected to classify its investment in IRCON International Limited as fair value through other comprehensive income. The fair value as on 31 March 2021, 31 March 2020 & 01 April 2019 has been measured as per the quotation on National Stock Exchange (Level 1 Input).

As on 3rd April 2020, IRCON International Limited split its one share into 5 share each by decreasing its face value to ₹ 2/- per share from ₹ 10/- per share.

# Notes to Financial Statements

for the year ended 31 March 2021

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

## Note 9 : Other Financial Assets

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Amount recoverable from Ministry of Railways on account of exchange rate variation / derivatives#	5,498.25	18,033.97	4,244.98
Amount recoverable from Ministry of Railways - Leased Assets	-	-	3,061.73
Project Infrastructure Asset under Finance Lease Arrangements- EBR-IF (Refer Note No. 45)	1,314,317.90	-	-
Project Infrastructure Asset under Finance Lease Arrangements-EBR Special (Refer Note No. 45)	476,267.59	-	-
Advance against Railway Infrastructure Assets to be leased (Refer Note No. 45)	-	1,031,195.28	649,088.40
Advance Funding Against National Project (Refer Note No. 45)	84,815.82	79,884.94	50,828.17
Interest accrued but not due on advance for railway project to be leased	79,282.72	43,945.37	21,340.11
Security deposits	53.29	1.43	0.96
House building advance (secured)*	2.65	2.96	3.26
Advance to employees**	3.32	3.13	3.05
Interest accrued but not due on advance to employees***	1.04	0.77	0.51
Interest accrued but not due on loans	10,993.24	9,669.86	9,669.11
Interest accrued but not due on investment	18.22	28.51	36.04
Interest accrued but not due on 54 EC bond application money	24.26	13.09	1.33
Amount recoverable from others	48.23	2.02	0.46
<b>Gross Total</b>	<b>1,971,326.53</b>	<b>1,182,781.33</b>	<b>738,278.11</b>
Less: Impairment on interest accrued and due on loans & deposits/ investments****	44.04	38.79	38.67
<b>Net Total</b>	<b>1,971,282.49</b>	<b>1,182,742.54</b>	<b>738,239.44</b>

\*Includes ₹ 2.08 million for 31 March 2021, ₹ 2.28 million for 31 March 2020, ₹ 2.47 million for 1 April 2019 to Key Managerial Personnel.

\*\*Includes ₹ 0.53 million for 31 March 2021, ₹ 0.63 million for 31 March 2020, ₹ NIL million for 1 April 2019 to Key Managerial Personnel.

\*\*\*Includes ₹ 0.23 million for 31 March 2021, 0.12 million for 31 March 2020, 0.01 million for 1 April 2019 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) & Note 18).

# 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 2021	As at 31 March 2020	As at 01 April 2019
TDS & advance tax	15,790.82	31,785.86	25,892.12
Less: Provision for tax (Refer note no. 31)	(6,487.57)	(25,477.45)	(25,477.45)
<b>Total</b>	<b>9,303.25</b>	<b>6,308.41</b>	<b>414.67</b>

# Notes to Financial Statements

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

## Note 11 : Property, Plant and Equipment

Particulars	Building	Office Equipment	Computer	Furniture and fixtures	Plant and equipment	Vehicles	Right-of-Use Assets (Building)	Total
<b>Gross block</b>								
<b>Balance as on 1 April 2019</b>	<b>112.32</b>	<b>1.68</b>	<b>1.59</b>	<b>1.23</b>	<b>0.03</b>	<b>2.50</b>	-	<b>119.35</b>
Additions	-	0.82	1.40	0.12	-	-	-	2.34
Disposals	-	(0.19)	-	-	-	-	-	(0.19)
<b>Balance as on 31 March 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>
<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	-	-	379.33	383.88
Adjustment	-	-	-	-	-	-	3.99	3.99
Disposals	-	(0.46)	(0.37)	(0.20)	-	-	-	(1.03)
<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>383.32</b>	<b>508.34</b>
<b>Accumulated depreciation</b>								
<b>Balance as on 1 April 2019</b>	<b>5.60</b>	<b>0.38</b>	<b>0.55</b>	<b>0.24</b>	<b>0.03</b>	<b>0.30</b>	-	<b>7.10</b>
Depreciation expense	3.05	0.34	0.54	0.14	-	0.36	-	4.43
Adjustments	-	-	-	-	-	-	-	-
Elimination on disposals of assets	-	(0.07)	-	-	-	-	-	(0.07)
<b>Balance as on 31 March 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>
<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>11.45</b>
Depreciation expense	3.05	0.45	0.59	0.20	-	0.29	39.61	44.19
Adjustments	-	-	-	-	-	-	-	-
Elimination on disposals of assets	-	(0.23)	(0.19)	(0.05)	-	-	-	(0.47)
<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>39.61</b>	<b>55.17</b>
<b>Carrying amount</b>								
<b>Balance as on 1 April 2019</b>	<b>106.72</b>	<b>1.30</b>	<b>1.04</b>	<b>0.99</b>	-	<b>2.20</b>	-	<b>112.25</b>
Additions	-	0.82	1.40	0.12	-	-	-	2.34
Disposals	-	(0.12)	-	-	-	-	-	(0.12)
Depreciation expense	(3.05)	(0.34)	(0.54)	(0.14)	-	(0.36)	-	(4.43)
<b>Balance as on 31 March 2020</b>	<b>103.67</b>	<b>1.66</b>	<b>1.90</b>	<b>0.97</b>	-	<b>1.84</b>	-	<b>110.04</b>
<b>Balance as on 1 April 2020</b>	<b>103.67</b>	<b>1.66</b>	<b>1.90</b>	<b>0.97</b>	-	<b>1.84</b>	-	<b>110.04</b>
Additions	-	2.18	1.67	0.70	-	-	379.33	383.88
Disposals	-	(0.23)	(0.18)	(0.15)	-	-	-	(0.56)
Adjustment	-	-	-	-	-	-	3.99	3.99
Depreciation expense	(3.05)	(0.45)	(0.59)	(0.20)	-	(0.29)	(39.61)	(44.19)
<b>Balance as on 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>343.71</b>	<b>453.16</b>

# Notes to Financial Statements

for the year ended 31 March 2021

(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 2019</b>	<b>0.66</b>
Additions	0.08
Disposals	-
<b>Balance as on 31 March 2020</b>	<b>0.74</b>
<b>Balance as on 1 April 2020</b>	<b>0.74</b>
Additions	0.11
Disposals	-
<b>Balance as on 31 March 2021</b>	<b>0.85</b>
<b>Accumulated Amortisation</b>	
<b>Balance as on 1 April 2019</b>	<b>0.16</b>
Amortisation expense	0.15
Adjustments	-
Elimination on disposals of assets	-
<b>Balance as on 31 March 2020</b>	<b>0.31</b>
<b>Balance as on 1 April 2020</b>	<b>0.31</b>
Amortisation expense	0.13
Adjustments	-
Elimination on disposals of assets	-
<b>Balance as on 31 March 2021</b>	<b>0.44</b>
<b>Carrying amount</b>	
<b>Balance as on 1 April 2019</b>	<b>0.50</b>
Additions	0.08
Disposals	-
Amortisation expense	(0.15)
<b>Balance as on 31 March 2020</b>	<b>0.43</b>
<b>Balance as on 1 April 2020</b>	<b>0.43</b>
Additions	0.11
Disposals	-
Amortisation expense	(0.13)
<b>Balance as on 31 March 2021</b>	<b>0.41</b>



# Notes to Financial Statements

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

## Note 13 : Other Non-Financial Assets

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
<b>Capital Advances</b>			
Advance to FA & CAO, Northern Railway	25.30	25.30	25.30
<b>Advances other than capital advances</b>			
Advance to others	112.67	1.67	1.67
<b>Others</b>			
Prepaid expenses	6.62	3.74	4.18
Tax refund receivable	30.62	20.10	249.71
GST recoverable	14,664.47	14,667.82	14,706.23
GST Input- Project Assets*	53,770.59	-	-
Leave Encashment Funded Assets (Net)	0.34	-	-
Gratuity Funded Assets (Net)	10.00	6.78	-
<b>Total</b>	<b>68,620.61</b>	<b>14,725.41</b>	<b>14,987.09</b>

\*Includes GST inputs on infrastructure assets such as station, bridges etc and similar items. The ITC amount on these items shall be determined on receipts of confirmation from the Ministry of Railway. On determination, the ITC amount shall be transferred to "Projects Infrastructure Assets under Finance Lease Arrangements."

## Note 14 : Payables

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
(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)	3.78	0.50	0.08
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	503.83	377.02	121.65
<b>Total</b>	<b>507.61</b>	<b>377.52</b>	<b>121.73</b>

# Notes to Financial Statements

for the year ended 31 March 2021

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

Particulars	As at 31 March 2021			As at 31 March 2020			As at 01 April 2019					
	At Amortised cost	At Fair Value Through Profit or Loss	Designated at Fair Value Through Profit or Loss	Total	At Amortised cost	At Fair Value Through Profit or Loss	Designated at Fair Value Through Profit or Loss	Total	At Amortised cost	At Fair Value Through Profit or Loss	Designated at Fair Value Through Profit or Loss	Total
<b>Others</b>												
Bonds from domestic capital market	1,553,752.18	-	-	<b>1,553,752.18</b>	1,362,599.36	-	-	<b>1,362,599.36</b>	1,136,548.03	-	-	<b>1,136,548.03</b>
Bonds from overseas capital market	203,025.44	-	-	<b>203,025.44</b>	151,671.11	-	-	<b>151,671.11</b>	69,571.19	-	-	<b>69,571.19</b>
Commercial Paper	28,970.27	-	-	<b>28,970.27</b>	38,634.09	-	-	<b>38,634.09</b>	29,859.77	-	-	<b>29,859.77</b>
<b>Total</b>	<b>1,785,747.89</b>	-	-	<b>1,785,747.89</b>	<b>1,552,904.56</b>	-	-	<b>1,552,904.56</b>	<b>1,235,978.99</b>	-	-	<b>1,235,978.99</b>
Debt securities in India	1,582,722.45	-	-	<b>1,582,722.45</b>	1,401,233.45	-	-	<b>1,401,233.45</b>	1,166,407.80	-	-	<b>1,166,407.80</b>
Debt securities outside India	203,025.44	-	-	<b>203,025.44</b>	151,671.11	-	-	<b>151,671.11</b>	69,571.19	-	-	<b>69,571.19</b>
<b>Total</b>	<b>1,785,747.89</b>	-	-	<b>1,785,747.89</b>	<b>1,552,904.56</b>	-	-	<b>1,552,904.56</b>	<b>1,235,978.99</b>	-	-	<b>1,235,978.99</b>

# Notes to Financial Statements

for the year ended 31 March 2021

(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:

Sr. No	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2021	31 March 2020	1 April 2019
1	157th series 6.80% Sec Red Non-Cum Taxable bonds	6.80%	Annual	Bullet Repayment	30-Apr-41	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	-	-
3	154 series 6.85% Secured Non-Cum Taxable Bonds	6.85%	Annual	Bullet Repayment	1-Dec-40	46,520.00	-	-
4	153 series 6.85% Taxable Bonds	6.85%	Annual	Bullet Repayment	29-Oct-40	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	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	2,944.16
7	151th Series Taxable Non-Cum. Bonds	6.73%	Annual	Bullet Repayment	6-Jul-35	30,000.00	-	-
8	150 Series Taxable Non-Cum. Bonds	6.90%	Annual	Bullet Repayment	5-Jun-35	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	2,200.00
10	70th "E" Taxable Non-Cum. Bonds	8.72%	Semi Annual	Bullet Repayment	4-May-35	150.00	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	2,200.00
13	138th Taxable Non-Cum. Bonds	7.85%	Annual	Bullet Repayment	1-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	2,200.00
15	70th "D" Taxable Non-Cum. Bonds	8.72%	Semi Annual	Bullet Repayment	4-May-34	150.00	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	2,200.00
17	70th "C" Taxable Non-Cum. Bonds	8.72%	Semi Annual	Bullet Repayment	4-May-33	150.00	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	2,200.00
19	70th "B" Taxable Non-Cum. Bonds	8.72%	Semi Annual	Bullet Repayment	4-May-32	150.00	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	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	9,950.00
22	70th "A" Taxable Non-Cum. Bonds	8.72%	Semi Annual	Bullet Repayment	4-May-31	150.00	150.00	150.00
23	152nd Series Taxable Non-Cum. Bonds	6.41%	Annual	Bullet Repayment	11-Apr-31	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	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	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	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	20,573.10
28	70th "AA" Taxable Non-Cum. Bonds	8.79%	Semi Annual	Bullet Repayment	4-May-30	14,100.00	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	-
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	3-Feb-30	3,850.00	3,850.00	3,850.00
32	143rd Taxable Non-Cum. Bonds	7.55%	Annual	Bullet Repayment	6-Nov-29	24,549.00	24,549.00	-
33	142th Taxable Non-Cum. Bonds	7.50%	Annual	Bullet Repayment	9-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	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	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	4,364.14
39	134 Series Taxable Bonds	8.30%	Annual	Bullet Repayment	25-Mar-29	30,000.00	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	30,000.00

# Notes to Financial Statements

for the year ended 31 March 2021

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

Sr. No	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2021	31 March 2020	1 April 2019
41	131st Series Taxable Bonds	8.55%	Annual	Bullet Repayment	21-Feb-29	22,365.00	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	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	6,883.59
44	94th A Series Tax Free Non-Cum Bonds	8.55%	Annual	Bullet Repayment	12-Feb-29	130.00	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	16,500.00
46	130th Series Taxable Bonds	8.40%	Annual	Bullet Repayment	8-Jan-29	28,454.00	28,454.00	28,454.00
47	129th Series Taxable Bonds	8.45%	Annual	Bullet Repayment	4-Dec-28	30,000.00	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	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	7,380.00
50	87th 'A' Series (Non-Retail), Tax Free Bonds Public Issue	7.04%	Annual	Bullet Repayment	23-Mar-28	2,227.99	2,220.94	2,211.40
51	87th 'A' Series (Retail), Tax Free Bonds Public Issue	7.54%	Annual	Bullet Repayment	23-Mar-28	410.85	417.90	427.44
52	86th 'A' Series (Non-Retail), Tax Free Bonds Public Issue	7.34%	Annual	Bullet Repayment	19-Feb-28	23,239.89	23,198.91	23,147.42
53	86th 'A' Series (Retail), Tax Free Bonds Public Issue	7.84%	Annual	Bullet Repayment	19-Feb-28	2,349.21	2,390.20	2,441.68
54	83rd 'A' Tax Free Non-Cum. Bonds	7.39%	Annual	Bullet Repayment	6-Dec-27	950.00	950.00	950.00
55	82nd 'A' Tax Free Non-Cum. Bonds	7.38%	Annual	Bullet Repayment	30-Nov-27	300.00	300.00	300.00
56	81st 'A' Tax Free Non-Cum. Bonds	7.38%	Annual	Bullet Repayment	26-Nov-27	667.00	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	9,350.00
58	123rd Series Taxable Non-Cum Bonds	7.33%	Annual	Bullet Repayment	28-Aug-27	17,450.00	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	20,500.00
60	54th "B" Taxable Non-Cum. Bonds	10.04%	Semi Annual	Bullet Repayment	7-Jun-27	3,200.00	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	22,000.00
62	118th Taxable Non Cum - Bonds	7.83%	Annual	Bullet Repayment	21-Mar-27	29,500.00	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	27,889.45	27,816.25	27,749.81
64	80th 'A' Series (Retail), Tax Free Bonds Public Issue	8.30%	Annual	Bullet Repayment	23-Feb-27	3,067.07	3,140.27	3,206.71
65	53rd "C" Taxable Non-Cum. Bonds	8.75%	Semi Annual	Bullet Repayment	29-Nov-26	4,100.00	4,100.00	4,100.00
66	79th "A" Tax Free Non-Cum. Bonds	7.77%	Annual	Bullet Repayment	8-Nov-26	1,915.10	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	2,550.00
68	75th Taxable Non-Cum. Bonds	9.09%	Semi Annual	Bullet Repayment	31-Mar-26	1,500.00	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	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	1,907.14
71	107th Series Tax Free Bonds Public Issue	7.04%	Annual	Bullet Repayment	22-Mar-26	485.97	485.97	485.97
72	106th Series Tax Free Bonds	7.04%	Annual	Bullet Repayment	3-Mar-26	10,500.00	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	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	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	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	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	6,000.00
79	67th "A" Taxable Non-Cum. Bonds	8.65%	Semi Annual	Bullet Repayment	3-Feb-25	2,000.00	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	600.00
81	95th Series Tax Free Bonds Public Issue	8.19%	Annual	Bullet Repayment	26-Mar-24	2,311.52	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	1,297.38

# Notes to Financial Statements

for the year ended 31 March 2021

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

Sr. No	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2021	31 March 2020	1 April 2019
83	132 Series Taxable Bonds	8.25%	Annual	Bullet Repayment	28-Feb-24	25,000.00	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	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	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	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	2,850.00
88	90th Series Tax Free Non-Cum Bonds	8.35%	Annual	Bullet Repayment	27-Nov-23	570.00	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	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	6,150.00
91	155th series 5.04% Secured Bonds	5.04%	Annual	Bullet Repayment	5-May-23	30,000.00	-	-
92	149 Series Taxable Non-Cum. Bonds	6.19%	Annual	Bullet Repayment	28-Apr-23	31,900.00	-	-
93	65th "N" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-23	600.00	600.00	600.00
94	145th Series Taxable Bonds	6.59%	Annual	Bullet Repayment	14-Apr-23	30,000.00	30,000.00	600.00
95	88th Taxable Non-Cum. Bonds	8.83%	Annual	Bullet Repayment	25-Mar-23	11,000.00	11,000.00	11,000.00
96	87th Series (Non-Retail), Tax Free Bonds Public Issue	6.88%	Annual	Bullet Repayment	23-Mar-23	1,377.09	1,373.50	1,366.17
97	87th Series (Retail), Tax Free Bonds Public Issue	7.38%	Annual	Bullet Repayment	23-Mar-23	274.61	278.20	285.53
98	86th Series (Non-Retail), Tax Free Bonds Public Issue	7.18%	Annual	Bullet Repayment	19-Feb-23	26,686.78	26,667.46	26,638.41
99	86th Series (Retail), Tax Free Bonds Public Issue	7.68%	Annual	Bullet Repayment	19-Feb-23	1,458.03	1,477.34	1,506.39
100	126th Taxable Non-Cum. Bonds*	7.63%	Annual	Bullet Repayment	25-Jan-23	-	30,000.00	30,000.00
101	85th Tax Free Non-Cum. Bonds	7.19%	Annual	Bullet Repayment	14-Dec-22	950.00	950.00	950.00
102	84th Tax Free Non-Cum. Bonds	7.22%	Annual	Bullet Repayment	7-Dec-22	4,999.00	4,999.00	4,999.00
103	83rd Tax Free Non-Cum. Bonds	7.22%	Annual	Bullet Repayment	6-Dec-22	300.00	300.00	300.00
104	82nd Tax Free Non-Cum. Bonds	7.22%	Annual	Bullet Repayment	30-Nov-22	410.00	410.00	410.00
105	81st Tax Free Non-Cum. Bonds	7.21%	Annual	Bullet Repayment	26-Nov-22	2,560.00	2,560.00	2,560.00
106	58th "A" Taxable Non-Cum. Bonds	9.20%	Semi Annual	Bullet Repayment	29-Oct-22	5,000.00	5,000.00	5,000.00
107	54th "A" Taxable Non-Cum. Bonds	9.95%	Semi Annual	Bullet Repayment	7-Jun-22	1,500.00	1,500.00	1,500.00
108	55th "O" Taxable Non-Cum. Bonds	9.86%	Semi Annual	Bullet Repayment	7-Jun-22	330.00	330.00	330.00
109	65th "M" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-22	600.00	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	28,367.53	28,301.10
111	80th Series (Retail) Tax Free Bonds Public Issue	8.15%	Annual	Bullet Repayment	23-Feb-22	3,307.69	3,364.85	3,431.28
112	53rd "B" Taxable Non-Cum. Bonds	8.68%	Semi Annual	Bullet Repayment	29-Nov-21	2,250.00	2,250.00	2,250.00
113	114th Taxable Non Cum - Bonds	6.70%	Annual	Bullet Repayment	24-Nov-21	20,000.00	20,000.00	20,000.00
114	113th Taxable Non Cum - Bonds	7.24%	Annual	Bullet Repayment	8-Nov-21	6,500.00	6,500.00	6,500.00
115	79th Tax Free Non-Cum. Bonds	7.55%	Annual	Bullet Repayment	8-Nov-21	5,396.00	5,396.00	5,396.00
116	57th Taxable Non-Cum. Bonds	9.66%	Semi Annual	Redeemable in two Equal instalments commencing from 28-09-2021	28-Sep-21	4,000.00	6,000.00	8,000.00
117	78th Taxable Non-Cum. Bonds	9.41%	Semi Annual	Bullet Repayment	28-Jul-21	15,000.00	15,000.00	15,000.00
118	55th "N" Taxable Non-Cum. Bonds	9.86%	Semi Annual	Bullet Repayment	7-Jun-21	330.00	330.00	330.00
119	77th Taxable Non-Cum. Bonds	9.57%	Semi Annual	Bullet Repayment	31-May-21	12,450.00	12,450.00	12,450.00
120	52nd "B" Taxable Non-Cum. Bonds	8.64%	Semi Annual	Bullet Repayment	17-May-21	7,000.00	7,000.00	7,000.00
121	76th Taxable Non-Cum. Bonds	9.27%	Semi Annual	Bullet Repayment	10-May-21	3,900.00	3,900.00	3,900.00
122	65th "L" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-21	600.00	600.00	600.00
123	127th Taxable Non-Cum. Bonds	7.65%	Annual	Bullet Repayment	15-Mar-21	-	25,000.00	25,000.00
124	51st Taxable Non-Cum. Bonds	7.74%	Semi Annual	Bullet Repayment	22-Dec-20	-	4,500.00	4,500.00
125	73rd "B" Tax Free Non-Cum. Bonds	6.72%	Semi Annual	Bullet Repayment	20-Dec-20	-	8,359.10	8,359.10

# Notes to Financial Statements

for the year ended 31 March 2021

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

Sr. No	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2021	31 March 2020	1 April 2019
126	49th "O" - FRB Taxable Non-Cum. Bonds	6.93% <sup>^</sup>	Semi Annual	Bullet Repayment	22-Jun-20	-	100.00	100.00
127	72nd Taxable Non-Cum. Bonds	8.50%	Semi Annual	Bullet Repayment	22-Jun-20	-	8,000.00	8,000.00
128	55th "M" Taxable Non-Cum. Bonds	9.86%	Semi Annual	Bullet Repayment	7-Jun-20	-	330.00	330.00
129	119th Taxable Non - Cum Bonds	7.20%	Annual	Bullet Repayment	31-May-20	-	23,750.00	23,750.00
130	65th "K" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-20	-	600.00	600.00
131	115th Taxable Non Cum - Bonds	6.73%	Annual	Bullet Repayment	23-Mar-20	-	-	8,000.00
132	68th "B" Tax Free Non-Cum. Bonds	6.70%	Semi Annual	Bullet Repayment	8-Mar-20	-	-	9,272.10
133	67th Taxable Non-Cum. Bonds	8.55%	Semi Annual	Bullet Repayment	3-Feb-20	-	-	1,750.00
134	112th Taxable Non - Cum Bonds	6.92%	Annual	Bullet Repayment	10-Nov-19	-	-	15,000.00
135	48th "J" Taxable Non-Cum. Bonds	6.85%	Semi Annual	Bullet Repayment	17-Sep-19	-	-	500.00
136	111th Taxable Non Cum - Bonds	7.65%	Annual	Bullet Repayment	30-Jul-19	-	-	10,000.00
137	49th "N" - FRB Taxable Non-Cum. Bonds	8.13% <sup>**</sup>	Semi Annual	Bullet Repayment	22-Jun-19	-	-	100.00
138	66th Taxable Non-Cum. Bonds	8.60%	Semi Annual	Bullet Repayment	11-Jun-19	-	-	5,000.00
139	128th Taxable Non-Cum. Bonds	7.72%	Annual	Bullet Repayment	7-Jun-19	-	-	26,000.00
140	55th "L" Taxable Non-Cum. Bonds	9.86%	Semi Annual	Bullet Repayment	7-Jun-19	-	-	330.00
141	65th "AA" Taxable Non-Cum. Bonds	8.19%	Semi Annual	Bullet Repayment	27-Apr-19	-	-	5,600.00
142	65th "J" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-19	-	-	600.00
	<b>Total</b>					<b>1,321,544.84</b>	<b>1,146,906.94</b>	<b>972,424.04</b>

\* Call option has been exercised during the year

<sup>^</sup> Applicable interest rate as on 31st March 2020, interest rate is floating linked to Indian Benchmark (INBMK) Yield and reset at half year rest. All other interest rates are fixed.<sup>\*\*</sup> Applicable interest rate as on 1 April 2019, interest rate is floating linked to Indian Benchmark (INBMK) Yield and reset at half year rest. All other interest rates are fixed.

