INDIAN RAILWAY FINANCE CORPORATION

ANNUAL REPORT 2018-19

FUTURE ON TRACK

Investor Meeting at London for USD 500Mn Reg S Bonds

Investor Conference at Hongkong for USD 500Mn Reg S Bonds

Plantation

IRFC Yoga Day

32nd ANNUAL REPORT 2018-19

Corporate Vision

To be the pivotal and premier financial services company for the development of Rail Transport Sector while maintaining its symbiotic realationship with the Ministry of Railway

Corporate Mission

To make IRFC one of the leading financial services 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.

Corporate Objectives

In furtherance of the Mission, the Objectives of the Corporation are :-

I) 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.

ii) To explore use of innovative and diverse instruments for raising funds so as to reduce the cost of borrowings to the Company.

iii) To provide timely funding for acquisition of Rolling Stock Assets for use by MOR.

iv) To leverage the Company's business advantage the large size and diverse activities of MOR by efficiently providing customised professional services at competitive cost.

v) To explore the possibility of financing CPSEs and other entities for creation of Rail infrastructure so as to sustain future growth and profitability.

vi) To make judicious use of derivatives and other emerging products for risk mitigation at opportune time and optimum cost.

vii) To strive for high quality service to the investors, lenders and other financial intermediaries and to effect prompt redressal of their grievances/problems.

viii) To ensure optimum utilization of resources.

ix) To enhance professionalism amongst the employees of the Company through training and other human resource tools.

Contents

1. Board of Directors 04

2. Chairman's Statement 06

3. Directors' Report 13

4. Report on Corporate Governance 29

5. Secretarial Audit Report 45

6. Annual Accounts 59

7. Independent Auditors' Report 176

8. Comments of the C&AG of India 193

Board of Directors

Anup Kumar Prasad
Chairman
(From 14.08.2018 to 28.02.2019)

Board of Directors

Vijay Kumar
Managing Director
(From 26.07.2018)

Shri S. K. Pattanayak
Managing Director
(Upto 26.07.2018)

Shri Niraj Kumar*
Director Finance
(From 01.07.2015)

Shri Kishor J. Devani
Independent Director
(From 01.04.2016)

Smt. Aditi Sengupta Ray
Independent Director
(From 19.09.2017)

Shri Chetan Venugopal
Independent Director
(From 08.03.2018)

Dr. Kumar V. Pratap
Director
(From 23.04.2018)

Shri Ashok Kumar Singhal
Independent Director
(From 20.07.2018)

* Also held additional charge of the post of Managing Director from 01.07.2016 to 28.07.2016

Corporate Information

Dr. Madhukar Sinha
Chief Vigilance Officer
(From 02.05.2018)

Shri Vijay B. Shirode
Company Secretary

INDIAN RAILWAY FINANCE CORPORATION LTD.

CIN - U65910DL1986GOI026363

Registered Office :

Upper Ground Floor, East Tower, NBCC Place,
Pragati Vihar, Lodhi Road, New Delhi - 110 003
Ph.: 011 - 24369766 - 69 | Website : www.irfc.nic.in

BANKERS

- Corporation Bank
- State Bank of India
- ICICI Bank

Internal Auditors
M/s Raj Har Gopal & Co.
Chartered Accountants
412, Ansal Bhawan,
16, Kasturba Gandhi Marg,
New Delhi - 110001

Statutory Auditors
M/s SPMG & Co.
Chartered Accountants
3322 A, 2nd Floor,
Bank Street, Karol Bagh,
New Delhi - 110 005

Secretarial Auditors
M/s Navneet K Arora & Co LLP
Company Secretaries
E 8/1, LGF,
Near Geeta Bhawan Mandir,
Malviya Nagar, New Delhi-110 017

Chairman's Statement

Dear Shareholders,

I am extremely happy to welcome you all to the Thirty Second Annual General Meeting of Indian Railway Finance Corporation Limited. The audited accounts of your Company for the year ended 31st March 2019, along with the Directors' Report and its accompaniments are with you. I trust I have your consent to take them as read.

A landmark in infrastructure asset financing by your Company was achieved when its cumulative funding to the Rail Sector crossed the magical Rs. 2.50 lakh crore mark during the course of the year 2018-19. At the end of 2018-19, your Company had provided total funding of over Rs. 2.73 lakh crore to the Ministry of Railways and other Railway Entities. Ever since its inception, your company has consistently met the borrowing targets assigned to it by the Ministry of Railways while ensuring that its operational expenses are the barest minimum. Before, I present an account of your Company's performance, I would like to recapitulate briefly some of the important developments and trends in global and domestic economy that defined the business environment in which your Company transacted its activities during the year 2018-19 as the same has a bearing on the performance and prospects of your Company.

Economic Review:

The year 2018 was a difficult year for the Global Economy as the world output growth fell from 3.8 per cent in 2017 to 3.6 per cent in 2018. It is projected to fall further to 3.3 per cent in 2019. However, Indian economy continued to grow against all odds with a growth rate of 6.8 per cent, slightly lower than 7.2 per cent in 2017-18 and remained the fastest growing major economy in the world. Further, India maintained its macroeconomic stability by containing inflation within 4 per cent and by maintaining a manageable current account deficit to GDP ratio inspite of higher crude oil prices. The fiscal deficit was also contained at 3.4% notwithstanding the Finance Commission's recommendations for increasing the share of states from 32% to 42% in Central Taxes.

The fixed investment growth rate picked up from 9.3 per cent in 2017-18 to 10.0 per cent in 2018-19. Capital expenditure of Central Government grew by 15.1 per cent in 2018-19 leading to increase in share of capital expenditure in total expenditure. Given the current scenario and the Govt's initiatives towards structural reforms, the economy is projected to grow at 6.9 per cent in 2019-20. The projected growth augurs well for the growth of infrastructure sector of India.

Further, RBI Monetary policy during the year 2018-19 changed the policy rate oftento make liquidity adjustments in the economy. The benchmark policy rate was first hiked by 50 bps and later lowered by 25 bps due to low inflation, low credit offtake and soft international rates. Liquidity conditions, however, remained tight due to stress in NBFC Sector since September 2018. In the first half of 2019-20 so far, there has been three successive rate

cuts by RBI of 25 bps, 25bps and 35 bps each which led to softening of interest rates.

Reflecting the market sentiments, the 10 year benchmark Government Bond yield averaged 7.72% p.a. in the year 2018-19 as against 6.93 p.a. in 2017-18. In the first half of 2019-20 so far the interest rate moved downwards and the 10 year benchmark Government Bond yield average dat 6.88% p.a.

Railway Sector:

Apart from providing most important mode of public transport and cost-effective long distance transport system, Indian Railways plays a pivotal role in reviving economic growth in the country. Investment in the Railways has a larger multiplier effect on the rest of the economy. There has been a significant growth in the Annual Plan Outlay of Indian Railways in recent years. The Annual Plan Outlay of Indian Railways which remained at Rs.50,383.54 Crore for the year 2012-13, has gone up consistently and reached a staggering level of Rs.1,48,528 Crore for the year 2018-19. The Annual Plan outlay for the year 2019-20 has been pegged at Rs. 1,60,176 Crore. Besides, the Indian Railways has embarked on a massive expansion plan with a total plan outlay of Rs.8.56 lakh crore over the period of five years commencing from the financial year 2015-16. The enormous investment in Indian Railways would lead to significant capacity enhancement, network decongestion, electrification, redevelopment of stations, safety and security of passengers, improvement in passenger amenities, etc. Total revenue earning traffic of Indian Railways registered a year-to-year growth of 5.33% during the year 2018-19. Indian Railways initiated stringent economy and austerity measures which has helped maintain the operating ratio at 97.30% for FY 2018-19and targeted to be brought down to 95% during the FY 2019-20.

Contribution to Railway CAPEX:

Since its inception spanning over three decades, your Company has played a stellar role in augmenting the developmental needs of Indian Railways by consistently funding a quarter of the annual plan outlay. However, during the year 2018-19, your Company has contributed 35.33 % of Railway CAPEX. Funding of rolling stock for the Ministry of Railways remains the core business of your Company. For the year ended 31st March 2019, your Company has funded rolling stock asset consisting of acquisition of 707 locomotives, 5598 passenger coaches and 9069 freight wagons valued at Rs. 24,055.08 crore. The cumulative acquisition till the end of 31st March, 2019, funded by your company remains at 10,350 locomotives, 57,370 passenger coaches and 2,29,815 freight wagons to the tune of Rs. 1,94,044 crore, besides providing funding support of Rs. 7,951 Crore to other Railway entities such as Rail Vikas Nigam Limited, IRCON International, Rail Tel Corporation etc. In addition, your Company has funded select capacity enhancement works to the extent of Rs. 2078 Crore during the year 2011-12. Further, your Company has been assigned the task of funding Railway Projects through Institutional Finance, against which a sum of Rs. 59,715 Crore has been disbursed to MOR to the end of March, 2019. The Company has also funded Railway Projects of National importance to the extent of Rs. 5078.70 crore. Thus, the cumulative funding to the Rail Sector till

31st March, 2019 has been Rs. 2,68,867 crore. This mirrors your Company's importance in the overall asset acquisition plans of the Ministry of Railways.

Operational and Financial Performance during 2018-19:

I would now like to share with you some of the highlights of your Company's performance since the last Annual General Meeting held in September, 2018. Your Company was originally given a target of Rs.28,500 Crore including Rs.28,420 Crore for funding Rolling Stock Assets and Rs.80.00 Crore for meeting the debt financing requirements of RVNL. Further, the target of borrowing through Institutional Finance through issue of bonds by IRFC to LIC for Railways Development Projects was kept at Rs.26,440 Crore. The targets of the borrowing were finally brought down to Rs. 52480.10 crore comprising of funding of Rolling stock to the extent of 24055.08 Crore, financing of Railway Projects under EBR-IF to the tune of Rs.22355.40 Crore and meeting the debt financing requirements of RVNL amounting to Rs.1046.00 crore and financing towards National Projects amounting to Rs.5078.70 crore. Your Company met the aforesaid target by transferring the required amount of funds, highest ever in its history, to MoR and registered an impressive growth of 43.42% over the last financial year.

The entire requirement of funds was met out of a mix of borrowings both from the domestic and international financial markets. The borrowings made during the year include Taxable Bonds worth Rs.19081.90 Crore, External Commercial Borrowings (ECB) of Rs. 3481.50 Crore (equivalent to USD 500 Mn) and Rupee Term Loans of Rs.25190.50 Crore, 54EC bonds of Rs.187.70 crore and NSSF of Rs.7500 crore. The weighted average cost (semi-annual) and tenor of the pool of borrowings made by your Company during the year 2018-19 remained at 8.09% p.a and 9.57 years as against 7.75% p.a and around 9.70 years respectively during the previous year 2017-18. This is a creditable achievement in view of the fact that your Company has achieved this feat in a scenario of consistent hardening of interest rate in the domestic market amid tight liquidity conditions as reflected in the upward movement in the Benchmark 10 Year GoI yield which averaged 7.72% p.a for FY 2018-19 as against 6.93% p.a for FY 2017-18, an increase of 79 bps. Thus, the year-to-year increase in weighted average cost delivered by your Company is only 34 bps against 79 bps upward movement in the Benchmark 10 year GoI yield. The average cost of borrowings delivered by your Company has remained at 12 bps lower as compared to the Benchmark Yield of AAA Rated CPSEs of equivalent tenors prevailing at different points in time when the borrowings were made during the course of the year.

Your Company constantly diversifies its borrowing portfolio to meet the target of borrowings mandated by MOR which helps it to raise higher volume of funds at competitive rates and terms.

In its endeavor towards further diversification of its borrowing portfolio and to become part of the Global financial system to mobilise global savings, your Company has achieved a milestone in setting up of EMTN programme of USD 2 bn for the first time.Your Company has already raised a sum of USD 500 Mn through Reg-S Bonds under EMTN program

in the offshore market during the FY 2018-19. The balance amount would be raised in the year 2019-20. The issue received overwhelming response from the Foreign Institutional Investors and concluded at the most tighter pricing of 3.73% with tenor of 5 years. EMTN programme was listed in Singapore Stock Exchange and INX Stock Exchange. The bonds were listed in the London Stock Exchange, Singapore Stock Exchange and INX, Mumbai. Beside, your Company is one of the few entities in India to have raised Syndicated Foreign Currency Loan denominated in JPY (USD 300 mn) with tenor as long as 7 years at very competitive cost. The ADB has also sanctioned a loan of USD 750 mn under the Non-Sovereign window denominated in INR during the year 2018-19.

Further, your Company borrowed a sum of Rs.7500 Crore from Ministry of Finance out of the National Small Savings Fund (NSSF) during the year which is a source of longer tenor funding available only to strategically important PSUs. Your Company raised Rs. 187.70 crores through issue of 54EC Capital Gain Bonds an increase of Rs. 50.22 crores over the last year.

Your Company was able to attain diversification of its borrowing portfolio due to constant monitoring of the markets, proper timing of borrowing, appropriate selection of instruments and strong confidence reposed by domestic and overseas investors in your Company. This has led to minimisation of the cost of borrowings and in turn has reduced the cost to MOR.

In order to boost the raising of funds through public issue of debentures, recently, the Government has done away with the requirement of creation of DRR. Further, GoI is working on to offer an investment option in ETF's on the lines of Equity Linked Saving Schemes (ELSS) to attract retail investors. The above initiatives of Government would provide a fillip to further deepening of debt markets in India.