# Notes to Financial Statements

for the year ended 31 March 2021

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

## 54 EC Secured Bonds

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:

Sr. No	Description	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2021	31 March 2020	1 April 2019
1	54 EC, Mar 2021 Bond Series	5%	Annual	Bullet Repayment	31-Mar-26	2,098.79	-	-
2	54 EC, Feb 2021 Bond Series	5%	Annual	Bullet Repayment	28-Feb-26	822.50	-	-
3	54 EC, Jan 2021 Bond Series	5%	Annual	Bullet Repayment	31-Jan-26	629.66	-	-
4	54 EC, Dec 2020 Bond Series	5%	Annual	Bullet Repayment	31-Dec-25	685.27	-	-
5	54 EC, Nov 2020 Bond Series	5%	Annual	Bullet Repayment	30-Nov-25	412.82	-	-
6	54 EC, Oct 2020 Bond Series	5%	Annual	Bullet Repayment	31-Oct-25	458.81	-	-
7	54 EC, Sep 2020 Bond Series	5%	Annual	Bullet Repayment	30-Sep-25	529.70	-	-
8	54 EC, Aug 2020 Bond Series	5%	Annual	Bullet Repayment	31-Aug-25	343.87	-	-
9	54 EC, July 2020 Bond Series	5.75%	Annual	Bullet Repayment	31-Jul-25	774.33	-	-
10	54 EC, Jun 2020 Bond Series	5.75%	Annual	Bullet Repayment	30-Jun-25	1,160.16	-	-
11	54 EC, May 2020 Bond Series	5.75%	Annual	Bullet Repayment	31-May-25	378.92	-	-
12	54 EC, Apr 2020 Bond Series	5.75%	Annual	Bullet Repayment	30-Apr-25	131.17	-	-
13	54 EC, Mar 2020 Bond Series	5.75%	Annual	Bullet Repayment	31-Mar-25	1,429.69	1,429.69	-
14	54 EC, Feb 2020 Bond Series	5.75%	Annual	Bullet Repayment	28-Feb-25	881.04	881.04	-
15	54 EC, Jan 2020 Bond Series	5.75%	Annual	Bullet Repayment	31-Jan-25	823.75	823.75	-
16	54 EC, Dec 2019 Bond Series	5.75%	Annual	Bullet Repayment	31-Dec-24	926.28	926.28	-
17	54 EC, Nov 2019 Bond Series	5.75%	Annual	Bullet Repayment	30-Nov-24	711.59	711.59	-
18	54 EC, Oct 2019 Bond Series	5.75%	Annual	Bullet Repayment	31-Oct-24	669.18	669.18	-
19	54 EC, Sep 2019 Bond Series	5.75%	Annual	Bullet Repayment	30-Sep-24	543.41	543.41	-
20	54 EC, Aug 2019 Bond Series	5.75%	Annual	Bullet Repayment	31-Aug-24	571.15	571.15	-
21	54 EC, July 2019 Bond Series	5.75%	Annual	Bullet Repayment	31-Jul-24	633.99	633.99	-
22	54 EC, June 2019 Bond Series	5.75%	Annual	Bullet Repayment	30-Jun-24	596.14	596.14	-
23	54 EC, May 2019 Bond Series	5.75%	Annual	Bullet Repayment	31-May-24	436.60	436.60	-
24	54 EC, Apr 2019 Bond Series	5.75%	Annual	Bullet Repayment	30-Apr-24	249.71	249.71	-
25	54EC Bond Mar 2019 Series	5.75%	Annual	Bullet Repayment	31-Mar-24	692.68	692.68	692.68
26	54EC Bond Feb 2019 Series	5.75%	Annual	Bullet Repayment	29-Feb-24	145.31	145.31	145.31
27	54EC Bond Jan 2019 Series	5.75%	Annual	Bullet Repayment	31-Jan-24	133.35	133.35	133.35
28	54 EC, Dec 2018 Bond Series	5.75%	Annual	Bullet Repayment	31-Dec-23	135.12	135.12	135.12
29	54 EC, Nov 2018 Bond Series	5.75%	Annual	Bullet Repayment	30-Nov-23	98.69	98.69	98.69
30	54 EC, Oct 2018 Bond Series	5.75%	Annual	Bullet Repayment	31-Oct-23	116.94	116.94	116.94
31	54 EC, Sep 2018 Bond Series	5.75%	Annual	Bullet Repayment	30-Sep-23	71.01	71.01	71.01
32	54 EC, Aug 2018 Bond Series	5.75%	Annual	Bullet Repayment	31-Aug-23	81.17	81.17	81.17
33	54 EC, July 2018 Bond Series	5.75%	Annual	Bullet Repayment	31-Jul-23	137.02	137.02	137.02
34	54 EC, June 2018 Bond Series	5.75%	Annual	Bullet Repayment	30-Jun-23	127.56	127.56	127.56
35	54 EC, May 2018 Bond Series	5.75%	Annual	Bullet Repayment	31-May-23	83.58	83.58	83.58
36	54 EC, Apr 2018 Bond Series	5.75%	Annual	Bullet Repayment	30-Apr-23	54.52	54.52	54.52
37	54 EC, Mar 2018 Bond Series	5.25%	Annual	Bullet Repayment	31-Mar-21	-	928.76	928.76
38	54 EC, Feb 2018 Bond Series	5.25%	Annual	Bullet Repayment	28-Feb-21	-	248.95	248.95
39	54 EC, Jan 2018 Bond Series	5.25%	Annual	Bullet Repayment	29-Jan-21	-	104.70	104.70
40	54 EC, Dec 2017 Bond Series	5.25%	Annual	Bullet Repayment	31-Dec-20	-	82.68	82.68
41	54 EC, Nov 2017 Bond Series	5.25%	Annual	Bullet Repayment	30-Nov-20	-	9.79	9.79
<b>Total</b>						<b>18,775.48</b>	<b>11,724.36</b>	<b>3,251.83</b>

# Notes to Financial Statements

for the year ended 31 March 2021

(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:

Sr. No	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2021	31 March 2020	1 April 2019
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	21,000.00
4	122nd Series Taxable Bonds	6.77% p.a.	Semi Annual	Redeemable in forty equal half yearly instalments commencing from 15 April 2028	27-Jun-47	41,000.00	41,000.00	41,000.00
5	110th Series Taxable Bonds	7.80% p.a.	Semi Annual	Redeemable in forty equal half yearly instalments commencing from 15 April 2027	22-Jun-46	30,000.00	30,000.00	30,000.00
6	109th Series Taxable Bonds	8.02% p.a.	Semi Annual	"Redeemable in forty equal half yearly instalments commencing from 15 April 2026"	30-Mar-46	50,000.00	50,000.00	50,000.00
7	101st Series Taxable Bonds	7.87% p.a.	Semi Annual	"Redeemable in forty equal half yearly instalments commencing from 15 April 2026"	27-Oct-45	29,347.00	20,000.00	20,000.00
	<b>Total</b>					<b>214,347.00</b>	<b>205,000.00</b>	<b>162,000.00</b>



# Notes to Financial Statements

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

for the year ended 31 March 2021

## Reconciliation

Particulars	31 March 2021	31 March 2020	1 April 2019
Secured Bonds from Domestic Capital Market	1,321,544.84	1,146,906.94	972,424.04
54EC Bonds Secured in Market	18,775.48	11,724.36	3,251.83
Unsecured Bonds from Domestic Capital Market	214,347.00	205,000.00	162,000.00
<b>Bonds in Domestic Market as per IGAAP</b>	<b>1,554,667.32</b>	<b>1,363,631.30</b>	<b>1,137,675.87</b>
Less: Unamortised transaction cost	(915.14)	(1,031.94)	(1,127.84)
<b>Bonds in Domestic Market as per Ind AS</b>	<b>1,553,752.18</b>	<b>1,362,599.36</b>	<b>1,136,548.03</b>

# Notes to Financial Statements

for the year ended 31 March 2021

(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:

Sr. No	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2021	31 March 2020	1 April 2019
1	REG-S/144A Bonds USD 300 million 3.95% GMTM-2050	3.95% p.a	Semi Annual	Bullet Repayment	13-Feb-50	22,173.00	22,770.00	-
2	REG-S/144A Bonds USD 750 million under GMTN	2.80% p.a	Semi Annual	Bullet Repayment	10-Feb-31	55,432.50	-	-
3	REG-S/144A Bonds USD 700 million 3.249% GMTM-2030	3.249% p.a	Semi Annual	Bullet Repayment	13-Feb-30	51,737.00	53,130.00	-
4	Reg-S Bonds Green Bond 1st Series (USD 500 Million)	3.835% p.a	Semi Annual	Bullet Repayment	13-Dec-27	36,955.00	37,950.00	34,815.00
5	Reg S Bonds USD 500M-EMTN	3.73% p.a	Semi Annual	Bullet Repayment	29-Mar-24	36,955.00	37,950.00	34,815.00
	<b>Total Overseas bonds as per IGAAP</b>					<b>203,252.50</b>	<b>151,800.00</b>	<b>69,630.00</b>
	Less: Unamortised transaction cost					(227.06)	(128.89)	(58.81)
	<b>Total Overseas bonds as per IND AS</b>					<b>203,025.44</b>	<b>151,671.11</b>	<b>69,571.19</b>

# Notes to Financial Statements

for the year ended 31 March 2021

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

## Commercial Paper (Unsecured)

Details of Commercial Paper outstanding as on various dates is as set out below:

Sr. No	Particulars	Discount Rate	Date of Maturity of Bond	31 March 2021	31 March 2020	1 April 2019
1	Commercial Paper Series XX	3.43%	25-Apr-21	29,000.00	-	-
2	Commercial Paper Series- XVIII	5.50%	21-Apr-20	-	38,750.00	-
3	Commercial Paper Series- XIII	7.23%	25-Apr-19	-	-	30,000.00
	Less: Unexpired discount			(29.73)	(115.91)	(140.23)
	<b>Total</b>			<b>28,970.27</b>	<b>38,634.09</b>	<b>29,859.77</b>
	Total Indian Bonds			1,553,752.18	1,362,599.36	1,136,548.03
	Total Overseas Bonds			203,025.44	151,671.11	69,571.19
	Commercial Paper			28,970.27	38,634.09	29,859.77
	<b>Total Debt Borrowings</b>			<b>1,785,747.89</b>	<b>1,552,904.56</b>	<b>1,235,978.99</b>

# Notes to Financial Statements

for the year ended 31 March 2021

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

Particulars	As at 31 March 2021			As at 31 March 2020			As at 01 April 2019					
	At Amortised cost	At Fair Value Through Profit or Loss	Designated at Fair Value Through Profit or Loss	Total	At Amortised cost	At Fair Value Through Profit or Loss	Designated at Fair Value Through Profit or Loss	Total	At Amortised cost	At Fair Value Through Profit or Loss	Designated at Fair Value Through Profit or Loss	Total
<b>Term Loans</b>												
Secured Loans												
(i) From Banks (Indian)	888,268.00	-	-	<b>888,268.00</b>	496,250.00	-	-	<b>496,250.00</b>	277,905.00	-	-	<b>277,905.00</b>
(ii) From Bank (Foreign)	16,350.64	-	-	<b>16,350.64</b>	454.58	-	-	<b>454.58</b>	625.44	-	-	<b>625.44</b>
(ii) From Other Parties- National Small Saving Fund	175,000.00	-	-	<b>175,000.00</b>	175,000.00	-	-	<b>175,000.00</b>	175,000.00	-	-	<b>175,000.00</b>
Unsecured Loans												
(i) From Banks (Indian)	47,200.04	-	-	<b>47,200.04</b>	22,619.00	-	-	<b>22,619.00</b>	24,198.97	-	-	<b>24,198.97</b>
(ii) From Banks (Foreign)	318,540.22	-	-	<b>318,540.22</b>	96,539.07	-	-	<b>96,539.07</b>	25,618.35	-	-	<b>25,618.35</b>
<b>Total (A)</b>	<b>1,445,358.90</b>	-	-	<b>1,445,358.90</b>	<b>790,862.65</b>	-	-	<b>790,862.65</b>	<b>503,347.76</b>	-	-	<b>503,347.76</b>
Borrowings in India	1,110,468.04	-	-	<b>1,110,468.04</b>	693,869.00	-	-	<b>693,869.00</b>	477,103.97	-	-	<b>477,103.97</b>
Borrowings outside India	334,890.86	-	-	<b>334,890.86</b>	96,993.65	-	-	<b>96,993.65</b>	26,243.79	-	-	<b>26,243.79</b>
<b>Total (B) to tally with (A)</b>	<b>1,445,358.90</b>	-	-	<b>1,445,358.90</b>	<b>790,862.65</b>	-	-	<b>790,862.65</b>	<b>503,347.76</b>	-	-	<b>503,347.76</b>

# Notes to Financial Statements

for the year ended 31 March 2021

(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:

Sr. No	Description	Interest Type	Terms of Repayment	Date of Maturity of Loan	31 March 2021	31 March 2020	1 April 2019
1	Bank of Baroda-IV	Overnight MCLR	17 Half yearly equal instalments of ₹ 6,667 million commencing from 12th September 2027. 18th and final instalment (Residual) of ₹ 6661 Millions	12-Sep-27	120,000.00	-	-
2	Canara Bank	Linked to 1 month MCLR	Sanctioned Amount: ₹ 50,000 Million with 10 Equal Yearly instalments of ₹ 5,000 Million each commencing 31st March 2027. Initial Drawdown: ₹ 20,000 Million Undrawn Amount: ₹ 30,000 Million	31-Mar-27	20,000.00	-	-
3	Bank of India TL-I	REPO+SPREAD	20 Half yearly equal instalments of ₹ 1,500 million commencing from 27th July 2026	27-Jul-26	30,000.00	-	-
4	Bank of India TL-II	REPO+SPREAD	20 Half yearly equal instalments of ₹ 1,150 million commencing from 27th July 2026	27-Jul-26	23,000.00	-	-
5	Punjab National Bank-VI	3Y G-Sec + SPREAD	10 Equal yearly instalments of ₹ 3,000 Millions commencing from 31st December 2026	31-Dec-26	30,000.00	-	-
6	Punjab National Bank (V)	3Y G-Sec + SPREAD	10 Equal Yearly instalments of ₹ 2,500 Million each commencing from 30th September 2026	30-Sep-26	25,000.00	-	-
7	ICICI Bank TL-IV	3M TBILL+SPREAD	20 Equal Half Yearly instalments of ₹ 1750 Million each commencing from 15th September 2026	15-Sep-26	35,000.00	-	-
8	ICICI Bank TL-III	3M TBILL+SPREAD	20 Equal Half Yearly instalments of ₹ 5000 Million each commencing from 27th May 2026	27-May-26	100,000.00	-	-
9	ICICI Bank TL-II	3M TBILL+SPREAD	20 Equal Half Yearly instalments of ₹ 2500 Million each commencing from 22nd April 2026	22-Apr-26	50,000.00	-	-
10	HDFC Bank LTD (VI)-T II	Repo Rate +	20 Half yearly equal instalments of ₹ 182.50 million commencing from 30th March 2026	30-Mar-26	3,650.00	-	-
11	HDFC Bank LTD (VI)-T I	Repo Rate +	20 Half yearly equal instalments of ₹ 817.50 million commencing from 11th March 2026	11-Mar-26	16,350.00	-	-
12	Axis Bank	Repo Rate +	20 Equal Half Yearly instalments of ₹ 2,000 Million each commencing from 28 February 2026	28-Feb-26	40,000.00	-	-
13	ICICI Bank TL-I	3M TBILL+SPREAD	20 Equal Half Yearly instalments of ₹ 2,500 Million each commencing from 19th February 2026	19-Feb-26	50,000.00	-	-
14	HDFC-V-II	Repo Rate +	16 Equal Half Yearly instalments of ₹ 1,125 Millions commencing from 30th December 2024	30-Dec-24	18,000.00	-	-
15	HDFC-V-I	Repo Rate +	16 Equal Half Yearly instalments of ₹ 3,250 Millions commencing from 30th December 2024	30-Dec-24	52,000.00	-	-
16	HDFC-IV	Repo Rate +	16 Equal Half Yearly instalments of ₹ 3,125 Millions commencing from 26th September 2024	26-Sep-24	50,000.00	50,000.00	-
17	Bank of Baroda (III) *	Linked to MCLR	Total no. of Half Yearly instalments : 15 14 Equal Half Yearly instalments of ₹ 3,333.40 Millions commencing from 17th February 2024 15th Half Yearly instalment (Residual) of ₹ 3,332.40 Millions	17-Feb-24	-	50,000.00	-
18	Oriental bank of commerce	3Y G-Sec + SPREAD	Total no. of Half Yearly instalments : 14 13 Equal Half Yearly instalments of ₹ 1,071.40 Millions commencing from 17th August 2023 14th Half Yearly instalment (Residual) of ₹ 1,071.80 Millions	17-Aug-23	15,000.00	15,000.00	-
19	Bank of Baroda (II) **	Linked to MCLR	Total no. of Half Yearly instalments : 14 13 Equal Half Yearly instalments of ₹ 2,142.90 Millions commencing from 21st July 2023 14th Half Yearly instalment (Residual) of ₹ 2,142.30 Millions	21-Jul-23	-	30,000.00	-
20	Punjab National Bank(IV)	3Y G-Sec + SPREAD	9 Equal yearly instalments of ₹ 1,000 Millions commencing from 30th March 2022	30-Mar-22	9,000.00	10,000.00	-

# Notes to Financial Statements

for the year ended 31 March 2021

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

Sr. No	Description	Interest Type	Terms of Repayment	Date of Maturity of Loan	31 March 2021	31 March 2020	1 April 2019
21	Canara Bank ***	Linked to MCLR	16 Equal half yearly instalments of ₹ 625 Millions commencing from 30th March 2022	30-Mar-22	-	10,000.00	-
22	Punjab National Bank (III)	3Y G-Sec + SPREAD	9 Equal yearly instalments of ₹ 3,000 Millions commencing from 17th February 2022	17-Feb-22	27,000.00	30,000.00	-
23	HDFC-I	3M TBILL+SPREAD	17 Equal Half Yearly instalments of ₹ 500 Million each commencing from 30 September 2021	30-Sep-21	8,500.00	9,500.00	-
24	State bank of India (V) Tranche I & II	Linked to MCLR	Total no. of Half Yearly Instalments : 18 17 Equal Half Yearly instalments of ₹ 3,890 Millions commencing from 23rd September 2021 18th Half Yearly instalment (Residual) of ₹ 3,870 Millions	23-Sep-21	70,000.00	70,000.00	-
25	State Bank of India (III)	Linked to MCLR	Sanctioned Amount: ₹ 90,000 Million with 20 Equal Half Yearly instalments of ₹ 4,500 Million each commencing 3 July 2019 Initial Drawdown: ₹ 80,000 Million Final Drawdown: ₹ 10,000 Million on 26.12.2019 Balance instalments: 13 Equal Half Yearly instalments of ₹ 4500 Million commencing from 3rd July 2021. 14th Half Yearly instalment (Residual) of ₹ 1,268 millions.	3-Jul-21	59,768.00	81,000.00	80,000.00
26	HDFC-III	3M TBILL+SPREAD	18 Equal Half Yearly instalments of ₹ 1,000 Million each commencing from 24 June 2021	24-Jun-21	18,000.00	20,000.00	-
27	HDFC-II	3M TBILL+SPREAD	18 Equal Half Yearly instalments of ₹ 1,000 Million each commencing from 4 May 2021	4-May-21	18,000.00	20,000.00	-
28	Bank of India-I#	Linked to MCLR	18 Equal Half Yearly instalments of ₹ 1000 Million each commencing from 15 October 2020	15-Oct-20	-	19,000.00	20,000.00
29	Bank of India-I##	Linked to MCLR	16 Equal Half Yearly instalments of ₹ 500 Million each commencing from 15 October 2020	15-Oct-20	-	8,500.00	9,500.00
30	State Bank of India (II)###	Linked to MCLR	16 Equal Half Yearly instalments of ₹ 1500 Million each commencing from 15 October 2020	15-Oct-20	-	25,500.00	28,500.00
31	Bank of Baroda (I)*#	Linked to MCLR	20 Equal Half Yearly instalments of ₹ 1,000 Million each commencing from 28 May 2020	28-May-20	-	20,000.00	-
32	Punjab National Bank (II)	Linked to MCLR	Bullet Repayment	29-Apr-20	-	10,000.00	10,000.00
33	Canara Bank	Linked to MCLR	Bullet Repayment	29-Apr-20	-	-	5,000.00
34	Allahabad Bank	Linked to MCLR	Bullet Repayment	28-Apr-20	-	-	13,000.00
35	Corporation Bank	Linked to MCLR	Bullet Repayment	26-Apr-20	-	11,500.00	11,500.00
36	Corporation Bank	Linked to MCLR	Bullet Repayment	19-Apr-20	-	6,250.00	7,500.00
37	State Bank of India (IV)	Linked to MCLR	Bullet Repayment	2-Feb-20	-	-	10,000.00
38	State Bank of India (IV)	Linked to MCLR	Bullet Repayment	29-Jan-20	-	-	20,000.00
39	J&K Bank	Linked to MCLR	Bullet Repayment	1-Dec-19	-	-	5,000.00
40	J&K Bank	Linked to MCLR	Bullet Repayment	29-Nov-19	-	-	5,000.00
41	Andhra Bank	Linked to MCLR	Bullet Repayment	10-Sep-19	-	-	14,905.00
42	Punjab National Bank	Linked to MCLR	Bullet Repayment	10-Sep-19	-	-	10,000.00
43	State Bank of India	Linked to MCLR	Bullet Repayment	22-Apr-19	-	-	28,000.00
	<b>Total</b>				<b>888,268.00</b>	<b>496,250.00</b>	<b>277,905.00</b>

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

\* Prepaid on 19th August 2020 &amp; 11th September 2020 of amount ₹ 35,650 &amp; ₹ 14,350 respectively.