I am happy to report that your Company continues to enjoy the highest credit rating from the three leading credit rating agencies. During the Financial Year 2018-19, your Company was accorded highest possible ratings both for its long term and short term borrowings programme. For the long term domestic borrowings, your Company was awarded “CRISIL AAA/Stable”, “[ICRA] AAA (Stable)” and “CARE AAA [Triple A]” by CRISIL, ICRA and CARE respectively. Similarly, your Company's short term domestic borrowings were rated ''CRISIL A1+'', ''[ICRA] A1+'', and “CARE A1+ [A One Plus]” by CRISIL, ICRA and CARE. Besides, the three prominent International Credit Rating Agencies Standard & Poor's, Fitch and Moody's – have awarded “BBB- with Stable Outlook”, “BBB- with Stable Outlook” and “Baa2 with Stable Outlook” ratings, respectively. Besides, your 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.

I now turn to the financial performance of your Company. Even if the entities operating in the financial sector have remained under tremendous stress, IRFC continued to exhibit healthy financial performance for FY 2018-19 that Profit before Tax (PBT) of your Company for the year ending 31st March 2019 was Rs. 2,901.58 crore as compared to

Rs. 2,592.49 crore for the previous year, registering a growth of 11.92%. Profit after Tax (PAT) for the year ending 31st March, 2019 was Rs 2,254.75 crore as against Rs. 2,054.66 crore for the previous year registering a growth of 9.74 %. 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. The overriding consideration for maintaining Debt to Equity ratio of the Company within the acceptable limits acts as a deterrent to declaration of higher amount of dividend. Accordingly, it has been decided to peg the dividend at Rs. 400 crore (including interim dividend of Rs. 200crore) so as to have adequate internal generations for maintaining the D/E Ratio. Accordingly, your Company will not pay minimum dividend at the rate higher of 5% of Net Worth or 30% of Profit After Tax as stipulated by Department of Investment and Public Asset Management (DIPAM).

Memorandum of Understanding:

The Members are aware that your Company enters into a Memorandum of Understanding (MOU) with the Ministry of Railways each year which sets out the financial performance and efficiency parameters. Based on the actual achievements vis-à-vis the parameters set out in the MOU, the performance of your Company is evaluated. Your Company's performance has since been rated 'Excellent' with a perfect score of 100% for the year 2017-18. Your Company is likely to secure Excellent rating for the year 2018-19.

CSR Activities:

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 2018-19 was pegged at Rs.44.18 Crore. A total number of 16 CSR Projects were committed at a budgeted expenditure of Rs. 44.23 Crore. Against the budgeted expenditure a sum of Rs.5.19 Crore has already been disbursed to the end of March, 2019.Your Company has committed 60% of CSR budget on Education and Health care as the theme for focused intervention as mandated by Department of Public Enterprises.

Corporate Governance:

Your Company strives to maintain the highest standards of corporate governance and has adhered to the guidelines laid down by the law and various regulatory bodies. Your Company is adhering to the 'Guidelines on Corporate Governance for Central Public Sector Enterprises. Your Company's Non-convertible Debt Securities are listed on the stock exchanges and Company has complied with Chapter V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Human Resources:

Despite the scale of operations and the challenging environment in which IRFC operates, your Company has functioned with a high degree of productivity and efficiency. IRFC is widely respected for its business skills, quick decision making and negotiating capabilities in raising large resources at

benchmark pricing levels. Consistently high service to all stake holders has been ensured, partly by outsourcing some of the back office activities to professional agencies. The standing earned by your Company in financial markets at home and overseas is the direct outcome of its deep understanding of business, ethical and transparent business practices and accumulation and nurturing of professional expertise over the last three decades. The support it receives from the Ministry of Railways and the trust reposed by the Ministry in your Company's professional capabilities has enhanced its stature. During the year, there has been modest augmentation of staff strength through the induction of 2 more personnel i.e. one General Manger and 1 Deputy General Manager bringing the total strength of your Company to 24.

In order to further strengthen the Organization Structure for coping up with the additional workload due to manifold increase the annual borrowing target mandated by MOR and significant increase in the compliance requirements in the aftermath of implementation of the New Companies Act, SEBI (LODR) Guidelines, migration to IND-AS and introduction of GST, your Company got a Manpower study conducted by a reputed Management Institute. Based on the report submitted by the Institute, your Company has approached the Govt. of India, Ministry of Railways for approving the proposed increase in manpower strength.

Awards:

Your Company has been awarded for "Best Growth Performance – Financial Services" and "Best MiniRatna Services" in Dun & Bradstreet PSU Awards Meet 2019.

Way Ahead:

The GoI in its Union Budget 2019 has announced an estimated investment of Rs. 50 lakh crores between 2018 - 2030 in Railway infrastructure and to use Public Private Partnership to unleash faster development and completion of various railway projects. This will provide numerous opportunities to your Company to diversify it's business and to take your Company to higher growth trajectory. Being dedicated to Railway Sector your Company might have to play a major role in meeting the huge funding requirement of the Railway Sector.

For the current fiscal, your Company has been assigned borrowing target of Rs. 55,471.00 Crore comprising (i) Rs.28,400.00 Crore for funding Rolling Stock Assets (ii) Rs.631.00 Crore for meeting the debt financing requirements of RVNL and (iii) Rs.26,440.00 Crore for borrowing Institutional Finance by way of issue of bonds by IRFC to LIC for Railways Development Projects.

As reported in the last meeting, Government of India (GOI) in the Union Budget for the year 2017-18 had proposed listing of IRFC's shares. Accordingly, GOI had proposed offer for sale of 5% of its present holdings and your Company has also planned additional issuance of equity through Initial Public Offerings (IPO). All preparatory activities including appointment of market intermediaries, necessary approvals, requisite policies in terms of SEBIGuidelines, requisite amendments in Memorandum & Articles of Association in terms of Companies Act, 2013 and LODR Regulations, are in place by now. The remaining preparations are underway.

I am confident that the intellectual and managerial capabilities, the available skill sets and the ingenuity of the team shall prove equal to the task and ensure all round excellence in the coming years.

Acknowledgements:

Excellent performance of your Company on sustained basis would not have been possible without unqualified and constructive support and cooperation of numerous individuals and organizations including my colleagues on the Board of Directors, officers and staff of Ministry of Railways, Ministry of Finance, Ministry of Corporate Affairs, Department of Public Enterprises, C&AG of India, Statutory Auditors, Internal Auditors, Secretarial Auditors, Banks, Financial Institutions, Securities and Exchange Board of India, Reserve Bank of India, BSE, NSE, National Securities Depository Limited, Central Depository Services (India) Limited, Registrar & Share Transfer Agent, Investors and other Stakeholders. I wish to place on record gratitude to all of them. I also wish to place on record the highest appreciation for the hard work and sincere efforts put in by the small but highly effective team at IRFC. Their untiring commitment and application enabled your Company to deliver excellent results.

Sd/-

Vijay Kumar

Chairman

Place : New Delhi

Dated :26th September, 2019

Directors' Report

Dear Shareholders,

Your Directors have the pleasure in presenting the Thirty Second 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, 2019.

1. FINANCIAL HIGHLIGHTS

The highlights of financial performance of your Company for the year ended 31st March, 2019 are summarised below:

(₹ in lakh)

	Particulars	Year ended 31-03-2019	Year ended 31-03-2018
I.	Revenue from operations	11,13,232.15	9,26,714.43
II.	Other income	127.35	123.68
III.	**Total Revenue (I+II)**	**11,13,359.50**	**9,26,838.11**
IV.	Expenses:		
	Finance costs	8,18,306.08	6,63,757.27
	Impairment on financial instruments	2754.43	-
	Employee benefit expense	625.05	552.62
	Depreciation and amortization expense	41.79	35.40
	Other expenses	1,473.67	3,243.76
	Total Expenses	**8,23,201.02**	**6,67,589.05**
V.	**Profit before tax (III-IV)**	**2,90,158.48**	**2,59,249.06**
VI.	Tax Expense:		
	(1) Current tax	64,692.39	54,340.47
	(2) Tax For Earlier Years	(8.78)	(557.84)
	(3) Deferred Tax	–	–
	Total Taxes	**64,683.61**	**53,782.63**
VII.	**Profit (Loss) for the current year from continuing operations (V-VI)**	**2,25,474.87**	**2,05,466.43**
VIII.	**Other Comprehensive Income**	**16.63**	**80.19**

Revenue of your Company has increased by Rs. 1865.22 crores from Rs. 9268.38 crores (re-casted as per Ind AS) in 2017-18 to Rs. 11,133.60 crores in 2018-19 showing a growth of 20.12%.

Due to implementation of Ind AS, finance costs and revenue from operations have materially changed mainly on account of capitalisation of interest of Rs. 2,732.51 crore (previous year Rs. 1,537.38 crore) on borrowed funds in respect of railway projects under construction funded by IRFC and corresponding reduction of the same amount from the revenue.

Profit before Tax (PBT) of your Company for the year ending 31st March 2019 was Rs. 2,901.58 crore as compared to Rs. 2,592.49 crore for the previous year, registering a growth of 11.92%.

Profit after Tax (PAT) for the year ending 31st March, 2019 was Rs 2,254.75 crore as compared to Rs. 2,054.66 crore for the previous year registering a growth of 9.74 %.

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. The overriding consideration for maintaining Debt to Equity ratio of the Company within the acceptable limits acts as a deterrent to declaration of higher amount of dividend.

The Board had, therefore, declared an Interim Dividend of Rs. 200 crore during 2018-19. It is further proposed to declare a Final Dividend of Rs. 200 crore. The total amount of Rs. 400 crore (Previous year Rs. 375 crore) comprising interim and final dividend works out to 17.74% of the PAT (Previous year 18.25%) of the Company.

3. Reserves

An amount of Rs. 419.81 crore from Profit After Tax has been transferred to Bond Redemption Reserve in terms of the Companies (Share Capital and Debentures) Rules2014, which mandates the Company to create a Debenture Redemption Reserve for the purpose of redemption of debentures.

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 Rs. 450.95 crore has been transferred to Reserve Fund u/s Section 45 – IC of RBI Act, 1934.

The remaining amount profit of Rs. 1292.95 crore has been transferred to General Reserve.

4. Share Capital

The entire paid up capital of the Company amounting to Rs. 9,380.46 crore continues to be held by the President of India and his nominees.

Company has Issued 285,40,00,000 Equity Shares of face value of Rs.10/- each to the existing Shareholder of entire Share Capital President of India, acting through Ministry of Railways. Accordingly, the number of equity shares issued by the Company stands changed from 6,52,64,60,000 shares of Rs.10/- each to 938,04,60,000 shares of Rs.10/- each.

5. Independent Evaluators' Assessment

5.1. Credit Ratings

Domestic: During the financial year 2018-19, 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 2018-19, three international credit rating agencies – Standard & Poor's, Fitch and Moody's – have awarded “BBB- with Stable Outlook”, “BBB- with Stable Outlook” and “Baa2 with Stable Outlook”

ratings respectively to your Company. Besides, the Company obtained an issuer specific credit rating of "BBB+ with Stable Outlook" from Japanese Credit Rating Agency. Each of the four credit ratings is equivalent to India's sovereign rating, and is of investment grade.

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

Based on evaluation of its performance for the year 2017-18, the Company obtained 'Excellent' grading from the Department of Public Enterprises (DPE) for its performance vis-à-vis the targets set out in the MOU. Out of the last twenty-one years, your Company has been rated 'Excellent' on nineteen occasions. The Company is committed to continue all efforts to maintain high standards of performance in future as well.

In terms of the MOU entered into with the Ministry of Railways (MOR) for the year 2018-19, it has been stated therein that with a view to ensuring measurability and reliability of achievements against the parameters set out in the MOU, the figures be either reflected in the Annual Report for the year 2018-19 or related information be furnished by means of providing resolution passed by the Board and / or by providing physical document. Accordingly, some of the related information is given here under:-

(I) Report on Corporate Governance for the year 2018-19 was submitted to Department of Public Enterprises (DPE) through MOR on 26th April, 2019.

(ii) Completed Data Sheet, containing PE Survey for the year 2017-18, was submitted to DPE on 28th September, 2018.

(iii) The Company has submitted a certificate to DPE through MOR that it has complied with all the guidelines issued by DPE from time to time on various subjects.

MOU Rating: Based on its performance, the Company has been rated 'Excellent' by the Department of Public Enterprises (DPE) with a perfect score of 1.00 (100%) for the year 2017-18.

Other details are mentioned in the Annual Report in relevant paras.

6. Market Borrowings during 2018-19

The Company was originally given the borrowing targets of Rs. 54,940 Crore comprising of Rs.28,420 Crore for funding Rolling Stock Assets, Rs.80.00 Crore for meeting the debt financing requirements of RVNL and Rs. 26,440 Crore for Railways Development Projects under EBR (IF). The target of the borrowing was finally brought down to Rs. 52,480.10 crore comprising of Rs. 24,055.08 Crore funding of Rolling stock Assets, Rs. 22,355.40 Crore financing of Railway Projects under EBR-IF, Rs. 1046 Crore for meeting the debt financing requirements of RVNL and Rs. 5078.70 crore financing towards National Projects. The Company met the aforesaid targets by transferring the required amount of funds before the closure of the fiscal excepting Rs.55.08 crore which was communicated to us after close of the year end and the same was transferred on receipt of communication. The entire requirement of funds was met out of a mix of borrowings both from the domestic and international financial markets.

The borrowings made during the year include Taxable Bonds worth Rs.19081.90 Crore, External Commercial Borrowings (ECB) of Rs.3481.50 Crore

(equivalent to USD 500 Mio) and Rupee Term Loans of Rs.25190.50 Crore, 54EC bonds of Rs.187.70 crore and NSSF of Rs.7500 crore. The weighted average cost and tenor of the pool of borrowings made by the Company during the year 2018-19 including the carry forward opening balance, remained at 8.09% and 9.57 years as against 7.75% and around 9.70 years respectively during the previous year 2017-18. This is a creditable achievement in view of the fact that the Company has achieved this feat in a scenario of consistent hardening of interest rates in the domestic market amid tight liquidity conditions as reflected in the upward movement in the Benchmark 10 Year GoI yield which averaged 7.72% for FY 2018-19 as against 6.93% for FY 2017-18, an increase of 79 bps. Thus, the year-to-year increase in weighted average cost delivered by the Company is only 34 bps against 79 bps upward movement in the Benchmark 10 year GoI yield. The average Cost of Borrowings delivered by the Company has remained at 12 bps lower as compared to the Benchmark Yield of AAA Rated CPSEs of equivalent tenors prevailing at different points in time when the borrowings were made during the course of the year.

The Company constantly diversifies its borrowing portfolio to meet the target of borrowings mandated by MOR which helps it to raise higher amount of fund at competitive terms.

In its endeavor towards further diversification of its borrowing portfolio, the Company has achieved a milestone in setting up of EMTN programme of USD 2 bn for the first time in the history of IRFC. The Company had raised a sum of USD 500 Mn through its Reg-S Bonds under EMTN program in the offshore market during the FY 2018-19. The issue received overwhelming response from the Foreign Institutional Investors and concluded at the most tighter pricing EMTN programme was listed in Singapore Stock Exchange and INX Stock Exchanges the bonds were listed in the London Stock Exchange, Singapore Stock Exchange and INX, Mumbai. Besides, the Company is one of the few entities in India to have raised Syndicated Foreign Currency Loan denominated in JPY (USD 300 mn) with tenor as long as 7 years at every comparative rate.

The loan of USD 750 mn sanctioned by ADB under the Non-Sovereign window denominated in INR during the year 2018-19 further provided impetus to diversification and boosted the confidence of our other Investors and Lenders into the Company.

The Company borrowed a sum of Rs.7500 Crore from Ministry of Finance out of the National Small Savings Fund (NSSF) during the year which is a source of longer tenor funding available only to strategically important PSUs. The Company raised Rs. 187.70 crores through issue of 54EC Capital Gain Bonds an increase of Rs. 50.22 crores over the last year.

The Company was able to achieve this feat through constant monitoring of the markets, proper timing of its borrowing and appropriate selection of instruments. This has led to minimisation of the cost of borrowings and in turn has reduced the cost to MOR.

7. Redemption of Bonds / Repayment of Loans

The Directors are pleased to report that during the year under review, your Company successfully

redeemed bonds and discharged its other debt obligations amounting to Rs. 25,456.36 crore in an efficient manner, without a single instance of delay or default in debt servicing. These included Bonds valued at Rs. 9,217 crore, Term Loans worth Rs. 1,600 crore, External Commercial Borrowings (ECB) of Rs. 6,764.36 crore and Commercial Papers of value Rs. 7,875 crore. Your Company is set to honour obligations towards redemption of Bonds, repayment of Loans and ECBs amounting to around Rs. 23,032.38 crore during the next fiscal.

Your Company's internal generations are adequate to meet the repayment / redemption obligations. Surplus funds, if any, after meeting the repayment obligations are invested prudently in the form of Fixed Deposits with Banks.

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 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 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 proprietary 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 has certified as part of their Audit Report, the effectiveness of Internal Financial Control over financial reporting.

9. RBI Prudential Norms

Your Company is registered as a Systematically Important Non Deposit Taking Non-Banking Finance Company with the Reserve Bank of India. Being a Government NBFC Company was exempted from the Directions issued by the Reserve Bank of India for the year 2015 vide Notification No. DNBR.008/CGM(CDS)-2015 dated 27th March, 2015. The exemption has been withdrawn by Reserve Bank of India from 31st May, 2018. As such Company has implemented the Prudential Norms as required. Due to implementation of Prudential Norms, the immediate impact on the profitability on

account of provisioning on standard assets was Rs. 27.54 Crore in the year 2018-19.

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 it's owned funds to 100% of it's owned funds.

10. Lease Arrangement with the Ministry of Railways 2018-19

As you are aware, the financial relationship of the Company with the Ministry of Railways is based on a Finance Lease arrangement which is regulated by a standard lease agreement. In respect of the incremental assets acquired during 2018-19 through IRFC funding, lease rentals have been fixed at Rs. 57.1375 per thousand per half year (PTPH) over a primary lease tenor of 15 years. The cost (IRR) to Ministry of Railways is 8.49% p.a. payable semiannually. Viewed in the context of the relatively high interest rates ruling during most parts of the year, the pricing is considered attractive for the Ministry.

11. Resource Mobilisation for 2019-20

In the Budget for 2019-20, the annual borrowing target for IRFC has been fixed at Rs. 55,471 crore which includes Rs. 28,400 crore for funding of Rolling Stock assets and funding of Railway projects through Institutional Finance to the extent of Rs. 26,440 crore. A target of Rs. 631 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 judicious mix of Bonds, loans and external commercial borrowings etc. at most competitive rates and terms.

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

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. However, the uncertainties in the global markets and the widening of corporate spreads, as well as by interventions of Reserve Bank of India to bring inflation under control, led the cost of raising financial resources on the higher side. While the Company's operations have necessarily to be circumscribed by the conditions set out by the macroeconomic environment, the Company maintained its unflinching commitment to make funds available to the Railways at the most competitive pricing feasible.

The business of the Company with the Ministry has grown considerably during the last ten years. From an annual target of Rs. 2,957 crore in 2004-05, the borrowing target assigned for the current year 2019-20 stands at Rs. 55,471 crore comprising Rs. 28,400 crore for Rolling Stock assets, Rs. 631 crore for RVNL and Rs. 26,440 crore for Railway Projects to be funded through LIC loan and long term sources. The trend represented by more than eighteen-fold increase in annual borrowing target over the period is likely to continue.

In the Annual Report of Financial Year 2015-16, it was reported that MOR has tied up a loan of

Rs.1,50,000 crore from Life Insurance Corporation of India (LIC) to be drawn in tranches over a period of five years for their projects funding. It was also reported that IRFC has been entrusted with the job of borrowing the funds from LIC on MOR's behalf.

Under the arrangement, amount totaling of Rs. 16,200 crore could only be drawn from LIC from 2015-16 to 2018-19 due to exposure limit constraint as per IRDAI Guidelines.

In the Union Budget for the year 2017-18, the Government has announced listing of shares of your Company on bourses. As a pre-requisite for listing, the public shareholding of such companies has to be not less than 25%, which is to be achieved within a period of three years. The Company has already appointed all the requisite intermediaries to implement the IPO. The remaining preparations for IPO are underway.

13. First time adoption of Ind AS

Under the phase III, Ind AS is applicable for all those NBFCs whose net worth is equal to or more than Rs.500 crore w.e.f. 01.04.2018. Accordingly Ind AS has become applicable to IRFC w.e.f 01.04.2018 and the Company has successfully implemented the Ind AS in it's accounts for the financial year 2018-19. The 'reporting date' for the Company was 31st March, 2019 with ' transition date' being 1st April, 2017.

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, Ministry of Heavy Industries and Public Enterprises, 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 Non-convertible Debt Securities are listed on the stock exchanges and Company has complied with Chapter V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Report on Corporate Governance is enclosed as Annexure- I forming part of this report.

15. Corporate Social Responsibility

Activities relating Corporate Social Responsibility (CSR) have now become 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 Directors, the Managing Director and Director Finance. An Independent Director is 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 three immediately 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:-

CSR activities during 2018-19

During the year 2018-19, the Company was required to spend Rs. 44.18 crore, being 2% of its average net profits of the last three years, on CSR activities under the Act. A total number of 16 CSR Projects were approved involving an expenditure of Rs. 44.23 crore against this Company has disbursed a sum of Rs. 5.19 crore in the financial year 2018-19. Balance amount of Rs 39.04 crore would be disbursed on receipt of claims from the implementing agencies in future. Company has committed 60% of CSR budget on Education and Health care as the theme for focused intervention as mandated by Department of Public Enterprises.

Following is the details of Rs. 5.19 Crore disbursed by the Company:-

Rs. 1.24 crore was disbursed for installation of 500 solar lights was disbursed, Rs 0.18 crore was disbursed for Installation of 150 Hand Pumps and Rs. 0.77 crores was disbursed for Construction of 5 public toilets in Ghazipur District of Uttar Pradesh.

In an effort towards promoting Education & Health care, the Company has contributed Rs. 1.00 crore to Armed Forces Flag Day Fund (AFFDF).

The Company has also contributed to Swachh Bharat Kosh Rs. 2.00 crores.

CSR Activities proposed during 2019-20

During the year 2019-20, the Company is required to spend about Rs. 50.52 crore. Preliminary study on projects is being undertaken. The detail of all the projects / activities would be provided in the next Annual Report.

The details of CSR activities as required under Companies Act are given in the Annexure – II.

16. Directors Responsibility Statement

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

a) In the preparation of the annual accounts, 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 that 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.

17. Human Resource Management

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 less than 0.10%.

During the year, there has been modest augmentation of staff strength through the induction of 2 more personnel i.e. one General Manger and One Deputy General Manager.

In order to further strengthen the Organization Structure for coping up with the additional workload due to manifold increase the annual borrowing target mandated by MOR and significant increase in the 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). Based on the report submitted by MDI, the Company has approached the Ministry of Railways, Govt. of India, for approving the proposed increase in manpower strength.

Such high levels of efficiency 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 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 in the need based manner. Shri Kishor J. Devani & Shri Ashok Kumar Singhal, Independent Directors, underwent training on 'Orientation programme for Capacity Building of non-official Directors of CPSEs on 18th and 19th February 2019 at Guwahati, Assam. 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 the 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.

18. Statutory Auditors & Secretarial Auditors

M/s SPMG & Company, Chartered Accountants, have been re-appointed as Statutory Auditors by Comptroller & Auditor General of India to audit the accounts of the Company for the year 2019-20. 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.

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

19.1. Number of Meetings of the Board

The details are given in Corporate Governance Report which is enclosed as Annexure-I.

19.2. Certificate of Independence by Independent Director

Shri Kishore J. Devani, 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.

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

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

19.4. Internal financial control systems and their adequacy

This has been discussed in Para 8.

19.5. Audit Committee

The details pertaining to composition of Audit Committee are included in the Corporate Governance Report, which is enclosed at Annexure-I.

19.6. Statutory Auditors' Report and Secretarial Auditors' Report

The Secretarial Auditor in their Secretarial Audit Report has observed as under:-

a. Company has not filed E-Form CHG-1 for registration of the Charge till date according to Section 77 of the Companies Act, 2013 in respect of Creation of Charge in favour of Government of India Ministry of Finance dated 7th December, 2018 for availing loan facilities to the tune of Rs.7,500 Crore.

The Company had been pursuing with Department of Economic Affairs (DEA) for filing of creation of charge with Registrar of Companies since the availment of the loan. The DEA has since nominated the Authorised Signatory for the same on 25th July, 2019. The Company is in the process of filing of creation of charge with Registrar of Companies.

b. Filing of quarterly returns viz. NBFC-ND-SI, ALM Returns for the financial year 2018-19 with Reserve Bank of India in compliance of 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 2018-19 with Reserve Bank of India in compliance of Non-Banking Financial Companies (Reserve Bank) Directions 2016 with the RBI Portal (COSMOS) has been delayed due to technical / validation problem in the RBI portal and also due to first time adoption of Ind AS. The Government provided extended time period for implementation of Ind As beyond the stipulated time line.

Reports of the Secretarial and Statutory Auditors in this regard are enclosed as Annexure- III & Annexure- IV which form part of this Report.

Your Company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

19.7. Risk Management

Effective risk management is central to ensure a robust and healthy finance for the Company. While risk management, credit risk is accorded high priority amongst various risk mitigation efforts of a business, this is virtually a 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 carry suitable protection as the same has either the cash flows originate in the Ministry of Railways or repayment assurance by Ministry of Railways.

Ordinarily, a company carrying out its business with predominantly single client features might be viewed as faced with a potential threat. 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 30% of plan outlay of the Ministry of Railways IRFC commands a position of strategic importance for the Ministry. In the year 2018-19 your Company funded about 35.33 % of plan outlay of Ministry of Railways. Funding provided by IRFC has been at a competitive cost which is considered attractive by the Ministry. Consequently, the role assigned to your Company has logged an annual growth rate of over 22% over a sustained period of time. 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 it is exposed to.

Given the carefully drafted provisions in the Lease Agreement signed by IRFC with MOR each 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, it's commanding 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 of foreign currency is a pass 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 recognises 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 FX Exposure. In accordance with the policy, the Company has hedged part of its foreign currency exposure thereby mitigated 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 supplement 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) have 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 Managing Director and the Director Finance.

The proceedings of the meetings of the Risk Management Committee were placed before the Board of Directors in their subsequent meetings. Terms of reference of the Risk Management Committee:-

a. Carry out responsibilities as assigned by the Board.

b. Monitor and Review Risk Management Plan as approved by the Board.

c. Review and Recommend Risk Assessment Report and Risk Management Report for approval of the Board.

d. Ensure that appropriate system of risk management is in place.

e. Oversee recent developments in the ompany and periodic updating of Company's Enterprise Risk Management Program for assessing, monitoring and mitigating the risks.

f. Periodically, but not less than annually, review the adequacy of the Company's resources to perform its risk management responsibilities and achieve objectives.