\*\* Prepaid on 6th July 2020, 20th July 2020 &amp; 19th August 2020 of amount ₹ 4,650, 18,000 &amp; 7,350 respectively.

\*\*\* Prepaid on 12th May 2020 of amount ₹ 10,000.

# Prepaid on 16th October 2020 &amp; 22nd October 2020 of amount ₹ 350 &amp; 16,650 respectively.

## Prepaid on 16th October 2020 of amount ₹ 7,500.

### Prepaid on 1st December 2020 of amount ₹ 22,500.

\*# Prepaid on 5th June 2020 &amp; 6th July 2020 of amount ₹ 13,650 &amp; 5,350 respectively.

# Notes to Financial Statements

for the year ended 31 March 2021

(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:

Sr. No	Description	Interest Type	Interest payment frequency	Terms of Repayment	Date of Maturity of Loan	31 March 2021	31 March 2020	1 April 2019
1	Bank of India	6M USD LIBOR+1.25%	Semi Annual	Semi Annual	30-Apr-21	221.73	-	-
2	Bank of India	6M USD LIBOR+1.25%	Semi Annual	Semi Annual	30-Apr-20	-	455.40	-
3	Bank of India	6M USD LIBOR+1.25%	Semi Annual	Semi Annual	30-Apr-19	-	-	626.67
4	SBI USD 2BN-II MAR'21-7 YRS	6M USD LIBOR+1.30% pa	Semi Annual	Bullet Repayment	24-Mar-28	16,260.20	-	-
<b>Total as per IGAAP</b>						<b>16,481.93</b>	<b>455.40</b>	<b>626.67</b>
Less: Unamortised transaction cost						(131.29)	(0.82)	(1.23)
<b>Secured Foreign Currency Term Loan as per Ind AS</b>						<b>16,350.64</b>	<b>454.58</b>	<b>625.44</b>

## Secured Rupee Term Loan from National Small Saving Fund (NSSF)

Rupee term loan from National Small Saving fund is secured by the first pari passu charge on the present/ future rolling stock assets/ lease receivables of the Company. Terms of repayment and the amount outstanding as on various dates is as set out below:

Sr. No	Description	Interest rate (p.a.)	Interest payment frequency	Terms of Repayment	Date of Maturity of Loan	31 March 2021	31 March 2020	1 April 2019
1	National Small Saving Fund (NSSF)-II	8.11%	Semi Annual	Bullet Repayment	7-Feb-29	75,000.00	75,000.00	75,000.00
2	National Small Saving Fund (NSSF)-I	8.01%	Semi Annual	Bullet Repayment	28-Mar-28	100,000.00	100,000.00	100,000.00
<b>Total</b>						<b>175,000.00</b>	<b>175,000.00</b>	<b>175,000.00</b>

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

# Notes to Financial Statements

for the year ended 31 March 2021

(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:

Sr. No	Description	Interest rate	Interest Type	Terms of Repayment	Date of Maturity of Loan	31 March 2021	31 March 2020	1 April 2019
1	Axis Bank	3.89%	Fixed Rate	Bullet Repayment	23-Jun-21	6,950.00	-	-
2	Axis Bank	3.89%	Fixed Rate	Bullet Repayment	22-Jun-21	6,050.00	-	-
3	Axis Bank	3.92%	Fixed Rate	Bullet Repayment	17-Jun-21	10,000.00	-	-
4	Union Bank of India	3.94%	Fixed Rate	Bullet Repayment	3-Jun-21	23,350.00	-	-
5	IndusInd Bank	3.90%	Fixed Rate	Bullet Repayment	29-Apr-21	850.00	-	-
6	HDFC Bank	4.00%	Fixed Rate	Bullet Repayment	27-Apr-21	0.04	-	-
7	HDFC Bank	6.10%	Fixed Rate	Bullet Repayment	29-Apr-20	-	3,160.00	-
8	HDFC Bank	6.10%	Fixed Rate	Bullet Repayment	26-Apr-20	-	4,080.00	-
9	HDFC Bank	6.10%	Fixed Rate	Bullet Repayment	22-Apr-20	-	2,009.00	-
10	Corporation Bank	6.10%	Fixed Rate	Bullet Repayment	15-Apr-20	-	40.00	-
11	Axis Bank	6.05%	Fixed Rate	Bullet Repayment	10-Apr-20	-	150.00	-
12	Corporation Bank	6.10%	Fixed Rate	Bullet Repayment	8-Apr-20	-	150.00	-
13	Corporation Bank	6.10%	Fixed Rate	Bullet Repayment	5-Apr-20	-	10.00	-
14	Corporation Bank	6.10%	Fixed Rate	Bullet Repayment	4-Apr-20	-	5,520.00	-
15	Karnataka Bank	5.90%	Fixed Rate	Bullet Repayment	4-Apr-20	-	7,500.00	-
16	State Bank of India	8.25%	Linked to MCLR	Bullet Repayment	12-Apr-19	-	-	9,198.97
17	Karnataka Bank	8.14%	T-bill plus spread	Bullet Repayment	12-Apr-19	-	-	2,500.00
18	Karnataka Bank	8.19%	T-bill plus spread	Bullet Repayment	12-Apr-19	-	-	2,500.00
19	United Bank of India	8.15%	Linked to MCLR	Bullet Repayment	12-Apr-19	-	-	10,000.00
<b>Total</b>						<b>47,200.04</b>	<b>22,619.00</b>	<b>24,198.97</b>

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



# Notes to Financial Statements

for the year ended 31 March 2021

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

## Unsecured foreign currency term loan

Terms of repayment of the unsecured rupee term loan from banks and amount outstanding as on various dates is as set out below:

Sr. No	Description	Interest rate (p.a.)	Interest payment frequency	Terms of Repayment	Date of Maturity of Loan	31 March 2021	31 March 2020	1 April 2019
1	SYND FCL JPY-IV EQ USD 325M MAR'21	6M USD LIBOR+0.85% pa	Semi Annual	Bullet Repayment	31-Mar-31	23,775.06	-	-
2	SBI USD IBN-MAR'21-10 YRS	6M USD LIBOR+1.35% pa	Semi Annual	Bullet Repayment	10-Mar-31	73,910.00	-	-
3	Syndicated Foreign Currency Loan-JPY 33,189 Mio SBI-SMBC (Equivalent to USD 300M)	6M JPY LIBOR + 0.935% pa	Semi Annual	Bullet Repayment	31-Mar-30	22,289.73	23,414.84	-
4	Foreign Currency Loan-USD 300M-SBI BAHRAIN	6M USD LIBOR + 1.30% pa	Semi Annual	Bullet Repayment	26-Mar-30	22,173.00	22,770.00	-
5	Syndicated Foreign Currency Loan-JPY 26231.25 Mio (Equivalent to USD 250M)	6M JPY LIBOR+0.80%	Semi Annual	Bullet Repayment	28-Mar-28	17,616.91	18,506.15	16,604.38
6	SBI USD 2BN-II MAR'21-7 YRS	6M USD LIBOR+1.30% pa	Semi Annual	Bullet Repayment	24-Mar-28	131,559.80	-	-
7	Syndicated Foreign Currency Loan-JPY 32,856 (Equivalent to USD 300M)	6M JPY LIBOR + 0.90% pa	Semi Annual	Bullet Repayment	4-Jun-26	22,066.09	23,179.91	-
8	Loan From AFLAC-2 (Equivalent to JPY 3 Bn)	2.90%	Semi Annual	Bullet Repayment	30-Mar-26	2,737.41	2,811.11	2,578.89
9	Loan From AFLAC-1 (Equivalent to JPY 12 Bn)	2.85%	Semi Annual	Bullet Repayment	10-Mar-26	10,783.22	11,073.56	10,158.78
<b>Total as per IGAAP</b>						<b>326,911.22</b>	<b>101,755.57</b>	<b>29,342.05</b>
Less: Unamortised transaction cost						(5,231.52)	(2,126.28)	(617.75)
Less: Fair value hedge adjustment- recoverable from Ministry of Railways						(3,139.48)	(3,090.22)	(3,105.95)
<b>Unsecured Foreign Currency Term Loan as per Ind AS</b>						<b>318,540.22</b>	<b>96,539.07</b>	<b>25,618.35</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 2021  
(All amounts in millions of INR, unless stated otherwise)

## Note 17 : Other Financial Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Interest accrued but not due	122,137.27	101,319.74	72,918.18
Lease Liabilities*	345.88		
Liability for matured and unclaimed bonds and interest accrued thereon	86.90	96.82	80.91
Liability for unclaimed dividend	7.99	-	-
Dividend payable	-	-	-
Dividend tax payable	-	-	-
Amount payable to Ministry of Railways - Leased Assets	49,498.30	1,956.62	-
Earnest money deposit	0.52	0.49	0.33
<b>Total</b>	<b>172,076.86</b>	<b>103,373.67</b>	<b>72,999.42</b>
<b>* In respect of premises taken on lease viz (i) Gift City and (ii) Ashoka Hotel</b>			
<b>The Component of Lease Liabilities</b>			
Opening Balance	-	-	-
Additions	379.33	-	-
Interest Expenses	6.79	-	-
Rent Paid	(40.24)	-	-
Deletions	-	-	-
<b>Closing Balance</b>	<b>345.88</b>	<b>-</b>	<b>-</b>

## Note 18 : Provisions

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Provision for employee benefits	14.58	18.52	19.36
Provision for corporate social responsibility	276.64	78.94	78.94
Provision on interest payable on income tax	-	40.57	19.66
<b>Total</b>	<b>291.22</b>	<b>138.03</b>	<b>117.96</b>
Provision on asset as per Reserve Bank of India norms presented as a reduction being impairment loss allowance from			
- Note 7 - Loans	279.91	257.97	236.77
- Note 8 - Investments	0.05	0.09	-
- Note 9 - Other financial assets	44.04	38.79	38.67
<b>Total</b>	<b>324.00</b>	<b>296.85</b>	<b>275.44</b>

# Notes to Financial Statements

for the year ended 31 March 2021  
(All amounts in millions of INR, unless stated otherwise)

## Note 19 : Deferred Tax Liabilities (net)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Deferred tax liability (net) (Refer accounting policy Note no. 2.7)	-	-	-
Less: Adjusted in retained earnings due to change in accounting policy			
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Note 20 : Other Non-Financial Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Statutory dues	543.20	176.86	1.05
GST Payable under RCM*	10,660.19	-	-
Tax deducted at source payable-Income Tax	1,337.09	145.33	47.10
Tax deducted at source payable-GST	1,259.12	-	-
<b>Total</b>	<b>13,799.60</b>	<b>322.19</b>	<b>48.15</b>

\* On account of Project Infrastructure Asset under Finance Lease Arrangements-EBR Special

# Notes to Financial Statements

for the year ended 31 March 2021

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

## Note 21: Share Capital

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
<b>Authorised Share Capital</b>			
No. of shares	25,000,000,000	15,000,000,000	15,000,000,000
Par value per share (₹)	10.00	10.00	10.00
<b>Amount (in millions)</b>	<b>250,000.00</b>	<b>150,000.00</b>	<b>150,000.00</b>

The authorised share capital of the Company was enhanced from ₹ 150,000 millions comprising 15,000 millions share of ₹ 10 each to ₹ 250,000 millions comprising 25,000 millions share of ₹ 10 each in the annual general meeting held on 30th September 2020.

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
<b>Issued, Subscribed and Fully Paid-Up</b>			
No of Shares	11,880,460,000	9,380,460,000	9,380,460,000
Issued during the period	1,188,046,000	2,500,000,000	-
Total no of shares	13,068,506,000	11,880,460,000	9,380,460,000
Par value per share (₹)	10.00	10.00	10.00
<b>Amount (in millions)</b>	<b>130,685.06</b>	<b>118,804.60</b>	<b>93,804.60</b>

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

Particulars	As at 31 March 2021		As at 31 March 2020		As at 01 April 2019	
	Number of shares	Amount (in millions)	Number of shares	Amount (in millions)	Number of shares	Amount (in millions)
Shares outstanding at the beginning of the period	11,880,460,000	118,804.60	9,380,460,000	93,804.60	9,380,460,000	93,804.60
Shares issued during the period	1,188,046,000	11,880.46	2,500,000,000	25,000.00	-	-
<b>Shares outstanding at the end of the period</b>	<b>13,068,506,000</b>	<b>130,685.06</b>	<b>11,880,460,000</b>	<b>118,804.60</b>	<b>9,380,460,000</b>	<b>93,804.60</b>

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

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

Particulars	As at 31 March 2021		As at 31 March 2020		As at 01 April 2019	
	Number of shares	% Holding	Number of shares	% Holding	Number of shares	% Holding
The President of India and his nominees (through Ministry of Railways)	11,286,437,000	86.36%	11,880,460,000	100.00%	9,380,460,000	100.00%

# Notes to Financial Statements

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

- (iv) The company has not, for a period of 5 years immediately preceeding the balance sheet date -
- issued equity share without payment being received in cash.
  - issued equity share by way of bonus share.
  - bought back any of its share.
- (v) The company has no equity share reserve for issue under options/contracts
- (vi) The Company has completed its Initial Public Offering (IPO) of 1,78,20,69,000 equity shares of face value of ₹ 10/- each at an issue price of ₹ 26/- per equity share aggregating to ₹ 46,333.79 millions, consisting of fresh issue of 1,18,80,46,000 equity shares aggregating to ₹ 30,889.20 millions and an offer for sale of 59,40,23,000 equity shares aggregating to ₹ 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	303.24	196.76
<b>Net Proceeds*</b>	<b>30,618.76</b>	<b>30,422.00</b>	<b>196.76</b>

\* Net of Issue expense of ₹ 270.44 millions (Utilised till the date of board meeting ₹ 190.69 millions).

# Notes to Financial Statements

for the year ended 31 March 2021  
(All amounts in millions of INR, unless stated otherwise)

## Note 22 : Other Equity

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Share issue expenses	(376.84)	(169.80)	-
Securities Premium Reserve-Equity	19,008.74	-	-
Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	20,726.61	11,894.35	4,509.50
Bond redemption reserve	-	-	57,145.59
General reserve	174,032.28	174,032.28	30,327.36
Retained earnings	14,980.31	(1,626.82)	62,807.86
Equity instruments through other comprehensive income	77.66	62.91	68.08
<b>Total</b>	<b>228,448.76</b>	<b>184,192.92</b>	<b>154,858.39</b>

### Note 22.1: Share Issue Expenses

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Balance at the beginning of the period (as per audited accounts)	(169.80)	-	-
Addition during the period*	(207.04)	(169.80)	-
<b>Restated balance at the end of the period</b>	<b>(376.84)</b>	<b>(169.80)</b>	<b>-</b>

\*Share issue expenses includes stamp duty fees and listing fees for the amount of ₹ 123.84 millions (As at 31 March 2020: ₹ 118.80 Million; As at 1 April 2019: Nil Millions) and ₹ 253.00 millions (As at 31 March 2020: ₹ 51.00 millions; As at 1 April 2019: Nil Millions) respectively.

### Note 22.2: Securities Premium Reserve-Equity

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Balance at the beginning of the period (as per audited accounts)	-	-	-
Addition during the period	19,008.74	-	-
<b>Restated balance at the end of the period</b>	<b>19,008.74</b>	<b>-</b>	<b>-</b>

Securities Premium Reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares, writing off the preliminary expenses in accordance with the provisions of 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 2021	As at 31 March 2020	As at 01 April 2019
Balance at the beginning of the period (as per audited accounts)	11,894.35	4,509.50	4,509.50
Addition during the period	8,832.26	7,384.85	-
<b>Restated balance at the end of the period</b>	<b>20,726.61</b>	<b>11,894.35</b>	<b>4,509.50</b>

\* Refer Note 42 (a) (ii)

### Note 22.4: Bond Redemption Reserve

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Balance at the beginning of the period (as per audited accounts)	-	57,145.59	57,145.59
Addition/(deletion) during the period	-	(57,145.59)	-
<b>Restated balance at the end of the period</b>	<b>-</b>	<b>-</b>	<b>57,145.59</b>

The Ministry of Corporate Affairs has notified the Companies (Share Capital and Debentures) Amendments Rules, 2019 on 16th August 2019 which exempts NBFC listed companies registered with Reserve Bank of India u/s 45-IA of the RBI Act, 1934 from creation of Debenture Redemption reserve. Accordingly, the balance outstanding against Bond Redemption Reserve as on 01-04-2019 amounting to ₹ 57,145.59 million has been transferred to retained earnings.

# Notes to Financial Statements

for the year ended 31 March 2021  
(All amounts in millions of INR, unless stated otherwise)

## Note 22.5: General Reserve

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Balance at the beginning of the period (as per audited accounts)	174,032.28	30,327.36	30,327.36
Addition during the period	-	143,704.92	-
<b>Restated balance at the end of the period</b>	<b>174,032.28</b>	<b>174,032.28</b>	<b>30,327.36</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.

## Note 22.6: Retained Earnings

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Balance at the beginning of the period (as per audited accounts)	5,000.00	62,807.86	64,431.40
Add/(Less) : Prior Period Adjustments (Refer Note No 46 (e))	(6,626.82)	-	(1,623.54)
<b>Restated balance at the beginning of the period</b>	<b>(1,626.82)</b>	<b>62,807.86</b>	<b>62,807.86</b>
Profit for the year	44,161.32	31,920.61	-
Add/(Less) : Prior Period Adjustments	-	-	-
<b>Profit After Prior Period Adjustment</b>	<b>44,161.32</b>	<b>31,920.61</b>	<b>-</b>
Transfer from (to) bond redemption reserve.	-	57,145.59	-
Transfer from (to) general reserve.	-	(143,704.92)	-
Transfer to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	(8,832.26)	(7,384.85)	-
Final Dividend	(5,000.00)	(2,000.00)	-
Interim Dividend	(13,721.93)	-	-
Dividend tax	-	(411.11)	-
<b>Restated balance at the end of the period</b>	<b>14,980.31</b>	<b>(1,626.82)</b>	<b>62,807.86</b>

The Board of Directors of the Company have declared that the interim dividend of ₹ 13,721.93 Million paid on 4th March 2021 shall be considered as the final dividend (31st March 2020: ₹ 5,000 Million; 1st April 2019: ₹ NIL Million) in the Board Meeting held on 29th June 2021 subject to the approval of shareholders in the forthcoming Annual General Meeting.