The Company has constituted sub-committee of 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 of Managing Director, Director Finance and Senior Level Officers. The ALCO generates various reports as prescribed by RBI for monitoring the liquidity and interest rate risks and place the same before the Risk Management Committee from time to time. The terms of reference of ALCO Committee:-

a. Balance sheet planning from risk return perspective including the strategic management of interest rate and liquidity risks.

b. Whether the limits/parameters set by Board have been breached.

c. Desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by other peer NBFCs for the similar services/ product, etc

d. The results of and progress in implementation of the decisions made in the previous meetings.

e. View on the current interest rate and base its decisions for future business strategy on this view

f. A view on future direction of interest rate movements and decide on funding mixes between fixed vs. floating rate funds,

wholesale vs retail deposits, money market vs. capital market funding, domestic vs. foreign currency funding, etc

19.8. Particulars of loans, guarantees and investments

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

19.9. Transactions with related parties

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

19.10. Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company

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

19.11. Disclosure under Foreign Exchange Management Act, 1999

The Company is in compliance with the relevant provisions of the Foreign Exchange Management Act, 1999 pertaining to External Commercial Borrowing and Derivatives.

19.12. Extract of Annual Return

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

19.13. Particulars of Employees receiving high remuneration & other particulars of employees

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

19.14. Deposits from public

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

19.15. 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 the power efficient units.

19.16 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.

19.17 Expenditure on R&D

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

20. Compliance of MSME Guidelines

Your Company has in place Manual for Procurement of Goods, Services and Works which provides guidelines to expedite decision making process by consolidation, simplifying and streamlines 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 achievement of procurement from MSMEs in compliance to Public Procurement Policy during the financial year 2018-19 is placed below:

S. No.	Particulars	2018-19
1	Total annual procurement (in Rs. in crore)	2.94
2	Target %age of annual procurement (20%) (in Rs. in crore)	0.59
3	Total value of goods and services procured from MSMEs (including MSMEs owned by SC/ST entrepreneurs) (in Rs. in crore)	1.83
4	Total value of goods and services procured from only MSMEs owned by SC/ST entrepreneurs	–
5	% age of procurement from MSMEs (including MSMEs owned by SC/ST entrepreneurs) out of total procurement	62.25%
6	% age of procurement from only MSMEs owned by SC/ST entrepreneurs out of total procurement	–

21. Vigilance Activities

Considering the lean strength and nature of operations, the vigilance activities of the Company is 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.

22. Awards

Your Company has been awarded for "Best Growth Performance – Financial Services" and "Best Miniratna Services" in Dun & Bradstreet PSU Awards Meet 2019. The award was presented by Shri Arvind Sawant, Minister of Heavy Industries and Public Enterprises. The Award ceremony was held on 22nd August, 2019 in New Delhi.

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, four 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.

During the year 2018-19, the 'Drafting and Evidence Sub-Committee of the Parliament on Official Language' had conveyed a meeting to assess the extent of use of Hindi 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 Directives

Company has not received Presidential Directives during the year.

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, presently comprising 24 employees in all out of which three are women employees including two women in the executive cadre and one woman in the highest grade of Non-Executive cadre. Thus, women employees constitute 12.5% of the total employee strength at present and the Company would endeavour to further improve the number as and when an 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 27th September 2018, following changes have taken place in the composition of the Board of Directors.

1. Shri A. K. Prasad, Financial Commissioner (Railways), Chairman, IRFC superannuated on 28th February,2019.

2. Shri Kishor J. Devani was appointed as Part-time Non-official Director vide MOR OrderNo.2003/PL/60/1(pt.) dated 1st April, 2016. His tenure was ended on 31.03.2019. He has been reappointed as an Additional Director in the capacity of non- official Independent Director vide MOR Order No. 2009/PL/48/1 (Pt.3) dated 11th July, 2019 for a period of one year w.e.f 1st April, 2019.

Directors place on record their appreciation of the services rendered and contributions made by Shri A. K. Prasad as Chairman of the Company during his 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. Comments of the Comptroller & Auditor General of India

The Comptroller & Auditor General of India has undertaken supplementary audit on accounts of the Company for the year ended 31st March, 2019 and have had no comments upon or supplements to the Auditors' Report under Section 143(6) of the Companies Act, 2013.

30. 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 and the Reserve Bank of India, for their co-operation, assistance, active & timely support, and guidance rendered from time to time. The Company is also thankful to all its Bondholders, Banks, Financial Institutions, Arrangers, Securities and Exchange Board of India, National Stock Exchange, Bombay Stock Exchange, Life Insurance Corporation of India and General Insurance Corporation of India and its subsidiaries 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. The Company also gratefully acknowledges the highly useful and substantive contribution of Retainer of Accounts and its Registrars and Transfer Agents.

For and on behalf of Board of Directors

Place: New Delhi Sd/-

Date : 26th September, 2019 Chairman

Report on Corporate Governance

ANNEXURE – I

Indian Railway Finance Corporation Limited (IRFC) is a Central Public Sector Enterprise (CPSE). Its entire paid up share capital is held by the President of India and his nominees. It is also a listed Company in the sense that its Bonds are listed on the Wholesale Debt Market (WDM) segment of the National Stock Exchange of India Limited and Bombay Stock Exchange Limited, Mumbai.

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:-

Company's Philosophy on the Code of Governance

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 posted on the website of the Company (www.irfc.nic.in).

Affirmation by all Directors and senior Officers of the Company to the effect that they have complied with and not violated the Code is required to be obtained at the end of each year. The requirement stands fulfilled for 2018-19. A declaration to this effect, duly signed by the Managing Director (CEO), is at Annexure-VI and forms part of Directors Report.

Board of Directors

As on the end of financial year, there are 7 (Seven) Directors on the Board of the Company. Besides Managing Director and Director Finance, Four Independent Director(s), one Government Director, 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.

Meetings of Board of Directors

The Board of Directors has been holding its meetings regularly. 11 (Eleven) such meetings were held during the year under review, as listed below:-

Serial No.	Board Meeting No.	Date
1.	241	08.05.2018
2.	242	11.07. 2018
3.	243	08.08. 2018
4.	244	10.09. 2018
5.	245	26.09. 2018
6.	246	22.10. 2018

Serial No.	Board Meeting No.	Date
7.	247	12.11. 2018
8.	248	14.12.2018
9.	249	05.02.2019
10.	250	15.02.2019
11.	251	14.03.2019

Attendance at the Meetings of the Board of Directors during 2018-19 :-

Name of the Director	Number of Meetings of BOD held during their tenure	Number of Meetings attended	Attendance at the AGM	Directorship in other Companies	No. of Committee positions held in public companies including IRFC
Shri Anup Kumar Prasad Chairman / IRFC From 14.08.2018 to 28.02.2019	7	6	Yes	1	Nil
Shri S.K. Pattanayak Managing Director/ IRFC From 09.03.2017 - 26.07.2018	2	1	NA	None	3[1]
Shri Vijay Kumar Managing Director/ IRFC From 26.07.2018	9	9	Yes	None	3[1]
Shri. Niraj Kumar Director Finance / IRFC From 01.07.2015	11	10	Yes	None	2[2]
Shri Kishor J. Devani Independent Director From 01.04.2016	11	11	Yes	None	4[3]
Smt. Aditi Sengupta Ray Independent Director From 19.09.2017	11	10	No	None	3[4]
Shri. Chetan Venugopal Independent Director From 08.03.2018	11	11	Yes	5	2[5]
Shri Ashok Kumar Singhal Independent Director From 20.07.2018	9	9	No	None	2[6]
Shri K. V. Pratap Government Director From 23.04.2018	11	7	Yes	3	1[7]

1. Shri A. K. Prasad, Financial Commissioner (Railways), superannuated on 28th February, 2019 . He was a Director in NRTU Foundation.

2. [1]Shri S.K. Pattanayak was appointed Managing Director of the Company vide Ministry of Railways (MOR) Order No. 2015 / E (O) II / 40 / 9 dated 16th February, 2017, ceased to be Managing Director w.e.f. 26th July, 2018 and Shri Vijay Kumar has taken charge of the Managing Director of IRFC vide Ministry of Railways (MOR) Order No. 2015 / E (O) II / 40 / 9 dated 26th July, 2018.

   Shri S.K. Pattanayak, Managing Director remained a Member of the CSR Committee, Stakeholders Relationship Committee and Audit Committee. Shri Vijay Kumar, Managing Director remained Member of the CSR Committee and Stakeholders Relationship Committee and Audit Committee.

3. [2]Shri Niraj Kumar, was appointed as Director Finance from 1st July, 2015 vide MOR Order No.2014/E(O)II/40/12 dated 1st April, 2015.

   Shri Niraj Kumar remained Member of the CSR Committee and Stakeholders Relationship Committee.

4. [3]Shri Kishor J. Devani was appointed as Part-time Non-official Director vide MOR OrderNo.2003/PL/60/1(pt.) dated 1st April, 2016.

   Shri Kishor J. Devani is a member of the Audit Committee, CSR Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee of the Company.

5. [4]Smt. Aditi Sengupta Ray appointed as Part-time Non-official Director vide MOR Order No.2003/Pl/60/1(pt) dated 19th September.2017.

   Smt. Aditi Sengupta Ray is a Member of the Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee of the Company.

6. [5]Shri. Chetan Venugopal appointed as Part-Time Non-official Director vide MOR Order No.2003/PL/60/1(pt) dated 8th March,2018 . He was a Director in Ikshu Technologies Bangalore Private Limited, Pierian Digital Private Limited, Flat World Interactive Services Private Limited, E Analytics Partners (India) Private Limited And Pierian Services Private Limited.

   Shri. Chetan Venugopal is a Member of the CSR Committee and Nomination & Remuneration Committee of the Company.

7. [6]Shri Ashok Kumar Singhal appointed as Part- Time Non-official Director vide MOR Order No. 2008/PL/48/1 (Pt.) dated 20th July,2018.

   Shri. Ashok Kumar Singhal is a Member of the Audit Committee and Stakeholders Relationship Committee of the Company.

8. [7]Dr. Kumar Vinay Pratap, Joint Secretary (IPF), Department of Economic Affairs, Ministry of Finance was Director in ONGC Videsh Limited (OVL), India Infrastructure Finance Company Limited (IIFCL) and Indian Railway Stations Development Corporation Limited.

   Dr. Kumar Vinay Pratap is a member of Nomination & Remuneration Committee in IRFC.

Remuneration paid to Managing Director and Director Finance

Remuneration was paid by the Company during 2018-19 to its Functional Directors as follows :-

Name of the Director	Salary & Allowances	Perquisites & Benefits	Contribution to PF	Total
Shri S.K. Pattanayak Managing Director upto 26.07.2018 forenoon	11,56,848	2,93,920	1,03,831	15,54,599
*Shri Vijay Kumar Managing Director From 26.07.2018 forenoon	Nil	Nil	Nil	Nil
Shri Niraj Kumar, Director Finance	44,37,480	22,16,608	3,47,418	70,01,506

* Shri Vijay Kumar, IRAS, Financial Commissioner (Railways) was entrusted the additional charge of the post of Managing Director / IRFC

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

A Sitting Fee of Rs. 30,000/- per Meeting is paid to Independent Director(s) for attending Board meetings and Rs. 20,000/- per meetings of Committee(s) of the Board.

No remuneration / fee is paid to Government Nominee Directors.

Information placed before the Board

Information placed before the Board of Directors from time to time broadly includes items specified in the 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.

Audit Committee

In accordance with provisions of Section 177 of the Companies Act, 2013 read with the Government Guidelines, the Company has an Audit Committee. At the end of financial year, the Audit Committee comprises of four members, Shri Kishor J. Devani, Non-Official / Independent Director, Ms. Aditi Sengupta Ray Non-Official / Independent Director, Shri Ashok Kumar Singhal, Non-Official / Independent Director and Shri Vijay Kumar Managing Director of IRFC. Shri Kishor J Devani is the Chairman of the Audit Committee. Company Secretary acts as Secretary to the Audit Committee.

As on date of this report, the Committee comprises of five members, Shri Kishor J. Devani, Non-Official / Independent Director, Ms. Aditi Sengupta Ray Non-Official / Independent Director, Shri Ashok Kumar Singhal, Non-Official / Independent Director, Shri Chetan Venugopal Non-Official / Independent Director and Shri Vijay Kumar, Managing Director. Shri Kishor J Devani is the Chairman of the Audit

Committee.

During the financial year 2018-19, Six Meetings of the Committee were held on 08th May, 2018, 08st August, 2018, 10th September, 2018, 14th December, 2018, 15th February, 2019 and 14th March, 2019. Participation of the Members in these Meetings is outlined below :-

Sl. No.	Name of the Member of the Audit Committee	Number of Meetings held during their tenure	Number of Meetings attended
1.	Shri. Kishor J. Devani Non- Official / Independent Director	6	6
2.	Shri. S.K. Pattanayak Managing Director From 09.03.2017 to 26.07.2018	1	1
3.	Smt. Aditi Sengupta Ray Non- Official / Independent Director	6	6
4.	Shri. Vijay Kumar Managing Director From 26.07.2018	5	5
5.	Shri Ashok Kumar Singhal Independent Director From 20.07.2018	3	3

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. The terms of reference are as follows:-

I. 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;

II. Taking on record the appointment of auditors of the company by the Comptroller and Auditor General of India

III. Recommendation for remuneration and terms of appointment of auditors of our Company based on the order of Comptroller & Auditor General of India

IV. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

V. 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;

VI. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

VII. 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;

VIII. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

IX. Approval or any subsequent modification of transactions of our Company with related parties;

X. Scrutiny of inter-corporate loans and investments;

XI. Valuation of undertakings or assets of our Company, wherever it is necessary;

XII. Evaluation of internal financial controls and risk management systems;

XIII. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

XIV. 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;

XV. Discussion with internal auditors of any significant findings and follow up there on;

XVI. 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;

XVII. 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;

XVIII. 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;

XIX. To review the functioning of the whistle blower mechanism;

XX. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

XXI. Review the following information:

a. Management discussion and analysis of financial condition and results of operations;

b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;

c. Management letters / letters of internal control weaknesses issued by the statutory auditors;

d. Internal audit reports relating to internal control weaknesses; and

e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;

f. Statement of deviations:

XXII. 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;

XXIII. 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;

XXIV. To review the follow up action on the audit observations of the C&AG audit;

XXV. Recommend the appointment, removal and fixing of remuneration of Cost Auditors and Secretarial Auditors; and

XXVI. Carrying out any other function as specified by the Board from time to time.

The powers of the Audit Committee shall include the following:-

a. To investigate any activity within its terms of reference;

b. To seek information from any employee;

c. To obtain outside legal or other professional advice; and

d. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Nomination & Remuneration Committee and Stakeholders' Relationship Committee

As required in the Section 178(1) of the Companies Act, 2013, the Company is required to constitute Nomination & Remuneration Committee (the Committee) comprising three or more non-executive Directors out of which not less than half shall be independent directors. The Section further requires that Chairperson (of the Company) may be appointed as member of the Committee but shall not chair such Committee.

In compliance with the above, the Board of Directors have constituted a Nomination & Remuneration Committee of the Company. At the end of financial year, the Committee is chaired by Shri Kishor J. Devani / Non- Official / Independent Director, Smt. Aditi Sengupta Ray, Independent Director, Shri Chetan Venugopal / Non- Official / Independent Director and Shri Kumar Vinay Pratap, part-time Government Director, are the other members.

As on date of this report, the Nomination & Remuneration Committee comprises of four members, Shri Ashok Kumar Singhal Non-Official / Independent Director, Shri Kishor J. Devani, Non-Official / Independent Director, Ms. Aditi Sengupta Ray Non-Official / Independent Director and Shri Kumar V Pratap, part-time Government Director. Shri Ashok Kumar Singhal is the Chairman of the Nomination & Remuneration Committee.

During financial year 2018-19, One Meeting of the Committee was held on 10th September, 2018.

Sl. No.	Name of the Member of the Nomination & Remuneration Committee	Number of Meetings held during their tenure	Number of Meetings attended
1.	Shri. Kishor J. Devani Non- Official / Independent Director	1	1
2.	Smt. Aditi Sengupta Ray Non- Official / Independent Director	1	1
3.	Shri. Chetan Venugopal Independent Director	1	1
4.	Shri K. V. Pratap Government Director	1	1

In line with Section 178(5) of the Companies Act, 2013, the Company has constituted Stakeholders Relationship Committee. As on end of the financial year , the Committee comprises Smt. Aditi Sengupta Ray, who is Chairperson of the Committee, Shri Kishor J. Devani, Shri Ashok Kumar Singhal, Managing Director / IRFC and Director Finance / IRFC are its Members.

As on the date of this report, the Committee comprises Smt. Aditi Sengupta Ray, who is Chairperson of the Committee, Shri Chetan Venugopal Non-Official / Independent Director, Shri Ashok Kumar Singhal, Non-Official / Independent Director, Managing Director / IRFC

and Director Finance / IRFC are its Members.

During financial year 2018-19, One Meeting of the Committee was held on 8th May, 2018.

Sl. No.	Name of the Member of the Stakeholders Relationship Committee	Number of Meetings held during their tenure	Number of Meetings attended
1.	Shri. S.K. Pattanayak Managing Director From 09.03.2017 to 26.07.2018	1	1
2.	Smt. Aditi Sengupta Ray Non- Official / Independent Director	1	1
3.	Shri. Kishor J. Devani Non- Official / Independent Director	1	1
4.	Shri Niraj Kumar, Director Finance	1	1

CSR Committee

In accordance with provisions of Section 135 of the Companies Act, 2013 read with the Government Guidelines, the Company has CSR Committee. At the end of the financial year, the CSR Committee comprises four members –

Shri Kishor J. Devani, Non-Official / Independent Director is the Chairman of the CSR Committee, Shri Chetan Venugopal Non-Official / Independent Director, Shri Vijay Kumar, Managing Director and Shri Niraj Kumar, Director Finance are the other members of the Committee. Company Secretary acts as Secretary to the CSR Committee.

As on date of this report, Shri Chetan Venugopal, Non-Official / Independent Director is the Chairman of the CSR Committee, Shri Kishor J. Devani Non-Official / Independent Director, Shri Ashok Kumar Singhal Non-Official / Independent Director, Shri Vijay Kumar, Managing Director and Shri Niraj Kumar, Director Finance are the other members of the Committee.

During the financial year 2018-19, Six Meetings of the Committee were held on 08th May, 2018, 12th November, 2018, 14th December, 2018, 05th February, 2019, 15th February, 2019 and 14th March, 2019. Participation of the Members in these Meetings is outlined below :-

Sl. No.	Name of the Member of the CSR Committee	Number of Meetings held during their tenure	Number of Meetings attended
1.	Shri. Kishor J. Devani Non- Official / Independent Director	6	6
2.	Shri. S.K. Pattanayak Managing Director From 09.03.2017 to 26.07.2018	1	1
3.	Shri Niraj Kumar, Director Finance	6	6
4.	Shri. Vijay Kumar Managing Director From 26.07.2018	5	5
5.	Shri. Chetan Venugopal Independent Director	5	5

Meeting of Independent Directors One meeting of Independent Directors was held during the year on 12th November, 2018.

Disclosures

The Company has not entered into any transaction, with the Directors or the Management or their relatives or the companies and the firms, etc. in which they are interested directly or through their relatives. Further, the transactions with Ministry of Railways and / or its entities are in the ordinary course of business and at arm's length.

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.

The Company has complied with the applicable Guidelines on Corporate Governance issued by Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India.

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.

During the year, the Administrative and Office expenses remained static at 0.10% of the turnover. Last year, the figure was 0.10%.

Auditors of the Company have audited and accorded an unqualified certification to its accounts for the year 2018-19.

Means of Communication

During 2018-19, Unaudited Half-yearly Financial Results for the half year periods ended 30th September, 2018 and 31st March, 2019 were subject to limited review by Auditors of the Company, and published in selected national newspapers of repute both in English and Hindi, besides being submitted to the National Stock Exchange and BSE Limited. Besides, the aforesaid Unaudited Half-yearly results as also Unaudited Quarterly results were, hosted on the website of the Company.

Information Memorandum in respect of issuance of the bonds of the Company has been hosted on the website of National Stock Exchange and BSE Limited. Annual Accounts of the Company for the last 5 years 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.

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.

Whistle Blower Policy

In line with extant best practices and also under Section 177 of the Companies Act, 2013, 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 has been denied access to the Audit Committee in the context of action under the Policy.

Registrar & Transfer Agents / Investors' Grievance Committee

The Company has assigned the responsibility of transfer / transmission of Bonds to its Registrars & Transfer Agent (hereinafter referred to as Registrars), Karvy Fintech Private Ltd., Hyderabad. The Registrars have constituted a Committee to render such services to investors. The Committee meets on fortnightly basis, reviews complaints received and takes prompt and appropriate action.

As on 31.03.2019, there were no complaints from investors pending for more than 12 days. Registrars have also confirmed that all investor grievances were redressed within 12 days of receipt of the same.

CEO / CFO Certification

As required under the Government Guidelines, a Certificate related to truthfulness of Financial Statements, bonafide nature of transactions & adequacy of internal controls, etc., duly signed by Shri Vijay Kumar, Managing Director (CEO) and Shri Niraj Kumar, Director Finance (CFO) was placed before the Board of Directors in their Meeting held on 26th September, 2019. The same is enclosed as Annexure-VII.

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

AGM No.	AGM Date	Location	Time
31	27th September, 2018	Committee Room (237), 2nd Floor, Rail Bhawan, New Delhi.	5.00 P.M.
30	12th September, 2017	Committee Room (237), 2nd Floor, Rail Bhawan, New Delhi.	4.00 P.M.
29	29th August, 2016	Committee Room (237), 2nd Floor, Rail Bhawan, New Delhi.	3.00 P.M.

- One Special Resolution was passed in the 29th Annual General Meeting held on 29th August, 2016.
- Six Special Resolutions were passed in the 30th Annual General Meeting held on 12th September, 2017.
- Three Special Resolutions were passed in the 31st Annual General Meeting held on 27th September, 2018.

General Shareholder Information

Annual General Meeting :

Date : 26th September, 2019

Day : Thursday

Time : 4.00 p.m.

Financial Calendar

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

Publication of Audited/Unaudited Financial Results

The Audited/Unaudited Half-yearly Financial Results were published as under :

Half year ended 30.09.2018 (Audited)

- Financial Express - 16th December, 2018
- Jansatta (Hindi) - 16th December, 2018

Half year ended 31.03.2019 (Unaudited)

- Financial Express - 12th May, 2019
- Jansatta (Hindi) - 12th May, 2019

Dematerialisation of Bonds

All Bonds issued by the Company have been made available in dematerialized form. The same are listed with National Stock Exchange & BSE. However, some of the investors have exercised option to retain the Bonds in physical form. The Listing Fee for the year 2019-20 has been paid to the Stock Exchanges.

Trustees of the Bonds

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

Compliance Certificate on Corporate Governance

1.	SBI CAP Trustee Co. Ltd. Apeejay House, 6th Floor, 3, Dinshaw Wachh Road, Churchgate Mumbai – 400 020	For the Bonds issued under 81st Series and onwards
2.	Indian Bank 254-260, Shanmugam Salai, Chennai – 600 014	For the Bonds issued under 42nd 'M' Series to 80th 'A' Series

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 - IV.

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

Secretarial Audit

In terms of the Corporate Governance Voluntary Guidelines, Secretarial Audit of the Company was got conducted by an independent practicing firm of Company Secretaries, M/s Navneet K Arora & Co LLP, New Delhi, which is also required as per Section 204 of the Companies Act, 2013.

The Report was taken on record by the Board of Directors in their Meeting held on 26th September, 2019.

Corporate Governance Voluntary Guidelines issued by Ministry of Corporate Affairs – Items not adopted

The Company has not adopted the following Voluntary Guidelines as the same are not relevant to its functioning for the reasons explained against each item :-

Guideline Nos.1.A.3(i),(iii), (iv) and B.1.(i) regarding constitution of Nomination & Remuneration Committee for search and selection of Non-executive and Independent Directors.

Rationale: The Nomination & Remuneration Committee has since been constituted. Scope of work of the Committee is as envisaged under applicable provisions of the Section 178 of the Companies Act, 2013 (the Act) read with the exemptions granted by the Government of India vide their Notification dated 5th June, 2015. The scope of work of the Nomination & Remuneration Committee is, inter alia, to formulate the criteria for determining qualifications, positive attributes and independence and recommend to Board a policy, relating to the remuneration for senior management (one level below Board level) and other employees (not being Directors). Since the Directors on the Board of IRFC are appointed by the Government, the Committee will have no role in search and selection of Non-executive and Independent Directors.

Guideline No. 1.C.1containing Guiding Principles related to Linking of Corporate and Individual Performance while determining level and composition of remuneration payable to the Executive Directors and Key Executives.

Rationale: This clause is not applicable to IRFC as Executive Directors and Key Executives are on pay scale(s) prescribed by the Government. Similarly, performance related incentives are also granted in line with orders of the Government. Also, the Government Companies are exempt from applicability of Section 197 of the Act provisions of which, after exemption, inter alia, are similar to above Guidelines.

Guideline No.1.C.1.2. and 1.C.1.3 about remuneration of Non- executive Directors (NEDs) and structure of compensation to NEDs.

Rationale: These clauses are also not applicable to IRFC as NEDs are not paid any remuneration, sitting fee, etc. in line with the Government Orders.

Guideline Nos. C.2. (ii), (iii), (iv) and (v) in regard to determination of remuneration of Executive Directors and executive Chairman, etc. and informing the principles, criteria and the basis of remuneration policy of the Company to the Shareholders.

Rationale: These clauses are not applicable to IRFC as payment of remuneration to the Executive Directors and employees of the Company is governed under the Government Rules and Guidelines.

Guideline No. II. D related to Evaluation of performance of Board of Directors, Committees thereof and of individual Directors.

Rationale: This clause is not applicable to IRFC as vide notification no. G.S.R. 463(E) dated 5th June,

2015 Section 178 (2) in respect of Evaluation of performance of Board of Directors, Committees thereof and of individual Directors shall not apply to Government Company.

Guideline No. II . E (iii) related to attachment of 'Impact Analysis on Minority Shareholders' along with every agenda item at the Board Meeting.

Rationale: This is not applicable to IRFC as its entire Paid-up Share Capital is held by the Government of India.

Guideline No. III. C. i (third sub-clause) regarding recommendations by the Audit Committee in relation to the appointment, reappointment, removal and terms of engagement of the external auditor.