## Note 22.7: Equity instruments Through Other Comprehensive Income

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Balance at the beginning of the period (as per audited accounts)	62.91	68.08	68.08
Total comprehensive income for the period	14.75	(5.17)	-
<b>Restated balance at the end of the period</b>	<b>77.66</b>	<b>62.91</b>	<b>68.08</b>

# Notes to Financial Statements

for the year ended 31 March 2021  
(All amounts in millions of INR, unless stated otherwise)

## Note 23 : Interest Income

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
On financial assets measured at amortised cost :		
- Interest on loans	5,956.70	5,548.60
- Interest income from deposits	163.22	282.16
- Interest income from investments	3.26	5.05
- Pre commencement lease - Interest Income	33,290.38	21,599.06
- Interest income on application money	23.03	45.11
<b>Total</b>	<b>39,436.59</b>	<b>27,479.98</b>

## Note 24 : Lease Income

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Lease income	118,265.62	106,724.27
<b>Total</b>	<b>118,265.62</b>	<b>106,724.27</b>

## Note 25 : Other Income

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Profit on sale of fixed assets	0.01	-
Interest Income on security deposit given towards lease	0.37	-
Miscellaneous income	3.52	0.73
<b>Total</b>	<b>3.90</b>	<b>0.73</b>



# Notes to Financial Statements

for the year ended 31 March 2021  
(All amounts in millions of INR, unless stated otherwise)

## Note 26: Finance Cost

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Interest on debt securities	123,263.43	103,631.72
Interest on borrowings	52,112.37	38,307.45
Discount on commercial paper	505.55	1,358.05
Interest on delayed payments to Ministry of Railways	1,036.17	4,971.55
Interest to Income Tax Authorities	5.33	20.91
Interest Expenses Accrued on Lease Liabilities	6.79	-
Other borrowing cost	145.62	100.58
<b>Sub-Total</b>	<b>177,075.26</b>	<b>148,390.26</b>
Less: Borrowing costs capitalized on Railway Infrastructure Assets	64,704.73	46,763.64
<b>Total</b>	<b>112,370.53</b>	<b>101,626.62</b>

## Note 27: Impairment on Financial Instruments Measured at Amortised Cost

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Loans & Interest accrued thereon	27.15	21.41
<b>Total</b>	<b>27.15</b>	<b>21.41</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	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Loan to IRCON International Limited	18,459.20	24,612.27
Loan to Rail Vikas Nigam Limited	51,518.86	39,879.41
Debt Securities*	12.14	22.23
Interest accrued on above	11,011.46	9,698.37
<b>Total</b>	<b>81,001.66</b>	<b>74,212.28</b>
Provision @ 0.4%	324.00	296.85
Less: ECL already created	296.85	275.44
<b>Change in impairment</b>	<b>27.15</b>	<b>21.41</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 2021

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

## Note 28 : Employee Benefit Expense

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Salaries and wages	62.33	52.08
Contribution to provident and others funds	13.28	9.88
Staff welfare expenses	2.86	0.69
<b>Total</b>	<b>78.47</b>	<b>62.65</b>

## Note 29: Depreciation, Amortisation and Impairment

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Depreciation of property, plant and equipment	4.58	4.43
Depreciation on ROU Assets	39.61	-
Amortisation of intangible assets	0.13	0.15
<b>Total</b>	<b>44.32</b>	<b>4.58</b>

## Note 30 : Other Expenses

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Bank charges	0.78	0.34
Fee & subscription	2.49	2.66
Travelling	1.11	14.65
Conveyance	0.03	0.95
Rent	12.07	0.14
Printing & stationery	1.43	1.93
Postage, telegram & telephone	0.23	0.50
Director's fees, allowances and expenses	1.60	2.31
Transport hire charges	5.05	3.25
Insurance	3.18	0.06
Manpower Services	19.95	15.12
Vehicle expenses	0.75	0.12
Legal & professional charge	17.32	8.53
Loss on sale of fixed assets	0.25	0.07
Payment to auditors (refer note (i) below)	3.56	4.44
Property tax	0.28	0.28
Office maintenance charges	4.01	2.20
Office equipment maintenance	2.22	3.43
Advertisement & publicity	3.73	3.08
Sponsorship/Donation	-	0.20
Newspaper, books and periodicals	0.15	0.18
Electricity charges	2.37	2.58
Exchange rate variation	0.12	3.30
Miscellaneous expenses	9.71	9.87
Corporate social responsibility expenses (Refer note no. 49)	934.45	494.49
<b>Total</b>	<b>1,026.84</b>	<b>574.68</b>

# Notes to Financial Statements

for the year ended 31 March 2021  
(All amounts in millions of INR, unless stated otherwise)

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

(a) Annual Audit fees	1.53	1.00
(b) Tax audit fees	0.33	0.38
(c) Quarterly Review fees	0.79	0.88
(d) Internal Audit Fees	0.44	0.23
(e) Certification fees	0.47	1.92
(f) GST Audit Fees	-	0.03
<b>Total</b>	<b>3.56</b>	<b>4.44</b>

## Note 31: Income Taxes

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Income Taxes Recognised in Profit and Loss		
Current Tax		
In respect of the current period	-	-
Adjustments for prior periods	-	-
Deferred Tax		
In respect of the current period	-	-
	-	-
<b>Total Income Tax Expense Recognised in the Current Period</b>	<b>-</b>	<b>-</b>

The Company has decided to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 on 20th September, 2019. After exercising the option of Section 115BAA, the taxable income under the provisions of Income Tax Act, 1961 comes to nil. Further after adoption of Section 115BAA, the Company will be outside the scope and applicability of MAT provisions under Section 115JB of Income Tax Act, 1961. Hence, no provision for tax has been made in the financial statements for the year ended 31 March 2021.

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

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
<b>Profit before tax</b>	<b>44,161.31</b>	<b>31,920.96</b>
Tax rate	25.168%	25.168%
Tax thereon	11,114.52	8,033.87
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'	-11,114.52	-8,033.87
Minimum alternate tax on book profits as per section 115JB(1) of Income Tax Act, 1961 (see note 1 below) (Not applicable as the Company has opted for the provisions of section 115BAA of the Income - tax Act, 1961.	-	-
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 2021

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

**Note - 1**

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
<b>Profit for the period as per Ind AS</b>		
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>		

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

**Note - 2**

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
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	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Remeasurements of defined benefit obligation	-	-
<b>Total Income Tax Recognised in Other Comprehensive Income</b>	-	-

**Note 32: Earning Per Share**

# Notes to Financial Statements

for the year ended 31 March 2021

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

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Net Profit	44,161.31	31,920.96
Weighted average number of equity shares outstanding		
Opening balance at the beginning of the period	11,880,460,000.00	9,380,460,000.00
Issued during the period	201,805,074	13,661,202
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	12,082,265,074	9,394,121,202
Earning per share- Basic [Face value of ₹ 10/- per share]	3.66	3.40
Earning per share- Diluted [Face value of ₹ 10/- per share]	3.66	3.40

# Notes to Financial Statements

for the year ended 31 March 2021

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

## Note 33: Leases

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

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

Reconciliation of the lease receivable amount on the gross value of leased assets worth ₹ 25,23,718.69 millions (31 March 2020: ₹ 22,38,107.84, 1st April 2019: ₹ 19,02,666.75 millions) owned by the Company and leased to the Ministry of Railways(MoR) is as under:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Gross value of assets acquired & leased upto the end of previous financial year	2,238,107.84	1,902,666.75	1,662,115.90
Less: Capital recovery provided upto last Year	(752,309.84)	(652,401.63)	(567,399.34)
Capital recovery outstanding on leased assets as at the end of last year	<b>1,485,798.00</b>	<b>1,250,265.12</b>	<b>1,094,716.56</b>
Add: Gross value of assets acquired and leased during the period	285,610.85	335,441.09	240,550.85
	<b>1,771,408.85</b>	<b>1,585,706.21</b>	<b>1,335,267.41</b>
Less: Capital recovery for the period	(115,718.94)	(99,908.21)	(85,002.29)
<b>Net investment in Lease Receivables</b>	<b>1,655,689.91</b>	<b>1,485,798.00</b>	<b>1,250,265.12</b>

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

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Gross investment in lease	2,401,254.93	2,185,188.13	1,842,569.01
Unearned finance income	745,565.02	699,390.13	592,303.89
Present value of minimum lease payment (MLP)	<b>1,655,689.91</b>	<b>1,485,798.00</b>	<b>1,250,265.12</b>

**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 2021	As at 31 March 2020	As at 1 April 2019
Not later than one year	248,964.10	223,394.28	190,228.01
Later than one year and not later than two years	244,209.35	218,765.03	186,567.68
Later than two but not later than three years	237,024.05	214,010.29	181,938.43
Later than three but not later than four years	226,892.15	206,824.99	177,183.69
Later than four but not later than five years	216,737.21	196,693.09	169,998.39
Later than five years	1,227,428.07	1,125,500.45	936,652.81
<b>Total</b>	<b>2,401,254.93</b>	<b>2,185,188.13</b>	<b>1,842,569.01</b>

### Present Value of MLP

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Not later than one year	129,055.37	112,525.68	95,104.40
Later than one year and not later than two years	134,587.64	117,498.21	99,676.79
Later than two but not later than three years	138,709.77	122,194.13	103,622.03
Later than three but not later than four years	140,261.08	125,419.42	107,208.40
Later than four but not later than five years	140,680.22	126,008.98	109,235.28
Later than five years	972,395.83	882,151.58	735,418.22
<b>Total</b>	<b>1,655,689.91</b>	<b>1,485,798.00</b>	<b>1,250,265.12</b>

# Notes to Financial Statements

for the year ended 31 March 2021  
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## Unearned Finance Income & Unguaranteed Residual Income

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Unearned finance income	745,565.02	699,390.13	592,303.89
Unguaranteed residual income	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

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

### Note 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 lock in period. There are no restrictions imposed by lease arrangements.

Particulars	Right of use asset As at 31 March 2021	Depreciation charged during the FY 2020-21	Right of use asset As at 31 March 2020	Depreciation charged during the FY 2019-20
Buildings	383.32	39.61	-	-
<b>Total</b>	<b>383.32</b>	<b>39.61</b>	-	-

Lease Liability	As at 31 March 2021	As at 31 March 2020
Current	112.35	-
Non-current	233.53	-
<b>Total</b>	<b>345.88</b>	-

#### The following are the amounts recognised in profit or loss:

Particulars	As at 31 March 2021	As at 31 March 2020
Depreciation expense of right-of-use asset	39.61	-
Interest expense on lease liabilities	6.79	-
<b>Total</b>	<b>46.40</b>	-

Additions to the right-of-use assets during the year ended 31 March 2021 : ₹ 383.32 millions (31 March 2020 : ₹ Nil millions) (1 April 2019 : ₹ Nil millions)

The total cash outflow for leases during the year ended 31 March 2021 : ₹ 40.24 Millions (31 March 2020 : ₹ Nil millions) (1 April 2019 : ₹ Nil millions)

The table below summarises the maturity profile of the Company's future lease liabilities based on contractual undiscounted payments

Particulars	Less than 12 months	1 to 3 years	3 to 5 years	> 5 years	Total
<b>Year ended 31 March 2021</b>					
Lease Liabilities	128.84	227.45	10.19	12.50	378.98
	<b>128.84</b>	<b>227.45</b>	<b>10.19</b>	<b>12.50</b>	<b>378.98</b>

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Particulars	Less than 12 months	1 to 3 years	1 to 5 years	> 5 years	Total
<b>Year ended 31 March 2020</b>					
Lease Liabilities	-	-	-	-	-
	-	-	-	-	-

Particulars	Less than 12 months	1 to 3 years	1 to 5 years	> 5 years	Total
<b>Year ended 1 April 2019</b>					
Lease Liabilities	-	-	-	-	-
	-	-	-	-	-

## Note 34: Contingent liabilities and Commitments

### Contingent liabilities

a.

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Claims against the Company not acknowledged as debt - Claims by bondholders in the consumer / civil courts	4.22	4.27	4.27

- b. Claims against the Company not acknowledged as debt - relating to service matter pending with 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 ₹ 26,537.65 million along with interest and penalty be not demanded from the company. The company has submitted reply against the Show Cause notice stating that there is no contravention of 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 income tax assessments of the Company have been completed up to the Assessment Year 2018-19. The disputed demand of tax including interest thereon for the AY 2015-16 was ₹ 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 ₹ 9.48 million has been adjusted by the department, out of the refund to IRFC for the AY 2016-17.

## Note 35: Expenditure in Foreign Currency

Particulars	As at 31 March 2021	As at 31 March 2020
a) Interest/Swap Cost on foreign currency borrowings	7,432.11	3,958.38
b) Processing agent/ fiscal Agent/ admin fees	-	966.29
c) Underwriting/ arranger fees	2,945.10	-
d) International credit rating agencies fees	91.37	32.83
e) Others	32.36	5.47
<b>Total</b>	<b>10,500.94</b>	<b>4,962.97</b>



# Notes to Financial Statements

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## 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 2021	As at 31 March 2020
Revenue from MOR & entities under the control of MOR		
- Lease Income	118,265.62	106,724.27
- Interest Income	5,956.70	5,548.60
- Pre Commencement lease interest income	33,290.38	21,599.06
<b>Total</b>	<b>157,512.70</b>	<b>133,871.93</b>

## Note 37: Employee benefits 37.1

Particulars	As at 31 March 2021	As at 31 March 2020
Contribution to provident fund	5.56	3.13
Contribution to gratuity	0.54	0.93
Contribution to leave encasement	0.46	3.93
Contribution to post retirement medical and pension	2.77	1.89
Contribution to family benefit scheme	3.94	-

## 37.2 The Company operates a funded gratuity benefit plan.

### A) Actuarial Assumptions

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Economic Assumptions</b>		
Discount rate	6.55% p.a.	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:

- 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.
- 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.
- 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.

# Notes to Financial Statements

for the year ended 31 March 2021

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

## B) Movements in present value of the defined benefit obligation

Particulars	As at 31 March 2021	As at 31 March 2020
Present value of obligation as at the beginning of the year	10.26	9.57
Acquisition adjustment out	2.57	-
Interest cost	0.63	0.73
Past service cost	-	-
Current service cost	1.01	0.83
Benefit paid	(1.34)	(1.14)
Components of actuarial gain/losses on obligations:		
Actuarial (gain)/loss on obligations due to change in financial assumptions	-	0.73
Actuarial (gain)/loss on obligations- due to experience	0.12	(0.45)
Actuarial (gain)/loss on obligations- demographic changes	-	(0.01)
<b>Liability at the end of the year</b>	<b>13.25</b>	<b>10.26</b>

## C) Movements in the fair value of plan assets

Particulars	As at 31 March 2021	As at 31 March 2020
Fair value of plan assets at the beginning of the year	17.04	7.78
Contribution from the employer	4.98	8.72
Interest income	1.10	0.61
Return on plan assets excluding amounts included in interest income	0.13	(0.07)
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>23.25</b>	<b>17.04</b>

## D) Amount recognised in the Balance Sheet

Particulars	As at 31 March 2021	As at 31 March 2020
Present value of funded obligation at the end of the year	13.25	10.26
Fair value of plan assets at the end of the year	(23.25)	(17.04)
<b>Net liability/ (assets) recognised in the Balance Sheet</b>	<b>(10.00)</b>	<b>(6.78)</b>

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

Particulars	As at 31 March 2021	As at 31 March 2020
Current service cost	1.01	0.83
Past service cost	-	-
Net interest cost (Income)	(0.47)	0.10
Expected return on plan assets	-	-
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>0.54</b>	<b>0.93</b>

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

Particulars	As at 31 March 2021	As at 31 March 2020
Net cumulative unrecognised actuarial gain/(loss) opening		
Actuarial (gain) / loss for the year on PBO	0.12	0.27
Actuarial (gain) / loss for the year on Asset	(0.13)	0.07
<b>Unrecognised actuarial gain / (loss) for the period ending</b>	<b>(0.01)</b>	<b>0.34</b>

# Notes to Financial Statements

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

for the year ended 31 March 2021

## G) Composition of the plan assets:

Particulars	As at 31 March 2021	As at 31 March 2020
Policy of insurance	100.00%	100.00%

## H) Change in Net benefit obligations

Particulars	As at 31 March 2021	As at 31 March 2020
Net defined benefit liability at the start of the year	(6.78)	1.80
Acquisition adjustment	2.57	-
Total service cost	0.54	0.93
Net interest cost (income)	-	-
Re-measurements	(0.01)	0.34
Reimbursement paid by the insurer	-	-
Contribution to the plan assets	(4.98)	(8.71)
Benefit paid directly by the enterprise	(1.34)	(1.14)
<b>Net defined benefit liability/ (assets) for the period ending</b>	<b>(10.00)</b>	<b>(6.78)</b>

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

Particulars	As at 31 March 2021	As at 31 March 2020
Current liability (Amount due within one year)	(1.29)	(1.36)
Non-Current liability (Amount due over one year)	(8.71)	(5.42)
<b>Total PBO at the end of year</b>	<b>(10.00)</b>	<b>(6.78)</b>

## J) Bifurcation of defined benefit obligation

Particulars	As at 31 March 2021	As at 31 March 2020
Vested	12.45	9.67
Non-Vested	0.80	0.59
	<b>13.25</b>	<b>10.26</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 2021	As at 31 March 2020
a) Impact of the change in discount rate		
- Impact due to increase of 0.50 %	12.75	9.86
- Impact due to decrease of 0.50 %	13.78	10.67
b) Impact of the change in salary increase		
- Impact due to increase of 0.50 %	13.53	10.51
- Impact due to decrease of 0.50 %	13.04	10.07

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.

# Notes to Financial Statements

for the year ended 31 March 2021  
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## L) The employer's best estimate of contribution expected to be paid during the next year:

Particulars	As at 31 March 2021	As at 31 March 2020
Expected contribution of the next year	1.29	0.79

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

<b>Actuarial Risk</b>	<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 cashflow 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>
<b>Investment Risk</b>	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.
<b>Liquidity Risk</b>	Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.
<b>Market Risk</b>	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.
<b>Legislative Risk</b>	Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

### 37.3 Actuarial Assumptions for unfunded Post Retirement Medical Benefits:

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Compensated absences</b>		
Discount rate	6.55% p.a	6.55% p.a
Future salary increase	N/A	N/A
Medical inflation Rate	8.90%p.a	8.90%p.a
Retirement age	60 years	60 years
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)

# Notes to Financial Statements

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

<b>Actuarial Risk</b>	It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons: <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. <b>Variability in morbidity rates:</b> If actual morbidity rates are higher than assumed morbidity rate assumption than the Post Retirement Medical Benefits will be paid earlier than expected. <b>Variability in withdrawal rates:</b> If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Post Retirement Medical Benefits will not be paid earlier than expected. This will lead to an actuarial gain in the year of such experience.
<b>Investment Risk</b>	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.
<b>Liquidity Risk</b>	Employees with high treatment costs and long durations of treatments, accumulate significant level of benefits. Such benefits can lead to strain on the cashflows.
<b>Market Risk</b>	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.

## 37.4 The Company operates a funded leave benefit plan.

### A) Actuarial Assumptions

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Economic Assumptions</b>		
Discount rate	6.55% 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.

### B) Movements in present value of the defined benefit obligation

Particulars	As at 31 March 2021	As at 31 March 2020
Present value of obligation as at the beginning of the year	12.21	9.86
Acquisition adjustment out	6.88	-
Interest cost	0.69	0.70
Past service cost	-	-
Current service cost	1.61	1.22
Benefit paid	(5.54)	(2.10)
Actuarial (gain)/loss on obligations- due to change in financial assumptions	-	0.51
Actuarial (gain)/loss on obligations- due to experience adjustments	(1.13)	2.02
Actuarial (gain)/loss on obligations- due to change in demographic assumption	-	-
<b>Liability at the end of the year</b>	<b>14.72</b>	<b>12.21</b>

# Notes to Financial Statements

for the year ended 31 March 2021  
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## C) Movements in the fair value of plan assets

Particulars	As at 31 March 2021	As at 31 March 2020
Fair value of plan assets at the beginning of the year	9.29	6.19
Contribution by employer	5.06	2.66
Interest income	0.63	0.47
Return on plan assets excluding amounts included in interest income	0.08	(0.03)
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>15.06</b>	<b>9.29</b>

## D) Amount recognised in the Balance Sheet

Particulars	As at 31 March 2021	As at 31 March 2020
Present value of funded obligation at the end of the year	14.72	12.21
Fair value of plan assets at the end of the year	15.06	9.29
<b>Net liability recognised in the Balance Sheet</b>	<b>(0.34)</b>	<b>2.92</b>

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

Particulars	As at 31 March 2021	As at 31 March 2020
Current service cost	1.61	1.22
Past service cost	-	-
Net interest cost (Income)	0.06	0.22
Net value of re measurements on the obligation and planned assets	(1.21)	2.56
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>0.46</b>	<b>4.00</b>

## F) Components of actuarial gain/loss on obligation

Particulars	As at 31 March 2021	As at 31 March 2020
Due to change in financial assumptions	-	0.51
Due to change in demographic assumption	-	-
Due to experience adjustments	(1.12)	2.02
Return on plan assets excluding amounts included in interest income	(0.08)	0.03
	<b>(1.20)</b>	<b>2.56</b>

## G) Composition of the plan assets:

Particulars	As at 31 March 2021	As at 31 March 2020
Policy of insurance	100%	100%

# Notes to Financial Statements

for the year ended 31 March 2021  
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## H) Change in Net benefit obligations

Particulars	As at 31 March 2021	As at 31 March 2020
Net defined benefit liability at the start of the year	2.92	3.67
Acquisition adjustment	6.88	-
Total service cost	1.61	1.22
Net interest cost (Income)	0.63	0.22
Re-measurements	(1.78)	2.56
Contribution paid to the fund	(5.06)	(2.65)
Benefit paid directly by the enterprise	(5.55)	(2.10)
<b>Net defined benefit liability at the end of the year</b>	<b>(0.35)</b>	<b>2.92</b>

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

Particulars	As at 31 March 2021	As at 31 March 2020
Current liability (Amount due within one year)	(0.34)	1.61
Non-Current liability (Amount due over one year)	-	1.31
<b>Total PBO at the end of year</b>	<b>(0.34)</b>	<b>2.92</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 2021	As at 31 March 2020
a) Impact of the change in discount rate		
- Impact due to increase of 0.50%	14.37	11.93
- Impact due to decrease of 0.50%	15.09	12.49
b) Impact of the change in salary increase		
- Impact due to increase of 0.50%	15.09	12.49
- Impact due to decrease of 0.50%	14.36	11.93

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.

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

<b>Actuarial Risk</b>	<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 cashflow 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>
<b>Investment Risk</b>	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.
<b>Liquidity Risk</b>	Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.
<b>Market Risk</b>	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.