Rationale: This clause is not applicable in so far as appointment of the external auditor is made by the Office of the Comptroller and Auditor General of India. However, the Audit Committee gives its recommendation on fixation of external auditor's remuneration and out of pocket expenses.

Guideline No. IV.A & C related to role of Audit Committee in Appointment of the Auditors and Rotation of Audit Partners & Firms.

Rationale: This clause is not applicable as being a Government owned Company appointment of the Auditors is made by the Office of the Comptroller and Auditor General of India.

ANNEXURE – II

The Annual Report on CSR activities to be included in the Board's Report

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR Policy and project or programs.

Vision of the Company's CSR & Sustainability Policy is to address social, economic and environmental concerns of the society in a sustainable manner. This would enable the Company to achieve its mission of clean, green, educated and capable India.

Since the Company operates with nominal staff strength of 25 employees only, its endeavour would be to take up short term activities, which can be completed within one year. However, long term projects, if any, would be divided into annual plans and targets. Further, the projects would be taken on pan India basis as the Company does not have any local area of operation. For large projects having greater social, economical and environmental impact, the Company would share pool of resources with other Railway / Central Public Sector Enterprises. Due importance would be given to such activities, which are peripheral to the activities of Indian Railways.

The projects would be implemented through the entity(s) having an established track record of three years in undertaking similar programs or project but the endeavor would be to appoint Central or State Government / Agency / Department of Public Sector Undertaking for implementation. Impact Assessment shall be done where value of project is Rs. 5 crore or more.

If any amount remains unspent or surplus arises out of the CSR projects in a particular year, the same shall be carried forward to next year and shall not form part of the business profits of the Company.

Website : www.irfc.nic.in

2. The composition of CSR Committee

IRFC's CSR Committee for deciding and implementing its CSR activities comprises (i) Shri Vijay Kumar, Managing Director, (ii) Shri Niraj Kumar, Director Finance (iii) Shri Ashok Kumar Singhal, Independent Director (iv) Shri Kishor J. Devani, Independent Director and (v) Shri Chetan Venugopal, Independent Director, who is its Chairman. The Committee is assisted by the Company Secretary.

Meetings of the Committee are held in need based manner.

3. Average net profit of the Company for the last three financial years

The average net profit of the Company as worked out under the Companies Act, 2013, for last three years was Rs. 2208.98 crore.

4. Prescribed CSR Expenditure (two percent of the amount as in Item No. 3)

The Company was required to spend Rs. 44.18 crore but spent Rs. 5.19 crore towards CSR activities in financial year 2018-19.

5. Details of CSR spent during the financial year

(a) Total amount to be spent for the financial year 2018-19
Rs. 44.18 crore

(b) Amount unspent, if any

Unspent amount Rs. 39.04 crore. Out of the total commitment made for a sum of Rs. 44.23 crore for2018-19 against 16 projects (list enclosed), a sum of Rs. 5.19 crore was actually disbursed till 31st March 2019. The balance amount though committed will actually be disbursed on receipt of claim / bills.

(c) Manner in which the amount spent during the financial year is detailed below:-

(₹ in Crore)

S. N.	CSR Project or Activity identified	Sector in which the Project is covered	Project or Programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs: Direct expenditure on projects	Cumulative expenditure up to the reporting period (excluding previous years expenditure)	Amount spent : Direct(D) or through imple-menting agency (IA)
1	2	3	4	5	6	7	8
1	Installation of 500 solar lights	Environment Sustaina-bility	Ghazipur District of Uttar Pradesh	1.37	1.24	1.24	IA
2	Installation of 150 Hand Pumps	Environment Sustaina-bility	Ghazipur District of Uttar Pradesh	0.77	1.18	1.18	IA
3	Construction of 5 public toilets	Environment Sustaina-bility	Ghazipur District of Uttar Pradesh	1.54	0.77	0.77	IA
4	Distribution of aids & appliances to the Divyaangs	Promoting Health Care	Darang, Muzzaffarpur, West Singhbhum, Fathepur, Korba.	3.00	–	–	IA
5	Contribution towards Armed Forces Flag Day Fund (AFFDF)	Promoting Education & Health care	PAN India	1.00	1.00	1.00	IA
6	Conducting the skill training of persons with Disablities (Divyangjan)	Promoting Health Care	Bokaro (Jharkhand, Mewat (Haryana) & Haridwar (Uttrakhand)	1.00	–	–	IA
7	Cochlear implants along with Audiological setup in Central Hospital/SER /GRC for pre-operative Audiological workup and post-operative Audio Verbal therapy	Promoting Health Care	Kolkata	1.80	–	–	IA
8	Public Toilets to be constructed in circulating areas of Railway stations	Environment Sustaina-bility	PAN India	14.01	–	–	IA

(₹ in Crore)

S. N.	CSR Project or Activity identified	Sector in which the Project is covered	Project or Programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs: Direct expenditure on projects	Cumulative expenditure up to the reporting period (excluding previous years expenditure)	Amount spent : Direct(D) or through imple-menting agency (IA)
1	2	3	4	5	6	7	8
9	To empowering the Cotton farmers with appropriate technology	Promoting Education	Narmada (Gujrat) Nandurbar (Maharashtra) Yadgir, Raichur (Karnataka) Rayagada (Orissa)	2.00	–	–	IA
10	To support 100 Ekal Vidyalayas	Promoting Education	Shrawasti, Uttar Pradesh	0.22	–	–	IA
11	Skill Development of marginalized youth in a year including skill up-gradation of artisans	Promoting Education	Barpeta (Assam), Muzaffarpur (Bihar), Sahibganj, Pakur, Bakaro (Jharkhand), Dakshin Dinajpur, Malda, Nadia (West Bengal), Mewat (Haryana) Jaisalmer, Barmer (Rajasthan), Koraput (Odisha), Chandauli (Uttar Pradesh)	3.00	–	–	IA
12	Installation of sanitary napkin vending machine and incineration in School/Collages in inspirational districts	Promoting Health care	Madhya Pradesh, Rajasthan, Gujarat and Maharashtra	2.00	–	–	IA
13	Solar Power Street Light System at Government School, community centre & Health care in the aspirational district.	Promoting Health care	Begusarai, Banka, Muzaffarpur, Latehar, Malkangiri, Kalahandi, Jaiselmer, Chitrakoot and Shrawasti.	4.00	–	–	IA

(₹ in Crore)

S. N.	CSR Project or Activity identified	Sector in which the Project is covered	Project or Programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs: Direct expenditure on projects	Cumulative expenditure up to the reporting period (excluding previous years expenditure)	Amount spent : Direct(D) or through imple-menting agency (IA)
1	2	3	4	5	6	7	8
14	Solar Powered Light System at Government School, Community Centre & Health Care in the aspirational District	Promoting Education	Begusarai, Banka, Muzaffarpur, Latehar, Malkangiri, Kalahandi, Jaiselmer, Chitrakoot and Shrawasti.	5.00	–	–	IA
15	Construction of Skill Development Center	Promoting Education	Ghazipur, Uttar Pradesh	1.51	–	–	IA
16	Contribution to Swachh Bharat Mission	Sanitation and preventive health care	PAN India	2.00	2.00	2.00	D
	Total :-			44.23	5.19	5.19	

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Against the commitment of Rs. 44.23 crore the Company has disbursed Rs. 5.19 crore during the year. The balance amount will be disbursed on receipt of claim / bills.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

The CSR Committee of the Directors has confirmed that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

Sd/-
Vijay Kumar
Managing Director

Sd/-
Chetan Venugopal
Chairman, CSR Committee

Date: 26th September, 2019
Place: New Delhi

Annexure III

Secretarial Audit Report

[For the Financial Year ended on 31st March, 2019]

[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

Regd. Office: UG Floor, East Tower,

NBCC Place, Bhisham Pitamah Marg,

Pragati Vihar, Lodhi Road

New Delhi - 110003

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 U65910DL1986GOI026363)** (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 2019 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 2019 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; - Only Debt Securities were listed on the Stock Exchanges, hence, no such transaction was held during the financial year and accordingly the Regulations were not

applicable to the Company during the audit period.

(b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(c) 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;

(d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(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;

Since the Equity Shares of the Company was not listed, the Regulations stated at (v) (d) 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) Corporate Governance Voluntary Guidelines, 2009 issued by Ministry of Corporate Affairs, Government of India;

(d) The Employees Provident Fund & Miscellaneous Provisions Act 1952 & The Employees Deposit-Linked Insurance Scheme, 1976 and Employees Provident Fund Scheme, 1952;

(e) The Contract Labour (Regulations and Abolition) Act 1970;

(f) Maternity Benefit Act 1961;

(g) Minimum Wages Act, 1948;

(h) Environment (Protection) Act 1986 read with The Environment (Protection) Rules 1986 and other Environment Laws;

(i) Indian Stamp Act 1899;

(j) 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;

(k) 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 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:

- *Company has not filed E-Form CHG-1 for registration of the Charge till date according to Section 77 of the Companies Act, 2013 in respect of Creation of Charge in favour of Government of India Ministry of Finance dated 7th December, 2018 for availing facilities to the tune of Rs.7,500 Crore.*
- *Filing of quarterly returns viz. NBFC-ND-SI, ALM Returns for the financial year 2018-19 with Reserve Bank of India in compliance of Non-Banking Financial Companies (Reserve Bank) Directions 2016 with the RBI Portal (COSMOS) has been delayed.*

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.

2) Adequate notice is given to all Directors to schedule the Board Meetings atleast seven days in advance and agenda and detailed notes on agenda were also sent in advance to all the Directors subsequently, 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 allotted 285,40,00,000 shares of face value of Rs. 10/- each to the President of India, the existing holder of the entire paid-up capital of the Company at 1st Share Allotment Committee of Board of Directors held on 26th March, 2019. All the applicable compliances of the Companies Act, 2013 relating to allotment of shares duly complied by the Company.

5) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act 2013, Depositories Act and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers

6) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel.

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

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

a) Public / Preferential Issue of Shares / Sweat Equity except as stated above in point No. 4(b);

b) Buy-back of Securities;

c) Merger / Amalgamation / Reconstruction etc. and

d) Foreign Technical Collaborations.

For **Navneet K Arora & Co LLP**

Company Secretaries

Sd/-

CS Navneet Arora

Managing Partner

CS: 3214, COP: 3005

Place: New Delhi

Date: 22nd August, 2019

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

ANNEXURE - 'A'

To,

The Members,

Indian Railway Financial Corporation Limited

Regd. Office: UG Floor, East Tower,

NBCC Place, Bhisham Pitamah Marg,

Pragati Vihar, Lodhi Road

New Delhi - 110003

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

CS Navneet Arora

Managing Partner

FCS: 3214, COP: 3005

Place: New Delhi

Date: 22nd August, 2019

A N N E X U R E - IV

S P M G & Co.
Chartered Accountants

3322A II Floor, Karol Bagh,
NEW DELHI - 110 005
PHONE : 28728769, 28727385
Visit us at www.spmg.in

Auditors' Certificate on Compliance of Conditions of Corporate Governance

To,

The Members of Indian Railway Finance Corporation Limited

We have examined the compliance of the conditions of Corporate Governance by Indian Railway Finance Corporation Limited (the "Company") for the year ended March 31, 2019.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given us and the representations made by the Directors and the Management, as required in terms of Simplified Debt Listing Agreement and Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, issued by Government of India, we certify that the Company had complied, in all material respects, with the conditions of Corporate Governance as stipulated herein.

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

For **S P M G & Co.**

Chartered Accountants

FRN-509249C

Sd/-

(Vinod Gupta)

Partner

Membership No. 090687

ANNEXURE - V

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 2018-19
[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 Limited Upper Ground Floor, East Tower, NBCC Place, Pragati Vihar, Lodhi Road, New Delhi – 110 003 Contact No(s) – 011 – 2436 9766 – 69 Website – www.irfc.nic.in
vi) Whether listed company (Yes / No)	-	Yes, It is listed in Wholesale Debt Market segment of National Stock Exchange BSE Limited.
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	-	Karvy Fintech Private Limited Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032

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	-	84.52
2.	Interest Income	-	15.46

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 of Shareholders	No. of Shares held at the beginning of the year				Shareholding at the end of the year				% Change during the year
	De - mat	Physical	Total	% of Total Shares	Demat	Phy- sical	Total	% of Total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	652,64,60,000	652,64,60,000	100	938,04,58,800	1200	938,04,60,000	100	43.73
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	652,64,60,000	652,64,60,000	100	938,04,58,800	1,200	938,04,60,000	100	43.73
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
I) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	-	-	-	-	-	-	-	-	-
(2) Non – Institutions									
a) Bodies Corp.									
I) Indian	-	-	-	-	-	-	-	-	-
II) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
I) Individual Shareholdersholding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
II) Individual Shareholdersholding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. **Share held by Custodian for GDRs & ADRs**	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	652,64,60,000	652,64,60,000	100	938,04,58,800	1.200	938,04,60,000	100	43.73

(II) Shareholding of Promoters

S. N.	Sharehol-der's name	No. of Shares held at the beginning of the year			Shareholding at the end of the year			% change in the share-holding 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	652,64,60,000	100	-	938,04,60,000	100	-	43.73
	TOTAL	652,64,60,000	100	-	938,04,60,000	100	-	43.73

(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	
1.	President of India through Ministry of Railways	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	652,64,60,000	100	938,04,60,000	100
	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.	285,40,00,000 Equity Shares of face value of Rs.10/- each were issued on 26.03.2019 to the President of India (Ministry of Railways), the sole holder of entire existing Paid-up Share Capital of the Company			
	At the end of the year	938,04,60,000	100	938,04,60,000	100