### 37.5 The Company operates a Family Benefit Scheme Plan.

#### A) Actuarial Assumptions

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Economic Assumptions</b>		
Discount rate	6.55% p.a	NA
Salary escalation	6.00% p.a	NA
<b>Demographic Assumptions</b>		
Retirement age	60 Years	NA
Attrition rate	0.00% p.a.	NA
Mortality table used	100% of IALM (2012-14)	NA



# Notes to Financial Statements

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## B) Movements in present value of the defined benefit obligation

Particulars	As at 31 March 2021	As at 31 March 2020
Present value of obligation as at the beginning of the year	-	-
Acquisition adjustment out	-	-
Interest cost	-	-
Past service cost	-	-
Current service cost	3.94	-
Benefit paid	-	-
Actuarial (gain)/loss on obligations- due to change in financial assumptions	-	-
Actuarial (gain)/loss on obligations- due to experience adjustments	-	-
Actuarial (gain)/loss on obligations- due to change in demographic assumption	-	-
<b>Liability at the end of the year</b>	<b>3.94</b>	<b>-</b>

## C) Movements in the fair value of plan assets

Particulars	As at 31 March 2021	As at 31 March 2020
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 2021	As at 31 March 2020
Present value of funded obligation at the end of the year	3.94	-
Fair value of plan assets at the end of the year	-	-
<b>Net liability recognised in the Balance Sheet</b>	<b>3.94</b>	<b>-</b>

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

Particulars	As at 31 March 2021	As at 31 March 2020
Current service cost	3.94	-
Past service cost	-	-
Net interest cost (Income)	-	-
Net value of re measurements on the obligation and planned assets	-	-
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>3.94</b>	<b>-</b>

# Notes to Financial Statements

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## F) Components of actuarial gain/loss on obligation

Particulars	As at 31 March 2021	As at 31 March 2020
Due to change in financial assumptions	-	-
Due to change in demographic assumption	-	-
Due to experience adjustments	-	-
Return on plan assets excluding amounts included in interest income	-	-
	-	-

## G) Composition of the plan assets:

Particulars	As at 31 March 2021	As at 31 March 2020
Policy of insurance	0%	0%

## H) Change in Net benefit obligations

Particulars	As at 31 March 2021	As at 31 March 2020
Net defined benefit liability at the start of the year	-	-
Acquisition adjustment	-	-
Total service cost	3.94	-
Net interest cost (Income)	-	-
Re-measurements	-	-
Contribution paid to the fund	-	-
Benefit paid directly by the enterprise	-	-
<b>Net defined benefit liability at the end of the year</b>	<b>3.94</b>	<b>-</b>

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

Particulars	As at 31 March 2021	As at 31 March 2020
Current liability (Amount due within one year)	0.85	-
Non-Current liability (Amount due over one year)	3.09	-
<b>Total PBO at the end of year</b>	<b>3.94</b>	<b>-</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 2021	As at 31 March 2020
a) Impact of the change in discount rate		
- Impact due to increase of 0.50%	3.77	-
- Impact due to decrease of 0.50%	4.11	-
b) Impact of the change in salary increase		
- Impact due to increase of 0.50%	4.02	-
- Impact due to decrease of 0.50%	3.85	-
c) Impact of the change in withdrawal rate		
- Impact due to increase of 0.50%	3.94	-
- Impact due to decrease of 0.50%	3.94	-

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

# Notes to Financial Statements

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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.**

<b>Actuarial Risk</b>	<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>
<b>Investment Risk</b>	<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>
<b>Liquidity Risk</b>	<p>Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.</p>
<b>Market Risk</b>	<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>
<b>Legislative Risk</b>	<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>

# Notes to Financial Statements

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## Note 38: Financial Instruments

### 38.1: Capital management

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

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

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

#### 38.1.1 Gearing ratio

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

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Debt (See note 'i' below)	3,231,106.79	2,343,767.21	1,739,326.75
Cash and cash equivalents	2,971.91	13.80	37.07
<b>Net debt</b>	<b>3,228,134.88</b>	<b>2,343,753.41</b>	<b>1,739,289.68</b>
<b>Total equity</b>	<b>359,133.82</b>	<b>302,997.52</b>	<b>248,662.99</b>
<b>Net debt to equity ratio (in times)</b>	<b>8.99</b>	<b>7.74</b>	<b>6.99</b>

#### 38.1.2 Net Worth

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Total Assets	3,780,517.18	2,755,041.29	2,064,382.95
Total Liabilities	3,421,383.36	2,452,043.77	1,815,719.96
<b>Net Worth</b>	<b>359,133.82</b>	<b>302,997.52</b>	<b>248,662.99</b>

#### 38.1.3 Debt Equity Ratio

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Debt	3,231,106.79	2,343,767.21	1,739,326.75
Equity	359,133.82	302,997.52	248,662.99
	<b>9.00</b>	<b>7.74</b>	<b>6.99</b>

#### Note:

##### i) Debt computed as under:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Debt Securities (Note 15)	1,785,747.89	1,552,904.56	1,235,978.99
Borrowing (other than debt securities) (Note 16)	1,445,358.90	790,862.65	503,347.76
<b>Total Debt</b>	<b>3,231,106.79</b>	<b>2,343,767.21</b>	<b>1,739,326.75</b>

## 38.2 Financial Instruments - Accounting classification and fair value measurement

### 38.2.1 Categories of financial instruments

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Financial assets</b>			
<b>Measured at amortised cost</b>			
Cash and cash equivalents	2,971.91	13.80	37.07
Bank balance other than above	1,617.33	993.83	773.59
Investments ( Pass through certificates)	12.09	22.14	33.30
Loans	69,698.15	64,233.71	58,954.87

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

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Other financial assets	1,971,282.49	1,182,742.54	738,239.44
Receivables (Lease Receivables)	1,655,689.91	1,485,798.00	1,250,265.12
<b>Measured at fair value through Profit and Loss</b>			
Derivative financial instruments	760.14	-	466.90
<b>Measured at fair value through Other Comprehensive Income</b>			
Investments (IRCON)	107.73	92.98	98.15
<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	3.78	0.50	0.08
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	503.83	377.02	121.65
Debt securities	1,785,747.89	1,552,904.56	1,235,978.99
Borrowings (Other than debt securities)	1,445,358.90	790,862.65	503,347.76
Other financial liabilities (Interest accrued but not due, amount payable to MoR etc.)	172,076.86	103,373.67	72,999.42
<b>Measured at fair value through Profit and Loss</b>			
Derivative financial instruments	3,601.28	4,065.15	3,105.95

## 38.2.2: Fair value measurements

### Fair value hierarchy

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

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

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

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

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

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

Particular	As at 31 March 2020	Fair Value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Investment in IRCON International Limited	92.98	92.98	-	-

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The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 01 April 2019:

Particular	As at 01 April 2019	Fair Value measurement at end of the reporting period/ year using		
		Level 1	Level 2	Level 3
Investment in IRCON International Limited	98.15	98.15	-	-

## 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 2021, 31 March 2020, 1st April 2019 has been measured as per the quoted on National Stock Exchange (Level 1 Input).

## Dividend received

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Dividend received (IRCON International Limited)	2.51	5.92

## 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 to their fair values.

### 38.3 Financial risk management

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

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

### 38.4: Market risk

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

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

### 38.5: Foreign currency risk management

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

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

Particulars	Liabilities as at			Assets as at		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Secured foreign currency term loan	16,350.64	454.58	625.44	-	-	-
Unsecured bonds from overseas capital market	203,025.44	151,671.11	69,571.19	-	-	-
Unsecured foreign currency term loans	318,540.22	96,539.07	25,618.35	-	-	-
<b>Total</b>	<b>537,916.30</b>	<b>248,664.76</b>	<b>95,814.98</b>	<b>-</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 2021		As at 31 March 2020		As at 1 April 2019	
	INR strengthens by 10%	INR weakening by 10%	INR strengthens by 10%	INR weakening by 10%	INR strengthens by 10%	INR weakening by 10%
Profit or (loss)	<b>53,791.63</b>	<b>(53,791.63)</b>	<b>24,866.48</b>	<b>(24,866.48)</b>	<b>9,581.50</b>	<b>(9,581.50)</b>

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 borrowing.

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.

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

- Profit for the year ended 31 March 2021 would decrease/increase by ₹ 8,346.63 millions (31 March 2020: decrease/increase ₹ 6,972.21 millions). This is mainly attributable to the Company's exposure to interest rates on its variable rate debt securities;

# Notes to Financial Statements

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- ii) Profit for the year ended 31 March 2021 would decrease/increase by ₹5,590.55 million (31 March 2020: decrease/increase ₹3,253.53 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 or after 1st April 2020. Significant judgements will be required in determining when uncertainty is expected to be resolved and therefore when the temporary exceptions will cease to apply. However, as at 30th September 2020, the uncertainty continued to exist and so the temporary exceptions apply to the Company's hedge accounting relationships that reference benchmarks subject to reform or replacement.

The Company has cash flow and fair value hedge accounting relationships that are exposed to different IBORs, predominantly US dollar LIBOR and JPY LIBOR. The existing derivatives and some of the loans, bonds and other financial instruments designated in relationships referencing these benchmarks will transition to new risk – free rates (RFRs) in different ways and at different types. External progress on the transition to RFRs is being monitored, with the objective of ensuring a smooth transition for the Company's hedge accounting relationship. The specific issues arising will vary with the details of each hedging relationship, but may arise due to the transition of existing products included in the designation, a change in expected volumes of products to be issued, a change in contractual terms of new products issued, or a combination of these factors. Some hedges may need to be de-designated and new relationships entered into, while others may survive the market – wide benchmark reforms.

The hedge accounting relationships that are affected by the adoption of the temporary exceptions are presented in the balance sheet in note 5, 'Derivatives Financial Instruments'.



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(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 considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is significant increase in credit risk, 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 considers 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 adequately compliant 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 does 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.

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## Liquidity and interest risk tables

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

Particulars	0-1 year	1-3 years	3-5 years	5+ years	Total	Recognition of borrowings at amortised cost using effective interest rate method	Fair value hedge adjustment-recoverable from Ministry of Railways	Carrying Amount (Balance Sheet amount as per IND AS)
<b>31 March 2021</b>								
<b>Trade Payables-Other Payables</b>	507.61	-	-	-	<b>507.61</b>	-	-	<b>507.61</b>
<b>Other Financial Liabilities</b>								<b>-</b>
- Interest accrued but not due	63,281.79	-	-	58,855.48	<b>122,137.27</b>	-	-	<b>122,137.27</b>
- Lease Liabilities	112.35	214.82	4.35	14.36	<b>345.88</b>	-	-	<b>345.88</b>
- Liability for unclaimed dividend	7.99	-	-	-	<b>7.99</b>	-	-	<b>7.99</b>
- Dividend Payable	-	-	-	-	<b>-</b>	-	-	<b>-</b>
- Unclaimed mature debentures and interest accrued thereon	86.90	-	-	-	<b>86.90</b>	-	-	<b>86.90</b>
- Amount Payable to MOR	49,498.30	-	-	-	<b>49,498.30</b>	-	-	<b>49,498.30</b>
- Earnest Money Deposit	0.52	-	-	-	<b>0.52</b>	-	-	<b>0.52</b>
<b>Debt Securities</b>								<b>-</b>
- Bonds in Domestic Market	107,158.38	223,067.11	81,165.87	1,143,275.96	<b>1,554,667.32</b>	(915.14)	-	<b>1,553,752.18</b>
- Commercial Paper	28,970.27	-	-	-	<b>28,970.27</b>	-	-	<b>28,970.27</b>
- Bonds in Overseas Market	-	36,955.00	-	166,297.50	<b>203,252.50</b>	(227.06)	-	<b>203,025.44</b>
<b>Borrowing (Other than Debt Securities)</b>								
Borrowings in India	72,980.04	53,702.80	86,970.60	896,814.60	<b>1,110,468.04</b>	-	-	<b>1,110,468.04</b>
Borrowings outside India	221.73	-	13,520.63	329,650.79	<b>343,393.15</b>	(5,362.81)	(3,139.48)	<b>334,890.86</b>
<b>31 March 2020</b>								
<b>Trade Payables-Other Payables</b>	377.52	-	-	-	<b>377.52</b>	-	-	<b>377.52</b>
<b>Other Financial Liabilities</b>								
- Interest accrued but not due	51,454.31	-	-	49,865.43	<b>101,319.74</b>	-	-	<b>101,319.74</b>
- Liability for matured and unclaimed bonds and interest accrued thereon	96.82	-	-	-	<b>96.82</b>	-	-	<b>96.82</b>
- Dividend Payable	-	-	-	-	<b>-</b>	-	-	<b>-</b>
- Dividend Tax Payable	-	-	-	-	<b>-</b>	-	-	<b>-</b>
- Amount Payable to MOR	1,956.62	-	-	-	<b>1,956.62</b>	-	-	<b>1,956.62</b>
- Earnest Money Deposit	0.49	-	-	-	<b>0.49</b>	-	-	<b>0.49</b>
<b>Debt Securities</b>								
- Bonds in Domestic Market	74,013.98	196,603.88	127,264.14	965,749.30	<b>1,363,631.30</b>	(1,031.94)	-	<b>1,362,599.36</b>
- Commercial Paper	38,634.09	-	-	-	<b>38,634.09</b>	-	-	<b>38,634.09</b>
- Bonds in Overseas Market	-	-	37,950.00	113,850.00	<b>151,800.00</b>	(128.89)	-	<b>151,671.11</b>
<b>Borrowing (Other than Debt Securities)</b>								
Borrowings in India	76,369.00	69,430.56	98,591.24	449,478.20	<b>693,869.00</b>	-	-	<b>693,869.00</b>
Borrowings outside India	227.70	227.70	-	101,755.57	<b>102,210.97</b>	(2,127.10)	(3,090.22)	<b>96,993.65</b>

# Notes to Financial Statements

(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 amortised cost using effective interest rate method	Fair value hedge adjustment-recoverable from Ministry of Railways	Carrying Amount (Balance Sheet amount as per IND AS)
<b>01 April 2019</b>								
<b>Trade Payables-Other Payables</b>	121.73	-	-	-	<b>121.73</b>	-	-	<b>121.73</b>
<b>Other Financial Liabilities</b>								
- Interest accrued but not due	39,266.31	26,497.39	7,154.47	-	<b>72,918.17</b>	-	-	<b>72,918.17</b>
- Unclaimed mature debentures and interest accrued thereon	80.91	-	-	-	<b>80.91</b>	-	-	<b>80.91</b>
- Dividend Payable	-	-	-	-	-	-	-	-
- Dividend Tax Payable	-	-	-	-	-	-	-	-
- Amount Payable to MOR	-	-	-	-	-	-	-	-
- Earnest Money Deposit	0.33	-	-	-	<b>0.33</b>	-	-	<b>0.33</b>
<b>Debt Securities</b>								
- Bonds in Domestic Market	76,152.10	189,172.40	161,167.10	711,184.27	<b>1,137,675.87</b>	(1,127.84)	-	<b>1,136,548.03</b>
- Commercial Paper	29,859.77	-	-	-	<b>29,859.77</b>	-	-	<b>29,859.77</b>
- Bonds in Overseas Market	-	-	34,815.00	34,815.00	<b>69,630.00</b>	(58.81)	-	<b>69,571.19</b>
<b>Borrowing (Other than Debt Securities)</b>								
Borrowings in India	132,104.00	77,000.00	28,000.00	239,999.97	<b>477,103.97</b>	-	-	<b>477,103.97</b>
Borrowings outside India	208.89	417.78	-	29,342.05	<b>29,968.72</b>	(618.98)	(3,105.95)	<b>26,243.79</b>

## 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 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	-	-	-	-	-	-
Swap Contracts						
1. Buy	2	291.79	2,367.91	10 <sup>th</sup> March, 2026	1:1	N/A
2. Buy	2	74.07	834.11	30 <sup>th</sup> March, 2026	1:1	N/A
3. Buy	1	25.00	66.84	26 <sup>th</sup> March, 2030	1:1	N/A
4. Buy	1	25.00	62.98	26 <sup>th</sup> March, 2030	1:1	N/A
5. Buy	1	25.00	69.51	26 <sup>th</sup> March, 2030	1:1	N/A
6. Buy	1	25.00	62.87	26 <sup>th</sup> March, 2030	1:1	N/A
7. Buy	1	25.00	64.88	26 <sup>th</sup> March, 2030	1:1	N/A
8. Buy	1	25.00	33.80	26 <sup>th</sup> March, 2030	1:1	N/A

# Notes to Financial Statements

for the year ended 31 March 2021

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

## As on 31 March 2020

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	3,217.10	10 <sup>th</sup> March, 2026	1:1	N/A
2. Buy	2	74.07	848.05	30 <sup>th</sup> March, 2026	1:1	N/A

## As on 1 April 2019

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	-	-	-	-	-	-
Swap Contracts						
1. Buy	2	291.79	2,080.28	10 <sup>th</sup> March, 2026	1:1	N/A
2. Buy	2	74.07	558.77	30 <sup>th</sup> March, 2026	1:1	N/A

## Disclosure of effects of hedge accounting on financial performance

Cash Flow hedge	Opening	Changes during the year	Closing	Receivables/ (Payables) from MOR	Impact on financial performance
31st March 2021	(974.93)	1,273.27	298.34	(1,273.27)	
31st March 2020	466.90	(1,441.83)	(974.93)	1,441.83	
1st April 2019	968.47	(501.57)	466.90	501.57	-

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

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Capital Fund-Tier I	359,049.13	302,993.35	248,658.31
Capital Fund-Tier II			
Risk weighted assets along-with adjusted value of off balance sheet items	85,394.56	76,631.72	71,629.96
CRAR			
CRAR-Tier I Capital	420.46%	395.39%	347.14%
CRAR-Tier II Capital	420.46%	395.39%	347.14%
Amount of subordinated debt raised as Tier-II capital			
Amount raised by issue of Perpetual Debt Instruments			

# Notes to Financial Statements

(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:**

Sl. No.	Name of Party	As at 31 March 2021				As at 31 March 2020				As at 1 April 2019			
		Amount of loan outstanding	Loan Given during the year	Terms	Purpose of Utilization by Recipient	Amount of loan outstanding	Loan Given during the year	Terms	Purpose of Utilization by Recipient	Amount of loan outstanding	Loan Given during the year	Terms	Purpose of Utilization by Recipient
1	Rail Vikas Nigam Limited (RVNL-I)	41,858.86	14,296.90	3 + 12 years	Regular Project Work	30,219.41	14,079.60	3 + 12 years	Regular Project Work	18,766.30	800.00	3 + 12 years	Regular Project Work
2	IRCON International Limited	18,459.20	-	5 years	Station Development	24,612.27	-	5 years	Station Development	30,765.34	-	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	9,660.00	9,660.00	3 + 12 years	Regular Project Work
	<b>Total</b>	<b>69,978.06</b>	<b>14,296.90</b>			<b>64,491.68</b>	<b>14,079.60</b>			<b>59,191.64</b>	<b>10,460.00</b>		

# Notes to Financial Statements

for the year ended 31 March 2021  
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## Note 41: Other Disclosures

- (a) Lease rental is charged on the assets leased from the first day of the month in which the Rolling Stock assets have been identified and placed on line as per the Standard Lease Agreements executed between the Company and MOR from year to year.
- (b) Ministry of Railways (MOR) charges interest on the value of the assets identified prior to the payments made by the Company, from the first day of the month in which the assets have been identified and placed on line to the first day of the month in which the money is paid to the MOR. However, no interest is charged from the MOR on the amount paid by the company prior to identification of Rolling stock by them.
- (c) (i) Interest rate variation on the floating rate linked rupee borrowings and interest rate and exchange rate variations on interest payments in the case of foreign currency borrowings are adjusted against the lease income/ pre-commencement lease income in terms of the variation clauses in the lease agreements for Rolling Stock/ memorandum of understanding (MoU) for funding of Infrastructure assets executed with the Ministry of Railways. During the year ended 31 March 2021, such differential has resulted in an amount of ₹ 1,198.93 millions refundable by the Company (31 March 2020: ₹ 583.35 millions, 1 April 2019: ₹ 707.98 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 2021 in respect of these foreign currency borrowings, the Company has recovered a sum of ₹ 5,254.72 millions (31 March 2020: ₹ 4344.84 millions, 1 April 2019: ₹ 2,269.78 millions) on this account from MOR against a sum of ₹ NIL millions (31 March 2020 : ₹ NIL millions, 1 April 2019: ₹ 1,732.43 millions) incurred towards hedging cost and the balance amount of ₹ 5,254.72 millions (31 March 2020: ₹ 4344.84 millions, 1 April 2019: ₹ 537.35 millions) is refundable to MOR.
- (d) For computing the Lease Rental in respect of the rolling stock assets acquired and leased to the Ministry of Railways amounting to ₹ 2,85,610.85 millions during the year ended 31st March 2021 (Previous year ended 31 March 2020: ₹ 3,35,441.09 millions, 1 April 2019: ₹ 2,40,550.85 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 previous year. The lease agreement in respect of these assets will be executed at the year end based on the lease rentals and IRR with reference to average cost of annual incremental borrowings during the year plus margin decided at that time. Any variation in the lease rental rate or the internal rate of return for the year will be accordingly adjusted at the year end.
- (e) The Leases executed for Rolling Stock in the year 1990-91, 1989-90 ,1988-89 & 1987-88 for ₹ 11,700.35 millions, ₹ 10,725.60 millions, ₹ 8607.27 millions & ₹ 7,703.27 millions have expired on 31 March 2021, 31 March 2020, 31 March 2019 & 31 March 2018 respectively. During the primary and secondary lease periods full value of assets (including interest) has been recovered from the lessee ( MOR). These assets have outlived their useful economic life. Formalities for the transfer of these assets to MOR are under progress and necessary adjustments in the accounts if required, will be carried out on transfer of Rolling Stock to MOR.

## Note 42:

- (a) (i) The Reserve Bank of India has issued Master Direction – Non- Banking Financial Company- Systemically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 vide notification DNBR.PD.008/03.10.119/2016-17 dated 1st September 2016 as amended from time to time have become mandatory with effect from 31 May 2018. The Reserve Bank of India has granted exemption to the Company in respect of classification of asset, provisioning norms and credit concentration norms to the extent of direct exposure to sovereign.

# Notes to Financial Statements for the year ended 31 March 2021

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

- (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 ₹ 8,832.26 millions for the year ended 31st March 2021 u/s 45IC.
- (b) In terms of the Ministry of Corporate Affairs circular dated 18th April 2002, the Company, being a Non-Banking Finance Company registered with RBI, is required to create Bond Redemption Reserve equivalent to 50% of the value of the bonds raised through Public issue by the redemption date of such Bonds. Subsequently, the requirement for creation of Bond Redemption Reserve in case of Public Issue of bonds by Non-Banking Finance Company registered with RBI was brought down to 25% by MCA vide their circular dated 11th February 2013. Further, the Companies (Share Capital and Debentures) Rules, 2014 dated 3rd April 2014 also mandates the Non- Banking Finance Companies registered with RBI to create Bond Redemption Reserve equivalent to 25% of the value of the Bonds raised through public issue by the redemption dates of such bonds. Accordingly, the Company was required to transfer 50% of the value of the bonds raised through public issue during FY 2011-12 and 25% of the value of Bonds raised through Public Issue during 2012-13, FY 2013-14 and FY 2015-16 to Bond Redemption Reserve by the redemption dates of such Bonds. The Company has raised ₹ 2,48,816.74 millions through public issue of bonds in FY 2011-12, FY 2012-13, FY 2013-14 and FY 2015-16. The average residual maturity of the above mentioned bonds is more than 7 years as on 31st March 2019. The Company had transferred an amount of ₹ 57,145.59 millions to the Bond Redemption Reserve till the end of F.Y. 2018-19.

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

- (c) The Comptroller & Auditor General of India (C&AG) during the course of their supplementary review of accounts for the Financial year 2018-19 had made an observation that the 'Advance against the Railway infrastructure Assets to be leased.' should have been classified under other non financial assets. Based on the reply furnished by the Company, the C&AG had decided to drop the observation. However, as agreed, during the course of discussion with the C&AG, it was decided to refer the aforesaid matter to the Expert Advisory Committee(EAC) of the Institute of Chartered Accountants of India(ICAI) for an expert opinion. The EAC, ICAI has since furnished its opinion and upheld the accounting classification of 'Advance against the Railway infrastructure Assets to be leased.' as other financial assets currently being shown by the Company in the financial statements

## Note 43:

- i The Finance Act, 2001 provides for levy of service tax on the finance and interest charges recovered through lease rental installments on the Financial Leases entered on or after 16 July 2001. The Central Government vide Order No.1/1/2003-ST dated 30 April 2003 and subsequent clarification dated 15 December 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.