(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
			NIL		

(V) Shareholding of Directors and Key Managerial Personnel:

S. N.	For each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
1.	At the beginning of the year	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		NIL		
	At the end of the year				

V. INDEBTEDNESS

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

(₹ in lakh)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
I) Principal Amount	10168198.66	3232354.07	-	**13400552.73**
II) Interest due but not paid	-	-	-	-
III) Interest accrued but not due	364151.06	201520.86	-	**565671.92**
Total (i+ii+iii)	**10532349.72**	**3433874.93**	-	**13966224.65**
Change in Indebtedness during the financial year				
* Addition	5220628.80	7567550.36	-	**12788179.16**
* Reduction	1082499.86	7549456.13	-	**8631955.99**
Net Change	**4,138,128.95**	**18094.22**	-	**4156223.17**
Indebtedness at the end of the financial year				
I) Principal Amount	14282217.48	3111049.99	-	**17393267.47**
II) Interest due but not paid	-	-	-	-
III) Interest accrued but not due	388261.19	340919.16	-	**729180.35**
Total (i+ii+iii)	**14670478.67**	**3451969.15**	-	**18122447.82**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		Shri S.K. Pattanayak, Managing Director Upto 26.07.2018 forenoon	Shri Vijay Kumar From 26.07.2018 forenoon	Shri Niraj Kumar, Director Finance	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1)of the Income-tax Act,1961	11.57	-	65.25	76.82
	(b) Value of perquisites u/s17(2) Income-tax Act,1961	2.94	-	0.28	3.22
	(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	-	-	-	-
	Total (A)	**14.51**	**NIL**	**65.53**	**80.04**
	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)

Particulars of Remuneration	Name of Directors				Total Amount
Independent Directors	Shri Kishore J. Devani	Smt. Aditi Sengupta Ray	Shri Chetan Venugopal	Shri Ashok Kumar Singhal	
* Fee for attending Board Committee Meetings	6.20	4.70	4.60	3.50	19
* Commission	-	-			-
* Others, please specify	-	-			-
Total (1)	6.20	4.70	4.60	3.50	19
Other Non-Executive Directors	Dr. Kumar Vinay Pratap	Shri A.K Prasad			
* Fee for attending Board Committee Meetings	-	-	-	-	-
* Commission	-	-	-	-	-
* Others, please specify	-	-	-	-	-
Total (2)	-	-	-	-	-
Total (B)=(1+2)	6.20	4.70	4.60	3.50	19
Total Managerial Remuneration	-	-	-	-	-
Overall Ceiling as per the Act	-	-	-	-	-

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

Sl. No.	Particulars of Remuneration	Company Secretary	Total
		Shri Vijay Babulal Shirode Deputy General Manager (Law) & Company Secretary	
1.	Gross salary	(Rs. in lakh)	(Rs. in lakh)
	a) Salary as per provisionscontained in section 17(1) of the Income-tax Act, 1961	13.74	13.74
	b) Value of perquisites u/s17(2) Income-tax Act, 1961	1.80	1.80
	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 - others, specify...	- - -	- - -
5.	Others, please specify	-	-
	Total	**15.54**	**15.54**

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
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHR OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

ANNEXURE-VI

Code of Business Conduct-Declaration by the 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 2018-2019.

Place : New Delhi
Date : 26th September, 2019

Sd/-
(Vijay Kumar)
Managing Director

ANNEXURE-VII

Chief Executive officer and Chief Financial Officer Certification

In relation to the audited financial accounts of the Company as at 31st March, 2019, we hereby certify that

a) We have reviewed Financial Statements and the Cash flow statement for the year 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; and

ii) These statements together present a true and fair view of the Company's affairs and are in with existing accounting standards, applicable laws and regulations.

b) There are to the best of our Knowledge and belief, no transaction entered into by the company during the year which are fraudulent or illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. 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 Audit Committee :

i) Significant changes in internal control over financial reporting during the year;

ii) That the Company has adopted Indian Accounting Standards (Ind AS) from FY 2018-19 and hence Significant Accounting policies have been re-drafted in accordance with requirements of Ind AS: and

iii) That we are not aware of any instance during the year of significant fraud with involvement there in of the management or an employee having a significant role in the Company's internal control system over financial reporting.

	Sd/-	Sd/-
Place: New Delhi	**Niraj Kumar**	**Vijay Kumar**
Dated : 26th September, 2019	Director Finance - CFO	Managing Director- CFO

32nd ANNUAL ACCOUNTS 2018-19

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363

BALANCE SHEET AS AT 31 MARCH 2019
(All amounts in lakhs of INR, unless stated otherwise)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
ASSETS				
Financial assets				
Cash and cash equivalents	**3**	370.76	112.88	94.39
Bank balance other than above	**4**	7735.86	9869.22	657.36
Derivative financial instruments	**5**	4669.03	9684.72	6857.84
Receivables	**6**	-	-	-
- Lease receivables		12502651.17	**10947165.64**	9820618.96
Loans	**7**	589548.71	523795.50	216403.00
Investments	**8**	1314.44	1397.77	1457.20
Other financial assets	**9**	7403072.67	4510759.95	2825807.17
Total financial assets		**20509362.64**	**16002785.68**	**12871895.92**
Non-financial assets				
Current tax assets (net)	**10**	-	2584.38	1065.76
Property, plant and equipment	**11**	1122.48	1126.85	1150.35
Other Intangible assets	**12**	4.98	2.64	1.18
Other non-financial assets	**13**	149870.86	140333.01	359.13
Total non-financial assets		**150998.32**	**144046.88**	**2576.42**
Total Assets		**20660360.96**	**16146832.56**	**12874472.34**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Derivative financial instruments	**5**	31059.54	74957.89	65612.14
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		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1217.91	871.52	350.70
Debt securities	**15**	12359789.87	11084424.60	9494462.22
Borrowings (other than debt securities)	**16**	5033477.60	2316128.13	1064466.40
Other financial liabilities	**17**	729992.81	**566256.84**	387833.78
Total financial liabilities		**18155537.73**	**14042638.98**	**11012725.24**

Particulars	Notes	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Non-financial liabilities				
Current tax liabilities (net)	**10**	296.89	-	-
Provisions	**18**	1179.53	1083.62	935.72
Deferred tax liabilities (net)	**19**	644314.03	644314.03	644314.03
Other non-financial liabilities	**20**	481.50	65927.31	1068.88
Total non-financial liabilities		**646271.95**	**711324.96**	**646318.63**
Total liabilities		**18801809.68**	**14753963.94**	**11659043.87**
EQUITY				
Equity share capital	**21**	938046.00	652646.00	652646.00
Other equity	**22**	920505.28	740222.62	562782.47
Total equity		**1858551.28**	**1392868.62**	**1215428.47**
Total Liabilities and Equity		**20660360.96**	**16146832.56**	**12874472.34**

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

For SPMG & Co.
Chartered Accountants
FRN-509249C

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

Sd/-
Vinod Gupta
Partner
M.No. 090687
Place: New Delhi
Date : 05-09-2019

Sd/-
Vijay Babulal Shirode
Company Secretary
& DGM (Law)

Sd/-
Niraj Kumar
Director Finance
DIN: 00795972

Sd/-
Vijay Kumar
Managing Director
DIN: 08189249

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363

Statement of profit and loss for the year ended 31 March, 2019
(All amounts in lakhs of INR, unless stated otherwise)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
Revenue from operations			
Interest income	23	172179.86	98820.93
Dividend income		51.38	48.66
Lease income	24	941000.91	827844.84
Total revenue from operations		**1113232.15**	**926714.43**
Other income	25	127.35	123.68
Total income		**1113359.50**	**926838.11**
Expenses			
Finance costs	26	818306.08	663757.27
Impairment on financial instruments	27	2754.43	-
Employee benefit expense	28	625.05	552.62
Depreciation, amortization and impairment	29	41.79	35.40
Other expenses	30	1473.67	3243.76
Total expenses		**823201.02**	**667589.05**
Profit before exceptional items and tax		290158.48	259249.06
Exceptional items		-	-
Profit before tax		**290158.48**	**259249.06**
Tax expense	31		
Current tax		64692.39	54340.47
Deferred tax		-	-
Adjustment for earlier years		(8.78)	(557.84)
Total Tax Expenses		**64683.61**	**53782.63**
Profit for the period from continuing operations		**225474.87**	**205466.43**
Profit from discontinued operations		-	-
Tax expense of discontinued operations		-	-
Profit from discontinued operations (after tax)		-	-
Profit for the period		**225474.87**	**205466.43**
Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		(27.08)	8.68
- Remeasurement of Equity Instrument		37.87	73.36
(ii) Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		5.84	(1.85)
- Remeasurement of Equity Instrument		-	-
Subtotal (A)		**16.63**	**80.19**

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363

Statement of profit and loss for the year ended 31 March, 2019
(All amounts in lakhs of INR, unless stated otherwise)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
(B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other comprehensive income (A + B)		**16.63**	**80.19**
Total comprehensive income for the period (comprising profit (loss) and other comprehensive income for the period)		**225491.50**	**205546.62**
Earnings per equity share (for continuing operations)	**32**		
Basic (Rs.)		3.43	3.15
Diluted (Rs.)		3.43	3.15
Earnings per equity share (for discontinued operations)			
Basic (Rs.)		-	-
Diluted (Rs.)		-	-
Earnings per equity share (for continuing and discontinued operations)	**32**		
Basic (Rs.)		3.43	3.15
Diluted (Rs.)		3.43	3.15

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 SPMG & Co.
Chartered Accountants
FRN-509249C

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

Sd/-
Vinod Gupta
Partner
M.No. 090687
Place: New Delhi
Date : 05-09-2019

Sd/-
Vijay Babulal Shirode
Company Secretary
& DGM (Law)

Sd/-
Niraj Kumar
Director Finance
DIN: 00795972

Sd/-
Vijay Kumar
Managing Director
DIN: 08189249

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363

Statement of cash flow
(All amounts in lakhs of INR, unless stated otherwise)

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxes	290158.48	259249.06
Adjustments for:		
Remeasurement of defined benefit plans	(27.08)	8.68
Depreciation and amortisation	41.79	35.40
Provision of interest on income tax	196.56	128.22
Loss on sale of fixed assets	1.59	0.65
Profit on sale of fixed assets	(0.11)	-
Discount of commercial paper	12372.54	20201.18
Adjustments towards effective interest rate	1690.35	(4801.24)
Dividend income received	(51.38)	(48.66)
Operating profit before working capital changes	**304382.74**	**274773.29**
Movements in working capital:		
Increase/(decrease) in trade payable	346.38	520.82
Increase/(decrease) in provisions	27.54	35.15
Increase/(decrease) in others non financial liabilities	(65445.81)	64858.43
Increase/(decrease) in other financial liabilities	163735.96	178423.06
Decrease/(increase) in receivables	(1555485.53)	(1126546.68)
Decrease/(increase) in loans and advances	(65753.20)	(307392.50)
Decrease/(increase) in bank balance other than cash and cash equivalents	2133.36	(9211.86)
Decrease/(increase) in other non financial assets	(9537.85)	(139973.88)
Decrease/(increase) in other financial assets	(2887297.03)	(1687779.67)
Cash generated from operations	**(4112893.44)**	**(2752293.84)**
Less: Direct taxes paid (net of refunds)	61925.30	55318.56
Net cash flow/(used) in operating activities (A)	(4174818.74)	(2807612.40)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property plant & equipement and intangible assets	(42.23)	(14.81)
Proceeds from sale of property plant & equipement	1.00	0.80
Proceeds from realization of pass through certificates / sale of investments	121.20	132.79
Dividend income received	51.38	48.66
Net cash flow/(used) in investing activities (B)	**131.35**	**167.44**
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital	285400.00	-
Issue of Debt Securities (Net of redemptions)	1046559.50	2074192.80
Raising of Rupee Term Loans/ Foreign Currency Borrowings (net of repayments)	2701728.32	1258538.84
Issue of commercial paper (net of repayments)	186466.28	(497161.72)
Final dividend paid	(37500.00)	(23352.46)
Dividend tax paid	(7708.83)	(4754.01)
Net cash generated by/(used in) financing activities (C)	**4174945.27**	**2807463.45**

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363

Statement of cash flow
(All amounts in lakhs of INR, unless stated otherwise)

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Net increase in Cash and cash equivalents (A+B+C)	**257.88**	**18.49**
Cash and cash equivalents at the beginning of the year	112.88	94.39
Cash and cash equivalents at the end of year	**370.76**	**112.88**

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

For SPMG & Co.
Chartered Accountants
FRN-509249C

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

Sd/-
Vinod Gupta
Partner
M.No. 090687
Place: New Delhi
Date : 05-09-2019

Sd/-
Vijay Babulal Shirode
Company Secretary
& DGM (Law)

Sd/-
Niraj Kumar
Director Finance
DIN: 00795972

Sd/-
Vijay Kumar
Managing Director
DIN: 08189249

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363

Statement of changes in equity
(All amounts in lakhs of INR, unless stated otherwise)

A. Equity share capital

Particulars	Notes	Amount
Balance as at 1 April 2017	**21**	**652646.00**
Changes in equity share capital during the year		-
Balance at 31 March 2018	**21**	**652646.00**
Changes in equity share capital during the year		285400.00
Balance at 31 March 2019	**21**	**938046.00**