# Notes to Financial Statements

for the year ended 31 March 2021  
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- iii. The Company had deposited a sum of ₹ 14,664.47 million towards GST under reverse charge mechanism for funds transferred to MoR for making payments on behalf of Company to contractors for construction of projects for the period November 2017 to June 2018. As opined by the tax consultant, the above transaction did not involve any supply from MoR to the company and accordingly, no GST under RCM was payable by the Company and hence, refund applications were filed with the GST department for the refund of said deposit of ₹ 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 lease to MoR or other GST liability in future.

Further, an amount of ₹ 6,32,384.00 million was transferred to MoR between July 2018 and March 2021 for making payments on behalf of Company to the contractors for construction of projects. GST under RCM of ₹ 75,886.08 million thereon has not been deposited as the funds transfer does not involve any supply from MOR as per the opinion of GST consultant.

## 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 (₹ 3,009.70 millions) (31 March 2020 : ₹ 16,784.85 million, 1 April, 2019: ₹ 2,670.04 millions) has not been charged to the Statement of Profit and Loss as the same is recoverable from the Ministry of Railways (lessee) separately as per lease agreements in respect of rolling stock assets/memorandum of understanding (MoU) for funding of Infrastructure assets to be leased. The notional hedging cost on external commercial borrowings inbuilt into the Lease Rentals amounting to ₹ 8,145.93 millions (31 March 2020 : ₹ 4,344.84 millions, 1 April 2019: ₹ 537.35 millions) is refundable to Ministry of Railways for the year ended 31 March 2021 (Ref of Note 41 C (ii)). Further, a sum of ₹ 106.82 Millions (31 March 2020 : ₹ 92.86 million, 1 April 2019: ₹ 2,664.02 million) has been recovered towards crystallised exchange rate variation on foreign currency loans repaid during the year ended 31st March 2021. The amount recoverable from MoR on account of exchange rate variation net of notional hedging cost and crystallised exchange rate variation is ₹ 5,796.59 million (31 March 2020: ₹ 17,059.04 million, 1st April 2019: ₹ 4,711.88 million).

Effective portion of (loss)/gain on account of decrease/increase in the fair value of the derivative assets (hedging instruments) amounting to ₹ 1,273.27 million (March, 2021),( ₹ (1441.83) million) (March 2020), ((₹ 501.57) millions) (April 2019) 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 a fresh Memorandum of Understanding with Ministry of Railways on 2 March 2021 superseding all earlier MoU/arrangement.

The total sum of ₹ 11,54,949.70 millions disbursed to MOR till the end of 31 March 2021 (31 March 2020 : ₹ 9,36,552.90 millions, 1 April 2019 : ₹ 5,97,152.90 million) is recognised as 'Advance against Railway Infrastructure Assets to be Leased'.



# Notes to Financial Statements

for the year ended 31 March 2021

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

During the year ended 31 March 2021 a sum of ₹58,203.09 millions (31 March 2020: ₹42,706.88 millions, 31st March 2019 : ₹27,283.86 millions) incurred by the Company on account of interest cost on the funds borrowed for the purpose of making aforesaid advances has been capitalised and added to the Advance paid against Infrastructure assets to be leased out to MOR.

Further, during the current year ended 31 March 2021, in addition to above, the Company has also disbursed ₹5,05,509.51 millions to MOR in line with the aforesaid finance leasing methodology for Railway Infrastructure Projects under a similar arrangement and recognised as 'Advance against Railway Infrastructure Assets -Special - to be leased'. The Company capitalised therein a sum of ₹1,578.88 millions on account of interest cost on the funds borrowed for the purpose of making aforesaid advance.

The Company is now in receipt of certain information and details of the utilization of advance to MOR for creation of infrastructure assets to be leased for which advance funding has been made to MOR as mentioned above. As per these details certain infrastructure projects have been completed and already commissioned by MoR. Complete information/details are being sought from MoR. These are still awaited. Pending above information & based on the utilization details, the Company has transferred ₹13,07,795.17 millions from 'Advance against Railway Infrastructures EBR-IF Projects to be leased' and ₹5,07,088.39 millions for 'Advance against Railway Infrastructures Projects - Special - to be Leased' to 'Project Infrastructure Asset under lease arrangement EBR-IF' and "Project Infrastructure Asset under lease arrangement EBR Special", respectively. Project Infrastructure asset under lease arrangements EBR-IF & EBR-S is measured at amount transferred for advance against railway infrastructure projects EBR-IF/EBR-S to be leased, subject to adjustment of Input Tax Credit under GST and actual utilization by MOR.

## Advance against Railway Infrastructures Projects to be leased

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Opening Balance</b>	1,031,195.28	649,088.40	398,250.55
Add: Advance paid against infrastructure assets to be leased	218,396.80	339,400.00	223,554.00
Add: Borrowing cost capitalised on borrowed funds	58,203.09	42,706.88	27,283.85
<b>Total</b>	<b>1,307,795.17</b>	<b>1,031,195.28</b>	<b>649,088.40</b>
Less: Transferred to Project Infrastructure Assets under leasing arrangement	1,307,795.17	-	-
<b>Total</b>	<b>-</b>	<b>1,031,195.28</b>	<b>649,088.40</b>

## Advance against Railway Infrastructures Projects - Special - to be leased

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Opening Balance</b>	-	-	-
Add :Advance paid against infrastructure assets to be leased	505,509.51	-	-
Add: Borrowing cost capitalised on borrowed funds	1,578.88	-	-
<b>Total</b>	<b>507,088.39</b>	<b>-</b>	<b>-</b>
Less: Transferred to Project Infrastructure Assets under leasing arrangement	507,088.39	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

The requisite Lease Agreement(s) between MOR and the Company with respect to aforesaid infrastructure assets is (are) yet to be executed as certain key terms and conditions are being finalised. The accounting as per Ind AS 116, Leases and other applicable Ind AS can be proceeded with only on execution of lease agreement(s). On application of Ind AS 116 / other applicable standards, there will be accounting and disclosure implications in the financial statements. In the absence of complete information / details as mentioned above, the impact whereof on these financial statements presently cannot be ascertained. The Company expects to execute necessary agreements / documents within the current financial year.

# Notes to Financial Statements

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In respect of National Project, a total sum of ₹84,815.82 millions disbursed to MoR under finance lease methodology till the end of 31 March 2021 (31 March 2020: 79,884.94 millions, 1 April 2019 : ₹50,828.17 millions) has been shown as 'Advance funding against National Project' on which a sum of ₹4,930.88 millions (31 March 2020: 4,056.77 millions, 1 April 2019: ₹41.17 millions) has been incurred by the Company on account of interest cost on the funds borrowed for the purpose of making aforesaid advances has been capitalised and added to the Advance funding against National Project to be leased out to MoR. The same would be recovered through lease rentals in future over the life of the leases as per lease agreement(s) to be entered. Details are as under:

## National Projects

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Opening Balance</b>	79,884.94	50,828.17	-
Advance funding against National Project	-	25,000.00	50,787.00
Add: Borrowing cost capitalised during the year on borrowed funds	4,930.88	4,056.77	41.17
<b>Total</b>	<b>84,815.82</b>	<b>79,884.94</b>	<b>50,828.17</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 2021	As at 31 March 2020	As at 1 April 2019
Capitalisation rate	<b>5.95%</b>	<b>7.47%</b>	<b>8.01%</b>

### Note 46:

- Office building including parking area has been capitalised from the date of taking possession. However, the sale/transfer deed is still pending for execution in favour of the Company. Stamp duty payable on the registration of office building works out to about ₹9.15 millions( as certified by approved valuer) (31 March 2020: ₹9.15 millions, 1 April 2019: ₹9.15 millions), which will be accounted for on registration.
- An amount of ₹72.45 millions on account of the benefit accruing due to reduction in the interest rate pertaining to the financial year 2017-18 has been passed on to MOR during the year ended on 31st March 2020, by way of reduction of equivalent amount from the Lease Income instead of recognising the same as a prior period item. The amount involved is not considered material in terms of the extant policy of the Company and accordingly, the effect of the same has been considered in the current reporting period.
- The Company has made a provision of ₹118.80 millions in the financial statements for the year ended on 31st March 2020 towards the stamp duty on account of increase in the Equity Capital infused by MOR from time to time in the earlier years. The aforesaid stamp duty has been computed at the basic rate. The Company is in the process of getting the stamp duty adjudicated by the Collector of Stamps. The actual liability will be known upon receipt of adjudication order and differential amount, if any, will be provided for and paid in the year of adjudication.
- The Company leases rolling stock to MOR under a finance lease model. In the recent past the Company has also entered into an arrangement with MOR whereby leasing of Railway Infrastructure asset is undertaken again under a finance lease model (for details refer note 45). In addition to transactions with MoR related to receipt of lease rentals, advance or reimbursements for acquisition of rolling stock & project infrastructure assets, amounts are payable to / receivable from MOR on account of exchange and MCLR variations. These amounts are settled on periodic basis through finance lease rentals adjustments. The aforesaid transactions are based on memorandum of understanding, lease agreements and other formal communications with the MOR. The Company in this financial year undertook a reconciliation of these transactions that required adjustments in the financial statements (refer note 9) which were made in accordance with applicable Ind AS. However, the reconciliation exercise could not be concluded due to massive disruptions caused by Covid 19 pandemic in the form of extended lockdowns when offices were closed and key staff members responsible for the reconciliation got effected by Covid 19 virus and suffered, severe post Covid 19 complications & unfortunately despite best efforts could not conclude the reconciliation. The Company expects to conclude the exercise within the current financial year. The Company also expects no material adjustments in the financial statements on conclusion of the reconciliation.

# Notes to Financial Statements

for the year ended 31 March 2021

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## (e) Impact of material prior period adjustments

The Company during the current financial year initiated a detailed reconciliation of various ledgers of Ministry of Railways, Government of India (MoR) maintained in its books of accounts. The reconciliation could not be completed earlier owing to unprecedented situation arising out of Covid 19 and for want of additional information from MoR. The Company noted certain items that required adjustments in financial statements / information of earlier years as per Ind AS 8, Accounting Policies, Changes in Accounting Estimates & Errors as under:

Particulars	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.

## (f) 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 2021. The Company does not foresee any additional liability on this account. The total balance held in such specified bank accounts as on 31 March 2021 is ₹ 86.90 millions (31 March 2020: ₹ 96.82 millions, 1 April, 2019: ₹ 80.91 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 2021, a sum of ₹ 0.15 millions was deposited in IEPF (31 March 2020: ₹ NIL million, 1 April, 2019: ₹ 0.07 millions.)

### Note 48:

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

In terms of the Reserve Bank of India (RBI) Guidelines on Minimum Retention Requirement issued by the Reserve Bank of India as applicable to the Non-Banking Finance Companies, the company being the originator, had opted to retain a minimum of 5% of the book value of the receivables being securitised. Accordingly, the Company had invested ₹ 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), ₹ 157.63 millions have matured till 31

# Notes to Financial Statements

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March 2021 ( 31 March 2020: ₹ 147.54 millions, 1 April 2019: ₹ 136.48 millions) leaving a balance of ₹ 12.14 millions ( 31 March 2020: 22.23 millions, 1 April 2019: ₹ 33.30 millions ). Details of the amount invested in Pass Through Certificates (PTCs) and outstanding as on 31st March, 2021 is as follows:

## As on 31 March 2021

Series	Date of Maturity	Nos of PTC	Face value per PTC	Total amount
U	15 April 2021	5	0.94	4.71
V	15 October 2021	5	0.90	4.50
W	15 April 2022	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 ₹ 0.05 millions

## As on 31 March 2020

Series	Date of Maturity	Nos of PTC	Face value per PTC	Total amount
S	15 April 2020	5	1.03	5.16
T	15 October 2020	5	0.99	4.93
U	15 April 2021	5	0.94	4.71
V	15 October 2021	5	0.90	4.50
W	15 April 2022	5	0.59	2.93
<b>Total*</b>		<b>25</b>		<b>22.23</b>

\* Impairment loss as per Ind AS 109 has been made for an amount of ₹ 0.09 millions

## As on 1 April 2019

Series	Date of Maturity	Nos of PTC	Face value per PTC	Total amount
Q	15 April 2019	5	1.13	5.67
R	15 October 2019	5	1.08	5.40
S	15 April 2020	5	1.03	5.16
T	15 October 2020	5	0.99	4.93
U	15 April 2021	5	0.94	4.71
V	15 October 2021	5	0.90	4.50
W	15 April 2022	5	0.59	2.93
<b>Total</b>		<b>35</b>		<b>33.30</b>

## 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.

During the year, Ministry of Corporate Affairs (MCA) has notified the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("amendment") and has 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.

# Notes to Financial Statements

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As the notification is made effective during FY 2020-21, the Company is complying with the amended provisions of Section 135 of the Companies Act, 2013 with effect from the current financial year. accordingly, the company created provision towards unspent amount for ongoing projects amounting to ₹197.71 million for the FY 2020-21.

i) Gross amount paid by the company for the year ended 31<sup>st</sup> March 2021 is ₹729.18 million (₹314.06 million pertains to prior years) ; 31<sup>st</sup> March 2020 ₹454.44 million (₹113.39 million pertains to prior years) ; Gross amount required to be spent for the year ended 31<sup>st</sup> March 2021 ₹612.30 million against which the Board approved total CSR projects for amounting to ₹612.83 million (As on 31<sup>st</sup> March 2020, Gross amount required to be spent by the company was ₹505.24 million against which the Board approved total CSR projects for amounting to ₹505.29 million). As on 31<sup>st</sup> March 2021, CSR Unspent amount for the Financial Year(s) 2017-18, 2018-19, 2019-20 and 2020-21 are ₹203 million, ₹178.94 million, ₹96.12 million, and ₹197.71 million, respectively.

ii) **Amount spent during the year on:**

**As on 31 March 2021**

Sl. No	Particulars	In cash	Yet to be paid in cash	Total
i)	<b>Construction/Acquisition of any assets</b>			-
ii)	<b>On Purpose other than (i) above</b>	<b>720.09</b>	<b>214.36</b>	<b>934.45</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	<b>76.80</b>
iiic)	Promoting Education (Item No. (ii) of Schedule - VII)	13.84	0.12	<b>13.96</b>
iiid)	Social Welfare (Item No.(iii) of Schedule-VII)	-	-	-
iiie)	Forest & Environment,animal welfare etc. (Item No. (iv) of Schedule-VII)	232.63	163.30	<b>395.93</b>
iiif)	Contribution to'Clean Ganga Fund' (Item No.(iv) of Schedule-VII)	-	-	-
iiig)	Ensuring environment sustainability (item No. (iv) of Schedule - VII)	-	-	-
iiih)	Measures for armed forces veterans, (Item No. (vi) of ScheduleVII)	10.00	-	<b>10.00</b>
iiij)	Contribution to the prime minister's CARE fund (Item No (viii) of Schedule-VII)*	437.75	-	<b>437.75</b>
	<b>Grand total (i+ii)</b>	<b>720.09</b>	<b>214.36</b>	<b>934.45</b>

\* ₹9.09 million returned by Implementing agency against which expense booked in earlier years, transferred to PM CARES.

**Details in respect of amount deposited in Specified Fund of Schedule VII , for the financial year as 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 ₹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

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## 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	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	415.12	NIL	197.18	NIL

\* Gross amount required to be spent for the year ended 31 March 2021 ₹ 612.30 million against which the Board approved total CSR projects for amounting to ₹ 612.83 million against which ₹ 415.12 million paid in the financial year and balancing ₹ 197.71 million CSR Unspent amount against ongoing projects for the financial year is transferred to separate bank A/c on 30 April 2021.

## As on 31 March 2020

Sl. No	Particulars	In cash	Yet to be paid in cash	Total
i)	<b>Construction/Acquisition of any assets</b>	-	-	-
ii)	<b>On Purpose other than (i) above</b>	<b>454.44</b>	<b>40.04</b>	<b>494.48</b>
ii a)	Sanitation and safe drinking water (Item No. (i) of Schedule - VII)	389.51	22.97	<b>412.48</b>
ii b)	Promoting Education (Item No. (ii) of Schedule - VII)	51.19	4.87	<b>56.06</b>
ii c)	Social Welfare (Item No.(iii) of Schedule-VII)	-	-	-
ii d)	Forest & Environment, animal welfare etc. (Item No. (iv) of Schedule-VII)	-	-	-
ii e)	Contribution to 'Clean Ganga Fund' (Item No.(iv) of Schedule-VII)	-	-	-
ii f)	Ensuring environment sustainability (Item No. (iv) of Schedule - (VII))	13.74	12.20	<b>25.94</b>
ii g)	Measures for armed forces veterans, (Item No. (vi) of ScheduleVII)	-	-	-
ii h)	Contribution to the prime minister's national relief fund (Item No (viii) of Schedule-VII)	-	-	-
	<b>Grand Total (i+ii)</b>	<b>454.44</b>	<b>40.04</b>	<b>494.48</b>

# Notes to Financial Statements

for the year ended 31 March 2021

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**As on 1 April 2019**

Sl. No	Particulars	In cash	Yet to be paid in cash	Total
i)	<b>Construction/Acquisition of any assets</b>	-	-	-
ii)	<b>On Purpose other than (i) above</b>	<b>71.98</b>	<b>12.80</b>	<b>84.78</b>
ii a)	Sanitation and safe drinking water (Item No. (i) of Schedule - VII)	29.54	-	<b>29.54</b>
ii b)	Promoting Education (Item No. (ii) of Schedule - VII)	-	-	-
ii c)	Social Welfare (Item No.(iii) of Schedule-VII)	-	-	-
ii d)	Forest & Environment, animal welfare etc. (Item No. (iv) of Schedule-VII)	-	-	-
ii e)	Contribution to 'Clean Ganga Fund (Item No.(iv) of Schedule-VII)	-	-	-
ii f)	Ensuring environment sustainability (Item No. (iv) of Schedule - (VII)	32.44	12.80	<b>45.24</b>
ii g)	Measures for armed forces veterans, (Item No. (vi) of Schedule VII)	10.00	-	<b>10.00</b>
ii h)	Contribution to the prime minister's national relief fund (Item No (viii) of Schedule-VII)	-	-	-
	<b>Grand Total (i+ii)</b>	<b>71.98</b>	<b>12.80</b>	<b>84.78</b>

# Notes to Financial Statements

for the year ended 31 March 2021  
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**Note 50 :** Interest on deposit & Investment include Tax Deducted at Source amounting to ₹ 0.45 millions for the year ended 31 March 2021 (31 March 2020: ₹ 3.78 Millions, 1 April 2019: ₹ 3.46 millions). Ministry of Railways has also deducted tax at source amounting to ₹ 3,232.85 millions (31 March 2020: ₹ 4,051.72 millions, 1 April 2019: ₹ 3,705.12 millions) on lease rentals.

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

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Principal amount remaining unpaid as at year end	3.78	0.50	0.08
Interest due thereon remaining unpaid as at year end	-	-	-
Interest paid by the company in terms of Section 16 of MSME Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-	-
Interest due and payable for the period of delay in making payment but without adding the interest specified under MSME Development Act, 2006.	-	-	-
Interest accrued and remaining unpaid as at year end.	-	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises.	-	-	-

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

## 53 Related party disclosures

### 53.1 Related parties and their relationships

#### i. Transaction with Key Management personnel

##### Key Management Personnel

##### Relationship:

#### As on 31.03.2021

Designation	Name	Period
Chairman & Managing Director	Sh. Amitabh Banerjee	(From 12 October 2019)*
Director - Finance	Sh. Niraj Kumar	(Upto 31st July 2020)**
Director - Finance	Mrs. Shelly Verma	(From 1 September 2020)***
Company Secretary	Sh. Vijay Babulal Shirode	(From 9 March 2018)

\* Shri 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

#### As on 31.03.2020

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

\* Shri Amitabh Banerjee was appointed as Managing Director on the IRFC Board on 12th October, 2019. He took over the charge of



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for the year ended 31 March 2021  
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Chairman & Managing Director on the IRFC Board on 21st May, 2020.

## As on 01 April 2019

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

## Transactions :

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Salary/Allowances	12.46	9.39	6.46
Reimbursements	0.42	0.26	0.30
Incentives	2.54	6.55	1.44
<b>Total</b>	<b>15.42</b>	<b>16.20</b>	<b>8.20</b>

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

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Lease Receivables	1,655,689.91	1,485,798.00	1,250,265.12
Project Infrastructure Asset under Finance Lease Arrangements- EBR-IF	1,314,317.90	-	-
Project Infrastructure Asset under Finance Lease Arrangements-EBR Special	476,267.59	-	-
Advance for Railways Infrastructure Assets	-	1,031,195.28	649,088.40
Advance for National Project	84,815.82	79,884.94	50,828.17
Interest accrued but not due on advance for railway project to be leased	79,282.72	43,945.37	21,340.11
Other (Payable)	(49,498.30)	(1,956.62)	-
Other Receivables	5,498.25	18,033.97	7,306.71

Particulars	As at 31 March 2021	As at 31 March 2020
- Lease Income	118,265.62	106,724.27
- Pre-commencement Lease-interest income	33,290.38	21,599.06

## 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 2021	As at 31 March 2020	As at 1 April 2019
- Closing Balances of Loan to Rail Vikas Nigam Ltd	51,518.86	39,879.41	28,426.30
- Closing Balances of Loan to IRCON International Ltd.	18,459.20	24,612.27	30,765.34
- Interest Income received thereon	5,956.70	5,548.60	5,251.05
- Interest Receivables	10,993.24	9,669.86	9,669.11

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## Note 54: Additional disclosures in accordance with RBI directions on Corporate Governance

### 54.1: Investments

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>1</b> Value of investments			
<b>i</b> Gross value of investments			
(a) In India	119.87	115.21	131.45
(b) Outside India	-	-	-
<b>ii</b> Provisions for depreciation			
(a) In India	0.05	0.09	-
(b) Outside India	-	-	-
<b>iii</b> Net value of investments			
(a) In India	119.82	115.12	131.45
(b) Outside India	-	-	-
<b>2</b> Movement of provisions held towards depreciation on investments			
<b>i</b> Opening balance	0.09	-	-
<b>ii</b> Add: Provisions made during the year	(0.04)	0.09	-
<b>iii</b> Less: Write-off/ write-back of excess provisions during the year	-	-	-
<b>iv</b> Closing balance	0.05	0.09	-

### 54.2: Derivatives

#### 54.2.1: Forward rate agreement/ Interest rate swap

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>i</b> The notional principal of swap agreements	38,127.76	27,769.33	25,475.35
<b>ii</b> Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	760.14	-	466.90
<b>iii</b> Collateral required by the NBFC upon entering into swaps	-	-	-
<b>iv</b> Concentration of credit risk arising from the swaps	-	-	-
<b>v</b> The fair value of the swap book	(2,841.14)	(4,065.16)	(2,639.05)

#### 54.2.2: Disclosure of risk exposure in derivatives

##### Qualitative disclosure

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

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

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

# Notes to Financial Statements

for the year ended 31 March 2021  
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## Quantitative disclosures

### As at 31 March 2021

Particulars	Currency derivatives	Cross Currency & Interest Rate Derivatives	Interest rate derivatives
<b>i</b> Derivatives ( notional principal amount)	-	24,607.13	13,520.63
For hedging			
<b>ii</b> Marked to market positions			
a) Asset	-	-	298.34
b) Liability	-	3,139.48	-
<b>iii</b> Credit exposure	-	3,375.92	534.46
<b>iv</b> Unhedged exposure	-	-	522,038.52

### As at 31 March 2020

Particulars	Currency derivatives	Cross Currency & Interest Rate Derivatives	Interest rate derivatives
<b>i</b> Derivatives ( notional principal amount)	-	13,884.67	13,884.67
For hedging			
<b>ii</b> Marked to market positions			
a) Asset	-	-	-
b) Liability	-	3,090.22	974.93
<b>iii</b> Credit exposure	-	2,082.70	416.54
<b>iv</b> Unhedged exposure	-	-	240,126.29

### As at 01 April 2019

Particulars	Currency derivatives	Cross Currency & Interest Rate Derivatives	Interest rate derivatives
<b>i</b> Derivatives ( notional principal amount)	-	12,737.67	12,737.67
For hedging			-
<b>ii</b> Marked to market positions			-
a) Asset	-	-	466.90
b) Liability	-	3,105.95	-
<b>iii</b> Credit exposure	-	1,910.65	849.03
<b>iv</b> Unhedged exposure	-	-	86,861.05

# Notes to Financial Statements

for the year ended 31 March 2021

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## 54.2.3. Derivative Instruments

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

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

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

No. of Contracts	As at 31 March 2021		As at 31 March 2020		As at 01 April 2019			
	Borrowing outstanding in foreign Currency (USD Million)	INR equivalent (million)	No. of Contracts	Borrowing outstanding in foreign Currency (USD Million)	INR equivalent (million)	No. of Contracts	Borrowing outstanding in foreign Currency (USD Million)	INR equivalent (million)
-	-	-	-	-	-	-	-	-

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

No. of Contracts	As at 31 March 2021		As at 31 March 2020		As at 01 April 2019		Remarks
	Borrowing outstanding in foreign Currency	Notional USD equivalent	No. of Contracts	Borrowing outstanding in foreign Currency	Notional USD equivalent	No. of Contracts	
1	JPY 12000 Million	145.90 Million	1	JPY 12000 Million	145.90 Million	1	Back to back recovery of INR/USD exchanges rate variation from MOR.
1	JPY 3000 Million	37.04 Million	1	JPY 3000 Million	37.04 Million	1	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.
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.

# Notes to Financial Statements

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

As at 31 March 2021		As at 31 March 2020		As at 01 April 2019		Remarks
No. of Contracts	Borrowing outstanding in foreign Currency	No. of Contracts	Borrowing outstanding in foreign Currency	No. of Contracts	Borrowing outstanding in foreign Currency	
1	USD 3 Million	1	USD 6.00 Million	1	USD 9.00 Million	
1	USD 500 Million	1	USD 500 Million	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 26,231.25 Million (Equivalent to USD 250 Million)	
1	JPY 32,856 Million (Equivalent to USD 300 Million)	1	JPY 32,856 Millions (Equivalent to USD 250 Million)			
1	USD 300 Million	1	USD 300 Million			Back to back recovery of exchange rate variation from MOR.
1	USD 700 Million	1	USD 700 Million			
1	USD 150 Million	1	USD 300 Million			
1	JPY 33,189 million (Equivalent to USD 300 Million)	1	JPY 33,189 million (Equivalent to USD 300 Million)			
1	USD 750 Million					
1	USD 1 Billion					
1	USD 2 Billion					
1	JPY 35,400.63 Million (Equivalent to USD 325 Million)					

# Notes to Financial Statements

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(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 2021	Fair Value Asset/ (liability) at 31 March 2020	Fair Value Asset/ (liability) at 1 April 2019
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	(3,500.36)	(3,090.22)	(3,105.95)
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	298.34	(974.93)	466.90
1	Cross Currency Interest Rate Swap (USD Floating to INR Fixed)	USD 25 Million	66.84	-	-
1	Cross Currency Interest Rate Swap (USD Floating to INR Fixed)	USD 25 Million	62.98	-	-
1	Cross Currency Interest Rate Swap (USD Floating to INR Fixed)	USD 25 Million	69.51	-	-
1	Cross Currency Interest Rate Swap (USD Floating to INR Fixed)	USD 25 Million	62.87	-	-
1	Cross Currency Interest Rate Swap (USD Floating to INR Fixed)	USD 25 Million	64.88	-	-
1	Cross Currency Interest Rate Swap (USD Floating to INR Fixed)	USD 25 Million	33.80	-	-

# Notes to Financial Statements

for the year ended 31 March 2021  
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## 54.3: Disclosures relating to securitisation

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

**54.3.1:** In terms of the Minimum Retention Requirement (MRR) as contained in the draft guidelines issued by RBI in April 2010, the Company had invested 5% of the total securitized amount towards MMR in respect of its second securitization transaction executed in 2011. The present exposure on account of securitization transaction at 31 March 2021 is ₹ 12.14 millions (31 March 2020: ₹ 22.23 millions; 1 April 2019: ₹ 33.30 millions). The details are as below:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>1</b> No. of SPVs sponsored by the NBFC for securitisation transactions	2	2	2
<b>2</b> Total amount of securitised asset as per books of the SPVs sponsored	513.88	991.25	1,511.66
<b>3</b> Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet *	12.14	22.23	33.30
a) Off-balance sheet exposures			-
First loss	-	-	-
Others	12.14	22.23	33.30
b) On-balance sheet exposures			-
First loss	-	-	-
Others	-	-	-
<b>4</b> Amount of exposures to securitisation transactions other than MRR	NIL	NIL	NIL

\* Impairment loss as per Ind AS 109 has been made for an amount of ₹ (0.05 million) for the year ended 31 March 2021 (31 March 2020: ₹ 0.09 millions; 1 April, 2019: NIL)

**54.3.2:** Company has not sold any financial assets to Securitization / Reconstruction Company for asset construction during the year ended on 31 March 2021. (31 March 2020: ₹ NIL, 1 April 2019: ₹ Nil).

**54.3.3:** Company has not undertaken any assignment transaction during the year ended on 31 March 2021. (31 March 2020: ₹ NIL, 1 April 2019: ₹ Nil).

**54.3.4 :** Company has neither purchased nor sold any non-performing financial assets during the year ended on 31 March 2021. (31 March 2020: ₹ NIL, 1 April 2019: ₹ Nil)

## 54.4 : Asset liability management maturity pattern of certain items of Assets and Liabilities

Refer financial instrument notes 38.9

## 54.5: Exposures

### 54.5.1: 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 2021

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

## 54.5.2: Exposure to capital market

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>i</b> Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt (includes investment in fully convertible preference shares)			
- At Cost	19.99	19.99	19.99
- At Fair Value	107.73	92.98	98.15
<b>ii</b> 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	-	-	-
<b>iii</b> 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	-	-	-
<b>iv</b> 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)	-	-	-
<b>v</b> Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-	-
<b>vi</b> 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	-	-	-
<b>vii</b> Bridge loans to companies against expected equity flows / issues	-	-	-
<b>viii</b> All exposures to Venture Capital Funds (both registered and unregistered)	-	-	-
<b>Total exposure to capital market</b>	<b>107.73</b>	<b>92.98</b>	<b>98.15</b>

## 54.5.4: Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

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



# Notes to Financial Statements

for the year ended 31 March 2021

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

## 54.5.5: Unsecured advances

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

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Ministry of Railways, Government of India			
- Lease receivables	1,655,689.91	1,485,798.00	1,250,265.12
- Other receivables/(payables)	-	-	-
Rail Vikas Nigam Limited, a wholly owned entity of Ministry of Railways, Govt. of India	51,518.86	39,879.41	28,426.30
IRCON International Limited	18,459.20	24,612.27	30,765.34
Interest accrued thereon( RVNL & IRCON)	10,993.24	9,669.86	9,669.11
<b>Total</b>	<b>1,736,661.21</b>	<b>1,559,959.54</b>	<b>1,319,125.87</b>

## 54.6: Miscellaneous

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>54.6.1:</b> Registration obtained from other financial sector regulators	NIL	NIL	NIL

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>54.6.2:</b> Disclosure of Penalties imposed by RBI and other regulators	NIL	NIL	NIL

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

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

S. No	Rating Agencies	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Long Term Rating</b>				
1	CRISIL	CRISIL AAA / Stable	CRISIL AAA / Stable	CRISIL AAA
2	ICRA	ICRA AAA / Stable	ICRA AAA / Stable	ICRA AAA
3	CARE	CARE AAA / Stable	CARE AAA / Stable	CARE AAA
<b>Short Term Rating</b>				
1	CRISIL	CRISIL A1+	CRISIL A1+	CRISIL A1+
2	ICRA	ICRA A1+	ICRA A1+	ICRA A1+
3	CARE	CARE A1+	CARE A1+	CARE A1+

### b. Long term foreign currency issuer rating assigned to the Company

S. No	Rating Agencies	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Long Term Rating</b>				
1	Fitch Rating	BBB-/ Negative	BBB-/Stable	BBB-/Stable
2	Standard & Poor	BBB-/ Stable	BBB-/Stable	BBB-/Stable
3	Moody's	Baa3/Negative	Baa3/Stable	Baa2/Stable
4	Japanese Credit Rating Agency	BBB+/Stable	BBB+/Stable	BBB+/Stable

# Notes to Financial Statements

for the year ended 31 March 2021

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

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020	As at 1 April 2019
54.6.4 (a) : Net Profit or Loss for the period	(6,626.83)	(5,003.27)	(1,623.56)
54.6.4 (b) : Prior period items (Refer Note No. (d))	(6,626.81)	(5,003.27)	(1,623.54)
54.6.4 (c): Changes in accounting policies	-	64,431.40	-

## Note 54.7

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
54.7.1: Provisions and Contingencies	Refer Note 34	Refer Note 34	Refer Note 34
54.7.2: Drawn down from reserves	NIL	NIL	NIL

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>54.7.3:</b> Concentration of Deposits, Advances, Exposures and NPAs			
54.7.3.1: Concentration of Deposits (for deposit taking NBFCs)	Company is a non deposit accepting NBFC	Company is a non deposit accepting NBFC	Company is a non deposit accepting NBFC

### 54.7.3.2: Concentration of advances

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Total advances to twenty largest borrowers	1,810,203.88	2,661,111.93	2,009,136.56
Percentage of advances to twenty largest borrowers to total advances of the NBFC	100%	100%	100%

### 54.7.3.3: Concentration of exposures

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Total exposure to twenty largest borrowers/ customers	1,810,311.61	2,661,204.91	2,009,234.71
Percentage of exposure to twenty largest borrowers/ customers to total exposure of the NBFC on borrowers/customers	100%	100%	100%

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
54.7.3.4: Concentration of NPAs	NIL	NIL	NIL
54.7.3.5: Sector-wise NPAs	NIL	NIL	NIL
54.7.4: Movement of NPAs	NIL	NIL	NIL
54.7.5: Overseas Assets	NIL	NIL	NIL
54.7.6: Off-balance sheet SPVs sponsored	NIL	NIL	NIL

## 54.8: Disclosure of complaints

### 54.8.1: Investor complaints

S. No	Rating Agencies	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
(a)	No. of complaints pending at the beginning of the year	-	-	-
(b)	No. of complaints received during the year	4,693	1,345	1,073
(c)	No. of complaints redressed during the year	4,693	1,345	1,073
(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.

# Notes to Financial Statements

for the year ended 31 March 2021

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

## Note 55: Current and non current classification

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

### a) Classification of balance sheet as at 31 March 2021

Line Item	Particulars	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			-
	- Trade receivables	-	-	-
	- Lease receivables	1,655,689.91	129,055.37	1,526,634.54
	Loans	69,698.15	8,422.10	61,276.05
	Investments	119.82	9.17	110.65
	Other financial assets	1,971,282.49	3,821.36	1,967,461.13
	<b>Total financial assets</b>	<b>3,702,139.75</b>	<b>145,897.24</b>	<b>3,556,242.51</b>
<b>Non-financial assets</b>				
	Current tax assets (net)	9,303.25	9,303.25	-
	Deferred tax assets (net)	-	-	-
	Property, plant and equipment	453.16	-	453.16
	Other Intangible assets	0.41	-	0.41
	Other non-financial assets	68,620.61	68,586.60	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>3,780,517.18</b>	<b>223,787.09</b>	<b>3,556,730.09</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	1,785,747.89	136,119.71	1,649,628.18
	Borrowings (other than debt securities)	1,445,358.90	77,201.36	1,368,157.54
	Other financial liabilities	172,076.86	112,987.86	59,089.00
	<b>Total financial liabilities</b>	<b>3,407,292.54</b>	<b>326,816.54</b>	<b>3,080,476.00</b>
<b>Non-financial liabilities</b>				
	Current tax liabilities (net)	-	-	-
	Provisions	291.22	288.13	3.09
	Deferred tax liabilities (net)	-	-	-
	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>3,421,383.36</b>	<b>340,904.27</b>	<b>3,080,479.09</b>
<b>Equity</b>				
	Equity share capital	130,685.06	-	130,685.06
	Other equity	228,448.76	-	228,448.76
	<b>Total equity</b>	<b>359,133.82</b>	<b>-</b>	<b>359,133.82</b>
	<b>Total Liabilities and Equity</b>	<b>3,780,517.18</b>	<b>340,904.27</b>	<b>3,439,612.91</b>

# Notes to Financial Statements

for the year ended 31 March 2021

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

## b) Classification of balance sheet as at 31 March 2020

Line Item	Particulars	As at 31 March 2020		
		Amount	Current	Non-current
<b>Assets</b>				
<b>Financial Assets</b>				
	Cash and cash equivalents	13.80	13.80	-
	Bank balance other than (a) above	993.83	993.83	-
	Derivative financial instruments	-	-	-
	Receivables	-	-	-
	- Lease receivables	1,485,798.00	112,525.68	1,373,272.32
	Loans	64,233.71	8,810.51	55,423.20
	Investments	115.12	10.05	105.07
	Other financial assets	1,182,742.54	4,599.95	1,178,142.59
	<b>Total financial assets</b>	<b>2,733,897.00</b>	<b>126,953.82</b>	<b>2,606,943.18</b>
<b>Non-financial assets</b>				
	Current tax assets (net)	6,308.41	6,308.41	-
	Deferred tax assets (net)	-	-	-
	Property, plant and equipment	110.04	-	110.04
	Other Intangible assets	0.43	-	0.43
	Other non-financial assets	14,725.41	14,700.11	25.30
	<b>Total non-financial assets</b>	<b>21,144.29</b>	<b>21,008.52</b>	<b>135.77</b>
	<b>Total Assets</b>	<b>2,755,041.29</b>	<b>147,962.34</b>	<b>2,607,078.95</b>
<b>Liabilities</b>				
<b>Financial liabilities</b>				
	Derivative financial instruments	4,065.15	-	4,065.15
	Trade payable	377.52	377.52	-
	Debt securities	1,552,904.56	112,291.99	1,440,612.57
	Borrowings (other than debt securities)	790,862.65	154,346.29	636,516.36
	Other financial liabilities	103,373.67	53,519.21	49,854.46
	<b>Total financial liabilities</b>	<b>2,451,583.55</b>	<b>320,535.01</b>	<b>2,131,048.54</b>
<b>Non-financial liabilities</b>				
	Current tax liabilities (net)	-	-	-
	Provisions	138.03	121.14	16.89
	Deferred tax liabilities (net)	-	-	-
	Other non-financial liabilities	322.19	322.19	-
	<b>Total non-financial liabilities</b>	<b>460.22</b>	<b>443.33</b>	<b>16.89</b>
	<b>Total liabilities</b>	<b>2,452,043.77</b>	<b>320,978.34</b>	<b>2,131,065.43</b>
<b>Equity</b>				
	Equity share capital	118,804.60	-	118,804.60
	Other equity	184,192.92	-	184,192.92
	<b>Total equity</b>	<b>302,997.52</b>	<b>-</b>	<b>302,997.52</b>
	<b>Total Liabilities and Equity</b>	<b>2,755,041.29</b>	<b>320,978.34</b>	<b>2,434,062.95</b>

# Notes to Financial Statements

for the year ended 31 March 2021  
(All amounts in millions of INR, unless stated otherwise)

## c) Classification of balance sheet as at 1 April 2019

Line Item	Particulars	As at 1 April 2019		
		Amount	Current	Non-current
<b>Assets</b>				
<b>Financial Assets</b>				
	Cash and cash equivalents	37.07	37.07	-
	Bank balance other than (a) above	773.59	773.59	-
	Derivative financial instruments	466.90	-	466.90
	Receivables		-	-
	- Lease receivables	1,250,265.12	95,104.40	1,155,160.72
	Loans	58,954.87	8,779.57	50,175.30
	Investments	131.45	11.06	120.39
	Other financial assets	738,239.44	8,599.99	729,639.45
	<b>Total financial assets</b>	<b>2,048,868.44</b>	<b>113,305.68</b>	<b>1,935,562.76</b>
<b>Non-financial assets</b>				
	Current tax assets (net)	414.67	414.67	-
	Deferred tax assets (net)	-	-	-
	Property, plant and equipment	112.25	-	112.25
	Other Intangible assets	0.50	-	0.50
	Other non-financial assets	14,987.09	14,961.79	25.30
	<b>Total non-financial assets</b>	<b>15,514.51</b>	<b>15,376.46</b>	<b>138.05</b>
	<b>Total Assets</b>	<b>2,064,382.95</b>	<b>128,682.14</b>	<b>1,935,700.81</b>
<b>Liabilities</b>				
<b>Financial liabilities</b>				
	Derivative financial instruments	3,105.95	-	3,105.95
	Trade payable	121.73	121.73	-
	Debt securities	1,235,978.99	106,011.36	1,129,967.63
	Borrowings (other than debt securities)	503,347.76	124,312.45	379,035.31
	Other financial liabilities	72,999.42	38,511.05	34,488.37
	<b>Total financial liabilities</b>	<b>1,815,553.85</b>	<b>268,956.59</b>	<b>1,546,597.26</b>
<b>Non-financial liabilities</b>				
	Current tax liabilities (net)	-	-	-
	Provisions	117.96	80.98	36.98
	Deferred tax liabilities (net)	-	-	-
	Other non-financial liabilities	48.15	48.15	-
	<b>Total non-financial liabilities</b>	<b>166.11</b>	<b>129.13</b>	<b>36.98</b>
	<b>Total liabilities</b>	<b>1,815,719.96</b>	<b>269,085.72</b>	<b>1,546,634.24</b>
<b>Equity</b>				
	Equity share capital	93,804.60	-	93,804.60
	Other equity	154,858.39	-	154,858.39
	<b>Total equity</b>	<b>248,662.99</b>	<b>-</b>	<b>248,662.99</b>
	<b>Total Liabilities and Equity</b>	<b>2,064,382.95</b>	<b>269,085.72</b>	<b>1,795,297.23</b>

# Notes to Financial Statements

for the year ended 31 March 2021

(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

# Notes to Financial Statements

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

## Note 56 : SCHEDULE TO THE BALANCE SHEET OF A NON-BANKING FINANCIAL COMPANY AS REQUIRED UNDER MASTER DIRECTION - NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016

S. No	Particulars	As at 31 March 2021		As at 31 March 2020		As at 1 April 2019	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
<b>Liabilities Side:</b>							
<b>1)</b>	<b>Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:</b>						
	(a) Debentures/ Bonds :						
	- Secured	1,339,542.75	-	1,157,742.13	-	974,691.31	-
	- Unsecured	417,234.87	-	356,528.34	-	231,427.91	-
	(b) Deferred Credits	-	-	-	-	-	-
	(c) Term Loans	1,445,358.90	-	790,862.65	-	503,347.76	-
	(d) Inter-corporate loans and Other Borrowings	-	-	-	-	-	-
	(e) Commercial Paper	28,970.27	-	38,634.09	-	29,859.77	-
	(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)</b>	<b>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)</b>	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>						
	(a) Secured	-	-	-	-	-	-
	(b) Unsecured	250,244.21	-	1,246,924.45	-	797,148.70	-
<b>4)</b>	<b>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	1,655,689.91	-	1,485,798.00	-	1,250,265.12	-

# Notes to Financial Statements

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

for the year ended 31 March 2021

S. No	Particulars	As at 31 March 2021		As at 31 March 2020		As at 1 April 2019	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	(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	-	-	-	-	-	-
<b>5)</b>	<b>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	107.73	-	92.98	-	98.15	-
	(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	12.14	-	22.23	-	33.30	-



# Notes to Financial Statements

for the year ended 31 March 2021

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

**6) Borrower group-wise classification assets financed as in (3) and (4) above :**

Category	As at 31 March 2021			As at 31 March 2020			As at 1 April 2019		
	Amount of Net provision			Amount of Net provision			Amount of Net provision		
	Secured	Unsecured	Total	Secured	Unsecured	Total	Secured	Unsecured	Total
<b>1. Related Parties</b>									
(a) Subsidiaries	-	-	-	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-	-	-	-
(c) Other related parties	-	1,905,934.12	1,905,934.12	-	2,732,722.45	2,732,722.45	-	2,047,413.82	2,047,413.82
<b>2. Other than related parties</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>1,905,934.12</b>	<b>1,905,934.12</b>	-	<b>2,732,722.45</b>	<b>2,732,722.45</b>	-	<b>2,047,413.82</b>	<b>2,047,413.82</b>

**7) Investor group-wise classification of all investments ( current and long term ) in shares and securities ( both quoted and unquoted ) :**

Category	As at 31 March 2021			As at 31 March 2020			As at 1 April 2019		
	Market value/ Break up/or fair value of NAV	Book value (net of provision)	Book value (net of provision)	Market value/ Break up/or fair value of NAV	Book value (net of provision)	Book value (net of provision)	Market value/ Break up/or fair value of NAV	Book value (net of provision)	Book value (net of provision)
	<b>1. Related Parties</b>								
(a) Subsidiaries	-	-	-	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-	-	-	-
(c) Other related parties	107.73	107.73	92.98	92.98	92.98	98.15	98.15	98.15	98.15
<b>2. Other than related parties</b>	12.14	12.09	22.23	22.14	22.14	33.30	33.30	33.30	33.30
<b>Total</b>	<b>119.87</b>	<b>119.82</b>	<b>115.21</b>	<b>115.12</b>	<b>115.12</b>	<b>131.45</b>	<b>131.45</b>	<b>131.45</b>	<b>131.45</b>

**8) Other information:**

Particulars	As at	As at	As at
	31 March 2021	31 March 2020	1 April 2019
<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>			
	-	-	-

# Notes to Financial Statements

for the year ended 31 March 2021

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

## Note 57 : DISCLOSURE AS REQUIRED UNDER RBI NOTIFICATION NO. RBI/2019-20/170 DOR (NBFC).CC.PD.NO .109/22.10.106/2019-20 DATED 13 MARCH 2020 ON IMPLEMENTATION OF INDIAN ACCOUNTING STANDARDS

- (i) A comparison between provisions required under extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109 for the 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	1,736,799.30	324.00	1,736,475.30	324.00	-
	Stage 2	-	-	-	-	-
Subtotal for standard		<b>1,736,799.30</b>	<b>324.00</b>	<b>1,736,475.30</b>	<b>324.00</b>	<b>-</b>
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>1,736,799.30</b>	<b>324.00</b>	<b>1,736,475.30</b>	<b>324.00</b>	<b>-</b>
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Total</b>		<b>1,736,799.30</b>	<b>324.00</b>	<b>1,736,475.30</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

(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 2020.

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
<b>Performing Assets</b>						
Standard *	Stage 1	1,560,103.26	296.85	1,559,806.41	296.85	-
	Stage 2	-	-	-	-	-
Subtotal for standard		<b>1,560,103.26</b>	<b>296.85</b>	<b>1,559,806.41</b>	<b>296.85</b>	-
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>1,560,103.26</b>	<b>296.85</b>	<b>1,559,806.41</b>	<b>296.85</b>	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Total</b>		<b>1,560,103.26</b>	<b>296.85</b>	<b>1,559,806.41</b>	<b>296.85</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 2021

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

(iii) A comparison between provisions required under extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109 for the year ended 1 April 2019.

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
<b>Performing Assets</b>						
Standard *	Stage 1	1,319,293.36	275.44	1,319,017.92	275.44	-
	Stage 2	-	-	-	-	-
Subtotal for standard		<b>1,319,293.36</b>	<b>275.44</b>	<b>1,319,017.92</b>	<b>275.44</b>	<b>-</b>
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>1,319,293.36</b>	<b>275.44</b>	<b>1,319,017.92</b>	<b>275.44</b>	<b>-</b>
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Total</b>		<b>1,319,293.36</b>	<b>275.44</b>	<b>1,319,017.92</b>	<b>275.44</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) )

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 2021, 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.

# Notes to Financial Statements

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

**(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 2021, 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	Amount
i	Respective amounts in SMA / overdue categories, where the moratorium / deferment was extended in terms of paragraph 2 & 3 of the aforesaid notification	Nil
ii	Respective amount where asset classification benefit is extended	Nil
iii	Provisions made during quarter 4 of Financial year 2020 - 21	Nil
iv.	Provisions adjusted during the respective accounting periods against slippages and residual provisions in terms of paragraph 6 of the aforesaid notification	Nil

# Notes to Financial Statements

for the year ended 31 March 2021

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

## Note 59 DISCLOSURES AS REQUIRED UNDER GUIDELINES ON LIQUIDITY RISK MANAGEMENT FRAMEWORK FOR NBFCs ISSUED BY RBI VIDE NOTIFICATION NO. RBI/2019-20/88 DOR.NBFC (PD) CC. NO. 102 /03.10.001/2019-20 DATED 4 NOVEMBER 2019

### Public Disclosures on Liquidity Risk:

#### A. Funding Concentration based on significant counterparty

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Number of Significant Counterparties*	-	-	-
Amount in (Millions)	-	-	-
Percentage of Funding Concentration of Total Deposits	N/A	N/A	N/A
Percentage of Funding Concentration of Total Liabilities	N/A	N/A	N/A
<b>Total Liabilities</b>	<b>3,421,383.36</b>	<b>2,452,043.77</b>	<b>1,815,719.96</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

#### B. Top 10 Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Total Amount of Top 10 Borrowings	973,584.08	608,608.43	561,965.15
Percentage of Amount of Top 10 Borrowings to total borrowings (%)	30.13%	25.97%	32.31%
Total Borrowings	3,231,106.79	2,343,767.21	1,739,326.75

#### C. Funding Concentration based on significant instrument/product

Particular	As at 31 March 2021	Percentage (%) of Total Liabilities	As at 31 March 2020	Percentage (%) of Total Liabilities	As at 1 April 2019	Percentage (%) of Total Liabilities
<b>Significant instrument/Product</b>						
Non-convertible debentures	1,553,752.18	45.41%	1,362,599.36	55.57%	1,136,548.03	62.59%
Term loan from Banks (including FCNR loans)	888,268.00	25.96%	496,250.00	20.24%	277,905.00	15.31%
External Commercial Borrowings	537,916.30	15.72%	248,664.76	10.14%	95,814.98	5.28%
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.

# Notes to Financial Statements

for the year ended 31 March 2021  
(All amounts in millions of INR, unless stated otherwise)

## D. Stock Ratios

Particular	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	0.77%	0.85%
Non-convertible debentures (NCDs) with original maturity of less than one year	-	NA	NA	NA
Other short-term liabilities	47,200.04	NA	1.25%	1.38%

Particular	As at 31 March 2020	Percentage(%) of Total Public Funds	Percentage(%) of Total Assets	Percentage(%) of Total Liabilities
Commercial Papers (CPs)	38,634.09	NA	1.40%	1.58%
Non-convertible debentures (NCDs) with original maturity of less than one year	-	NA	NA	NA
Other short-term liabilities	22,619.00	NA	0.82%	0.92%

Particular	As at 1 April 2019	Percentage(%) of Total Public Funds	Percentage(%) of Total Assets	Percentage(%) of Total Liabilities
Commercial Papers (CPs)	29,859.77	NA	1.45%	1.64%
Non-convertible debentures (NCDs) with original maturity of less than one year	-	NA	NA	NA
Other short-term liabilities	24,198.97	NA	1.17%	1.33%

As per RBI Notification No. RBI/2019-20/88 DOR.NBFC (PD) CC. NO. 102 /03.10.001/2019-20 DATED 4 November 2019 A "Other short-term liabilities" is defined as a all short-term borrowings other than CPs and NCDs with original maturity less than 12 months.

## E. Institutional set-up for liquidity risk management

Refer Note no. 38.9

# Notes to Financial Statements

for the year ended 31 March 2021

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

## Note 60:

- a) Previous year figures have been regrouped/ rearranged, whenever necessary, in order to make them comparable with those of the current year.

## Note 61: Approval of financial statements

- a) The financial statements for the year ended 31 March 2021 were approved by the Board of Directors on 29th June 2021.

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

Chartered Accountants  
(FRN 323288E)

Sd/-

**(Dashrath Kumar Singh)**

(Partner)

M.No. 060030

UDIN:21060030AAAAEK2554

Place: New Delhi

Date: 29th June 2021

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

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



# Independent Auditor's Report

To

**The Board of Directors,  
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 31<sup>st</sup> March, 2021 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 31<sup>st</sup> March, 2021, 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 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 Note 46(d).

## 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.

Sr. 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 2020-21 on the company.  Hence, no tax provision has been created for the year ended 31.03.2021.

2	<p>In terms of the revised arrangement with the Ministry of Railways, the contractors appointed for undertaking Railway Infrastructure Projects funded by the Company to be leased to Indian Railways, have started raising the invoices in the name of the Company for the expenditures incurred / payments made to Suppliers and Vendors by Ministry of Railway (MoR) for the aforesaid projects with effect from May 1, 2020. Accordingly, the Company is entitled to claim Goods and Service Tax (GST) Input Tax Credit (ITC) from 1st May, 2020. Earlier ITC credit was not claimed and availed by IRFC Ltd on Railway Projects.</p>	<ul style="list-style-type: none"> <li>A total sum of Rs. 5,05,509.51 million has been incurred towards expenditure made / payments made to suppliers and vendors in respect of Railway Infrastructure Projects as per the details received from the Ministry of Railways during the period from 1st May, 2020 to 31st March, 2021.</li> <li>The Company is entitled to claim GST Input Tax Credit (ITC) of Rs 53,770.59 million on the aforesaid expenditures incurred on the Railway Infrastructure Projects. Please refer Note 13.</li> </ul>
3	<p>Prior period adjustments have been done during the Financial period ended Sept 2020 to the extent of Rs. 7071.18 million on account of previous years transactions.</p>	<p>The prior period adjustments of Rs. 7071.18 million arising during the year ended 31st March, 2021 has been duly adjusted in the years to which it pertains. Out of the total sum of Rs.7071.18 million, the sum of Rs. 605.49 million, Rs. 1462.42 million, Rs.844.02 Million and Rs. 5003.27 million pertains to the years ending 31st March, 2018, 31st March, 2019, 31st March, 2020 and 31st March, 2021 respectively.</p> <p>As a result of the aforesaid adjustment, there is reduction in "Retained Earnings" by Rs.6,626.82 million. Correspondingly, there is a decrease in 'Amount Recoverable from Ministry of Railways on account of Exchange Rate Variation' by Rs. 6,242.29 Million, increase 'Tax Refund Receivable' by Rs. 444.36 million, increase in Interest Accrued but not due on Borrowings by Rs.828.95 million and decrease in Other Payables by Rs. 0.06 million.</p>
4	<p>Compliance in respect of Companies Act for Appointment of Independent Director</p>	<p>Appointment of Independent Director: As per sub section 4 of Section 149 of Companies Act 2013, every listed company is mandatorily required to have at least one-third of the total number of directors as independent directors which comes to two independent directors. But presently, only one independent director is available in Board of directors.</p>

### 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, 2016 ("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 except mentioned under the head of Basis for Opinion above.
- 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 Cash Flow Statement 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 wholly 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, 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 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.

**For KBDS & Co.**

Chartered Accountants

**Firm Reg. No:** 323288E

Sd/-

**(CA Dashrath Kumar Singh)**

Partner

**M. No.** - 060030**UDIN:** 21060030AAAAAEK2554**Date:** 29.06.2021**Place:** New Delhi

## 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 , 2021)**

1. a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

**However, these Records do not include the particulars of Property, Plant and Equipment leased to Ministry of Railways as the same are shown as lease receivables in the books of accounts.**

- (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 programme of physical verification of its Plant, Property and Equipment by which all fixed assets are verified except leased fixed assets but the same has not been provided to us for verification. In accordance with this

programme physical verification is reasonable having regard to the size of the Company and the nature of its assets.

**However, Leased assets have not been certified by the Lessee (Ministry of Railways) as to their physical existence and good working condition.**

- 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 also the same has been disclosed in Note 46 of the financial statements.

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 Palace including parking area	112.32 million (as per book value)	Occupied by IRFC Ltd on the basis of Agreement to Sale under lease hold from NBCC Ltd.	NA	Since 2000-01	Property held by NBCC 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.

- 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 , 2021.

- 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;

- f) The company has given an amount of Rs. 726404.30 million during year ended 31st March, 2021 (Previous Year- Rs 364300.00 Million) to Ministry of Railways under leased arrangement for financing the Railway Infrastructure Projects. However, agreement for the same is yet to be executed and list of the projects financed is yet to be received from Ministry of Railways. (Refer Note No. 45)

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.
 

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. (Refer Note 34 of the financial Statement)
- (b) According to the information and explanation given to us, during year ended 31st March , 2021, 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.
3. According to information and explanations given to us, during the year ended 31<sup>st</sup> March, 2021 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. Therefore, the provisions of paragraph 3 (iv) of the Order are not applicable to the Company.
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 section 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. (Refer Note 34 of the financial Statement)
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Custom, Duty of excise, VAT, Cess and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2021 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 are no disputed statutory dues referred to in sub-clause (a) have not been deposited with the appropriate authorities. However, 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 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 from a Financial Institution, Banks or dues to debenture holders/bond holders or government as at Balance Sheet date
 

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. (Refer Note 34 of the financial Statement)
- 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 31<sup>st</sup> March, 2021 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. a) According to the information and explanations given by the management and based on our audit procedures performed we report that equity capital raised by way of initial public offer (IPO) and the funds also raised by way of issue of debt instruments were applied for the purposes for which those funds were raised.
- b) According to the information and explanations given by the management, and based on our examination of records, the Company has not raised money through private placement of Equity Shares from Ministry of Railways during the year ended. Further, the company has not made any preferential or private placement of convertible debentures (fully, partially or optionally convertible) during the year.
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 on the company has been noticed or reported during the year.
- b) There is no report under sub-section 143 of the Companies Act has been 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, there has not been whistle-blower complaints received by company during the year ended 31<sup>st</sup> March, 2021.
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 on the basis of Quarter which commensurate with the size and nature of its business.
- b) Audit Report of Quarter ended June, 2020, Sept 2020 , Dec 2020 & March 2021 Quarter have been considered during 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 this clause is not applicable.
17. According to the information and explanations given to us, company has not incurred cash losses in the year ended 31<sup>st</sup> March, 2021 also in preceding financial year.
18. According to information and explanation received to us, there is no resignation of the statutory auditors during the year ended 31<sup>st</sup> March, 2021.
19. According to information and explanation received 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, there is no material uncertainty exists as on the date of the audit report that 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 received to us, the company has assured to transfer 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 received 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 .

**For KBDS & Co.**

Chartered Accountants

**Firm Reg. No:** 323288E

Sd/-

**(CA Dashrath Kumar Singh)**

Partner

**M. No.** - 060030**UDIN:** 21060030AAAAEK2554**Date:** 29.06.2021**Place:** Delhi



## **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, 2021)**

### **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, 2021 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 :

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) 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
- (3) 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 2021, 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 Note 46(d).

### For KBDS & Co.

Chartered Accountants

**Firm Reg. No:** 323288E

Sd/-

**(CA Dashrath Kumar Singh)**

Partner

**M. No.** - 060030

**UDIN:** 21060030AAAAEK2554

**Date:** 29.06.2021

**Place:** Delhi

## Annexure C to the Independent Auditor's Report on the financial statements

### Direction under section 143(5) of the new Companies Act, 2013

Sr. 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 case of waiver /write off of any debts/loan/interest etc. made by a lender to the company due to the company's inability to repay the loan.
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:** 21060030AAAAEK2554

**Date:** 29.06.2021

**Place:** Delhi

## **Non-Banking Financial Companies Auditors' Report for the Year Ended 31st March 2021**

**To**  
**The Board of Directors,**  
**Indian Railways 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 31.03.2021.
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 passed any resolution for non-acceptance of any public deposits during the year 2020-21.
4. The Company has not accepted any public deposits during the financial year 2020-21.
5. For the Financial Year ending 31 March, 2021, 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 31.03.2021 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:** 21060030AAAAEK2554

**Date:** 29.06.2021

**Place:** New Delhi

# Revised Independent Auditor's Report

To

**The Board of Directors,  
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, 2021 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, 2021, 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, 2021, and this report supersedes our earlier report dated 29th June, 2021 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 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 Note 46(d).

## 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.

Sr. 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 2020-21 on the company.  Hence, no tax provision has been created for the year ended 31.03.2021.

2	<p>In terms of the revised arrangement with the Ministry of Railways, the contractors appointed for undertaking Railway Infrastructure Projects funded by the Company to be leased to Indian Railways, have started raising the invoices in the name of the Company for the expenditures incurred / payments made to Suppliers and Vendors by Ministry of Railway (MoR) for the aforesaid projects with effect from May 1, 2020. Accordingly, the Company is entitled to claim Goods and Service Tax (GST) Input Tax Credit (ITC) from 1st May, 2020. Earlier ITC credit was not claimed and availed by IRFC Ltd on Railway Projects.</p>	<ul style="list-style-type: none"> <li>• A total sum of Rs. 5,05,509.51 million has been incurred towards expenditure made / payments made to suppliers and vendors in respect of Railway Infrastructure Projects as per the details received from the Ministry of Railways during the period from 1st May , 2020 to 31st March , 2021.</li> <li>• The Company is entitled to claim GST Input Tax Credit (ITC) of Rs 53,770.59 million on the aforesaid expenditures incurred on the Railway Infrastructure Projects. Please refer Note 13.</li> </ul>
3	<p>Prior period adjustments have been done during the Financial period ended Sept 2020 to the extent of Rs. 7071.18 million on account of previous years transactions.</p>	<p>The prior period adjustments of Rs. 7071.18 million arising during the year ended 31st March, 2021 has been duly adjusted in the years to which it pertains. Out of the total sum of Rs.7071.18 million, the sum of Rs. 605.49 million, Rs. 1462.42 million, Rs. 844.02 Million and Rs. 5003.27 million pertains to the years ending 31st March, 2018, 31st March, 2019, 31st March, 2020 and 31st March, 2021 respectively.</p> <p>As a result of the aforesaid adjustment, there is reduction in "Retained Earnings" by Rs.6,626.82 million. Correspondingly, there is a decrease in 'Amount Recoverable from Ministry of Railways on account of Exchange Rate Variation' by Rs. 6,242.29 Million, increase 'Tax Refund Receivable' by Rs. 444.36 million, increase in Interest Accrued but not due on Borrowings by Rs. 828.95 million and decrease in Other Payables by Rs. 0.06 million.</p>
4	<p>Compliance in respect of Companies Act for Appointment of Independent Director</p>	<p>Appointment of Independent Director: As per sub section 4 of Section 149 of Companies Act 2013, every listed company is mandatorily required to have at least one-third of the total number of directors as independent directors which comes to two independent directors . But presently , only one independent director is available in Board of directors.</p>

### **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, 2016 ("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 except mentioned under the head of Basis for Opinion above.

- 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 Cash Flow Statement 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 wholly 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, 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 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.

**For KBDS & Co.**

Chartered Accountants

**Firm Reg. No:** 323288E

Sd/-

**(CA Dashrath Kumar Singh)**

Partner

**M. No.** - 060030**UDIN:** 21060030AAAAES5791**Date:** 27.08.2021**Place:** New Delhi

## 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 31<sup>st</sup> March , 2021)**

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
**However, these Records do not include the particulars of fixed assets leased to Ministry of Railways as the same are shown as lease receivables in the books of accounts.**
  - b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified except leased fixed assets. In accordance with this programme physical verification is reasonable having regard to the size of the Company and the nature of its assets.  
  
**However, Leased assets have not been certified by the Lessee (Ministry of Railways) as to their physical existence and good working condition.**
  - 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 also the same has been disclosed in Note 46 of the financial statements.
  - d) The company has given an amount of Rs. 726404.30 millions during year ended 31<sup>st</sup> March, 2021 (Previous Year- Rs 364300.00 Millions ) to Ministry of Railways under leased arrangement for financing the Railway Infrastructure Projects. However, agreement for the same is yet to be executed and list of the projects financed is yet to be received from Ministry of Railways. (Refer Note No. 45)
2. 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) of the Order are not applicable to the Company.
  3. According to information and explanations given to us, during the year ended 31<sup>st</sup> March, 2021 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, 2016 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. Therefore, the provisions of paragraph 3 (iv) of the Order are not applicable to the Company.
  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 section 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. (Refer Note 34 of the financial Statement)
  - b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Custom, Duty of excise, VAT, Cess and other material statutory dues were in arrears as at 31<sup>st</sup>



- March, 2021 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 are no disputed statutory dues referred to in sub-clause (a) have not been deposited with the appropriate authorities. However, 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. 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 from a Financial Institution, Banks or dues to debenture holders/bond holders or government as at Balance Sheet date.
9. According to the information and explanations given by the management and based on our audit procedures performed we report that equity capital raised by way of initial public offer (IPO) and the funds also raised by way of issue of debt instruments were applied for the purposes for which those funds were raised.
10. To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud on the company has been noticed or reported during the year.
11. The Company being the Government Company wholly owned by the Central Govt., therefore section 197 read with schedule V of the Companies Act 2013 shall not apply vide Notification no GSR 463(E) dated 5th June 2015.
12. According to the information and explanations given to us, the Company is not a nidhi company.
- Accordingly, paragraph 3(xii) 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. According to the information and explanations given by management , and based on our examination of records , the Company has raised money through private placement of Equity Shares from Ministry of Railways during the year. Further , the company has not made any preferential or private placement of fully or partly convertible debentures during the year.
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, 2013. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. 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;

**For KBDS & Co.**

Chartered Accountants

**Firm Reg. No:** 323288E

Sd/-

**(CA Dashrath Kumar Singh)**

Partner

**M. No.** - 060030**UDIN:** 21060030AAAAES5791**Date:** 27.08.2021**Place:** Delhi

## **Annxure “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 , 2021)**

### **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 31st March, 2021 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:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) 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
- (3) 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<sup>st</sup> March, 2021, 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 Note 46(d).

### For KBDS & Co.

Chartered Accountants

**Firm Reg. No:** 323288E

Sd/-

**(CA Dashrath Kumar Singh)**

Partner

**M. No.** - 060030

**UDIN:** 21060030AAAAES5791

**Date:** 27.08.2021

**Place:** Delhi

## Annexure C to the Independent Auditor's Report on the financial statements

### Direction under section 143(5) of the new Companies Act, 2013

Sr. 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 case of waiver /write off of any debts/loan/interest etc. made by a lender to the company due to the company's inability to repay the loan.
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:** 21060030AAAAES5791

**Date:** 27.08.2021

**Place:** Delhi

**Non-Banking Financial Companies Auditors' Report for the Year Ended 31st March 2021**

**To**  
**The Board of Directors,**  
**Indian Railways 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 31.03.2021.
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 2020-21.
4. The Company has not accepted any public deposits during the financial year 2020-21.
5. For the Financial Year ending 31st March, 2021, 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 31.03.2021 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:** 21060030AAAAES5791

**Date:** 27.08.2021

**Place:** New Delhi

**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 2021**

The preparation of financial statements of **INDIAN RAILWAY FINANCE CORPORATION LIMITED** for the period ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are 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 27.08.2021 which supersedes their earlier Audit Report dated 29.06.2021.

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 period ended 31 March 2021 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.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143 (6) (b) of the Act.

**For and on the behalf of the  
Comptroller & Auditor General of India**

**Place:** New Delhi  
**Date:** 02.09.2021

Sd/-  
**(K.S. Ramuwalia)**  
**Principal Director of Audit**  
Railway Commercial, New Delhi



Independence Day



Constitution Day



Vigilance Day



Celebration of 34th annual day



Inauguration of Gift city office



Inauguration of new office at Ashok



IPO listing ceremony



IPO celebration



IPO listing ceremony





**INDIAN  
RAILWAY  
FINANCE  
CORPORATION**

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**Indian Railway Finance Corporation Limited**

CIN - L65910DL1986GOI026363

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