For SPMG & Co.
Chartered Accountants
FRN-509249C

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

Sd/-
Vinod Gupta
Partner
M.No. 090687
Place: New Delhi
Date : 05-09-2019

Sd/-
Vijay Babulal Shirode
Company Secretary
& DGM (Law)

Sd/-
Niraj Kumar
Director Finance
DIN: 00795972

Sd/-
Vijay Kumar
Managing Director
DIN: 08189249

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363

Statement of changes in equity
(All amounts in lakhs of INR, unless stated otherwise)

B. Other equity

Particulars	Reseves and surplus				Equity instruments through other comprehensive income	Total other equity
	General Reserve	Bond Redemption Reserve	Reserve Fund u/s 45-IC of Reserve Bank of India Act,1934	Retained Earnings		
Balance as at 1 April 2017	**60398.70**	**487493.92**	**-**	**14320.28**	**569.57**	**562782.48**
Total comprehensive income for the year	-	-	-	205473.26	73.36	**205546.61**
Transfer to bond redemption reserve	-	41981.00	-	(41981.00)	-	**-**
Transfer to general reserve	113580.27	-	-	(113580.27)	-	**-**
Dividend	-	-	-	(23352.46)	-	**(23352.46)**
Dividend tax	-	-	-	(4754.01)	-	**(4754.01)**
Balance at 31 March 2018	**173978.97**	**529474.92**	**-**	**36125.80**	**642.93**	**740222.62**
Total comprehensive income for the year	-	-	-	225453.63	37.87	**225491.50**
Transfer to bond redemption reserve	-	41981.00	-	(41981.00)	-	**-**
Transfer to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	-	-	45094.97	(45094.97)	-	**-**
Transfer to general reserve	129294.62	-	-	(129294.62)	-	**-**
Dividend	-	-	-	(37500.00)	-	**(37500.00)**
Dividend tax	-	-	-	(7708.84)	-	**(7708.84)**
Balance at 31 March 2019	**303273.59**	**571455.92**	**45094.97**	**-**	**680.80**	**920505.28**

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

For SPMG & Co.
Chartered Accountants
FRN-509249C

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

Sd/-
Vinod Gupta
Partner
M.No. 090687
Place: New Delhi
Date : 05-09-2019

Sd/-
Vijay Babulal Shirode
Company Secretary
& DGM (Law)

Sd/-
Niraj Kumar
Director Finance
DIN: 00795972

Sd/-
Vijay Kumar
Managing Director
DIN: 08189249

IRFC SIGNIFICANT ACCOUNTING POLICIES

Indian Railway Finance Corporation Limited

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 Upper Ground Floor, East Tower, NBCC Place, Pragati Vihar, Lodhi Road, New Delhi - 110003.

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.

Up to the year ended 31 March, 2018, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. As notified by Ministry of Corporate Affairs vide Companies (Indian Accounting Standards) (Amendment) Rules 2016, the Company is required to comply with Ind AS in preparation of their financial statements for accounting periods beginning on 1 April, 2018 with comparative for the year ended 31 March, 2018, also in accordance with Ind AS, with date of transition to Ind AS being 1 April, 2017.

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 Lakhs 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 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, interest on lease advances, loans, deposits and investments. Revenue from other income comprise dividend from investment in equity shares and other miscellaneous income etc.

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

Interest income from financial assets is recognised when it is probable that the economic benefits will

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

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

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

2.5 Foreign Currency Transaction

Functional and presentation currency

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

Transactions and Balances

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

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

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

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

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

2.6 Employee Benefits

Defined contribution plan

A defined contribution plan is a plan under which the Company pays fixed contributions into an independent fund administered by the government/Company administrated Trust. The Company has no

legal or constructive obligations to pay further contributions after its payment of the fixed contribution.

Defined benefit plan

The defined benefit plans sponsored by the Company define the amount of the benefit that an employee will receive on completion of services by reference to length of service and last drawn salary. Gratuity 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 other comprehensive income or directly in equity respectively.

Minimum Alternate Tax (MAT) under the provision of Income Tax Act, 1961 is recognized as Current Tax in the Statement of Profit and Loss. Current Tax computed as per the normal provision of Income Tax Act, 1961 is lower than the MAT. Minimum Alternate Tax (MAT) credit is recognized as an asset only where and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period

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.

Till 31.3.2017

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in Other Comprehensive Income or equity, in which case it is recognized in Other Comprehensive Income or equity.

After 31.3.2017

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, the provision of Indian Accounting Standards 12 relating to Deferred Tax Assets (DTA) or Deferred Tax Liability (DTL) does not apply to the Company w.e.f. 1 April 2017.

2.8 Property, Plant and Equipment (PPE)

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

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

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

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

De-recognition

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

Depreciation

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

2.9 Intangible assets

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

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

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

De-recognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains & losses on de-recognition of an item of intangible assets are determined by

comparing the proceeds from disposal, if any, with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

Amortization

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

2.10. Borrowing costs

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

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

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

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

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

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

2.11 Cash and cash equivalents

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

2.12 Provisions, contingent liabilities and contingent assets

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

assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance costs.

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

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

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

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

2.13 Impairment of non-financial assets

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

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

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

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

2.14 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to the date of transition, the entity has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

A lease is classified at the inception date as a finance lease or an operating lease.

Company as a lessor

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.

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

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

Company as a lessee

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the

inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

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-17, the inception of lease takes place at the earlier of the date of the lease agreement and the date of a commitment by the parties to the principal provisions of the lease.

The commencement of the lease term is the date from which the lessee is entitled to exercise its right to use the leased asset. It is the date of initial recognition of the lease.

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

2.17 Dividends

Dividends and interim dividends payable to the Company's shareholders are recognized as changes in

equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.

2.18 Material Prior Period Errors

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

2.19 Earnings per share

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

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

2.20 Statement of Cash Flows

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

2.21 Operating Segments

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

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

2.22 Financial Instruments

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

2.22.1.Financial Assets

Initial recognition and measurement

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

Subsequent measurement

Debt instruments at amortized cost

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

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI

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

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

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

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

Equity investments

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

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

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

De-recognition

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

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

Impairment of financial assets

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

(a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits and bank balance.

(b) Financial assets that are debt instruments and are measured as at FVTOCI.

(c) Lease receivables under Ind AS 17.

(d) Loan commitments which are not measured as at FVTPL.

(e) Financial guarantee contracts which are not measured as at FVTPL.

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

2.22.2. Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

Financial liabilities at amortized cost

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

Financial liabilities at fair value through profit or loss

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

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

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

De-recognition

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

Derivative financial instruments

Initial recognition and subsequent measurement

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

2.23 Standards issued but not yet effective :

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying Ind AS 116, Leases and consequential amendments to various Ind AS standards. The amendments are effective from accounting periods beginning from 1st April 2019.

Ind AS 116 Leases

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single,

on-balance sheet lease accounting model for lessees. A lessee recognizes a right of use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases. Company is currently evaluating the impact of Ind AS 116 on its financial statements.

Key Amendments to other Ind AS:

Ind AS 12, Income Taxes

Recognition of income tax consequences of dividends:

Clarifies that the income tax consequences of distribution of profits (i.e. dividends), should be recognized when a liability to pay dividend is recognized. The income tax consequences should be recognized in the statement of profit and loss, other comprehensive income or equity according to where the past transactions or events that generated distributable profits were originally recognized. The Company is currently assessing the impact of application of this amendment on the Company's financial statements.

Ind AS 19, Employee Benefits

Clarifies that when a plan amendment, curtailment or settlement occurs:

The updated actuarial assumptions used in remeasuring the plan are applied to determine the current service cost and net interest for the remainder of the annual reporting period and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in Other Comprehensive Income. The Company is currently assessing the impact of application of this amendment on the Company's financial statements.

Ind AS 109, Financial Instruments

Prepayment Features with Negative Compensation:

It allows particular financial assets with prepayment features that may result in negative compensation - e.g. the lender receives less than the par-amount and accrued interest and effectively compensates the borrower for the borrower's early termination of the contract - to be measured at amortized cost or at Fair Value through Other Comprehensive Income (FVOCI) (subject to the business model assessment). Before the amendments, these instruments were measured at Fair Value through Profit and Loss (FVTPL) because the solely payment of principal and interest (SPPI) criterion would not be met when the party that chooses to terminate the contract early may receive compensation for doing so. The amendments clarify that irrespective of the event or circumstance that causes the early termination of the contract, either party may pay or receive reasonable compensation for that early termination. The amendments

remove the requirement for the compensation to be 'additional'. Accordingly, a prepayment amount that is less than the unpaid amounts of principal and interest (or less than the contractual par amount plus accrued interest) may meet the SPPI criterion if it is determined to include reasonable compensation for early termination. The Company is currently assessing the impact of application of this amendment on the Company's financial statements.

Ind AS 12, Income Tax

Uncertainty over Income Tax treatments:

Appendix C in Ind AS 12 is effective from 1st April 2019 and it set out the principles on recognition and measurement principle when there is uncertainty over income tax treatments. An entity shall evaluate whether it is probable that the tax authority shall accept an uncertain tax treatment. If it is probable, the tax base shall be consistent with that of the items used in its income tax filings. If not probable, the Company shall reflect the effect of uncertainty by using either the most likely amount method or expected value method. If the uncertain tax treatment affects current and deferred tax, the entity shall make consistent judgement and estimates for current and deferred tax. The interpretation is effective for annual reporting periods beginning on or after 1st April 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. The Company is in the process of evaluating the changes and reliable estimate of the quantitative impact will be possible on completion of the study.

Ind AS 23, Borrowing Costs

Computation of capitalization cost:

The amendment clarifies that in computing the capitalization rate for funds borrowed generally, an entity should exclude borrowing costs applicable to borrowings made specifically for obtaining a qualifying asset, only until the asset is ready for its intended use or sale. Borrowing costs related to specific borrowings that remain outstanding after the related qualifying asset is ready for intended use or for sale would subsequently be considered as part of the general borrowing costs of the entity. The amendment is applicable to borrowing costs incurred on or after the beginning of the annual reporting period beginning on or after 1 April 2019. The Company is currently assessing the impact of application of this amendment on the Company's financial statements.

Ind AS 103, Business Combinations

Ind AS 111, Joint Arrangements

Remeasurement of previously held interests:

A new paragraph 42A to Ind AS 103 has been added to clarify that when an entity obtains control of a

business that is a joint operation, then the acquirer would remeasure its previously held interest in that business. Such a transaction would be considered as a business combination achieved in stages and accounted for on that basis. Further, paragraph B33CA has been added to Ind AS 111 to clarify that if a party that participates in a joint operation, but does not have joint control, obtains joint control over the joint operation (which constitutes a business as defined in Ind AS 103), it would not be required to remeasure its previously held interests in the joint operation. The amendment points out that although such a transaction changed the nature of the entity's interest in the joint operation, it did not result in a change in the group boundaries. Consequently, no remeasurement of previously held interests would be required. These amendments are applicable prospectively for business acquisitions (in case of Ind AS 103) or transactions where joint control is obtained (in case of Ind AS 111) where the date of the transaction is on or after the beginning of the first annual reporting period beginning on or after 1 April 2019. Presently the provisions of Ind AS 103 and Ind AS 111 are not applicable to the Company.

Ind AS 28, Investment in Associates and Joint Ventures

Long-term interests in associates and joint ventures :

An entity's net investment in its associate or joint venture includes investment in ordinary shares, other interests that are accounted using the equity method, and other long-term interests, such as preference shares and long term receivables or loans, the settlement of which is neither planned, nor likely to occur in the foreseeable future. These long-term interests are not accounted for in accordance with Ind AS 28, instead, they are governed by the principles of Ind AS 109. As per para 10 of Ind AS 28, the carrying amount of an entity's investment in its associate and joint venture increases or decreases (as per equity method) to recognize the entity's share of profit or loss of its investee associate and joint venture. Paragraph 38 of Ind AS 28 further states that the losses that exceed the entity's investment in ordinary shares are applied to other components of the entity's interest in the associate or joint venture in the reverse order of their superiority. In this context, the amendments to Ind AS 28 clarify that the accounting for losses allocated to long-term interests would involve the dual application of Ind AS 28 and Ind AS 109. The annual sequence in which both standards are to be applied can be explained in a three step process:

Step 1 : Apply Ind AS 109 independently:

Apply Ind AS 109 (such as impairment, fair value adjustments, etc.) ignoring any adjustments to carrying amount of long-term interests under Ind AS 28 (such as allocation of losses, impairment)

Step 2 : True-up past allocations:

If necessary, prior years' Ind AS 28 loss allocation is trued up in the current year, because Ind AS 109 carrying value may have changed. This may involve recognizing more prior year's losses, reversing these losses or re-allocating them between different long-term interests.

Step 3 : Book current year equity share:

Any current year Ind AS 28 losses are allocated to the extent that the remaining long-term interest years' losses and then allocations are made against long-term interests.

These amendments are applicable from 1 April 2019. Ministry of Corporate Affairs has provided certain transitional provision for Ind AS 28. Presently the provisions of Ind AS 28 are not applicable to the Company.

Notes to financial statements

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

Note 3: Cash and cash equivalents

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Balances with banks			
- in current accounts	369.70	111.82	93.33
Balances in franking machine	0.04	0.04	0.04
Deposits with Reserve Bank of India			
- in public deposit account	1.02	1.02	1.02
TOTAL	**370.76**	**112.88**	**94.39**

Note 4: Bank balances other than above

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Balances with banks			
- in interest redemption accounts*	809.06	581.62	657.36
- in escrow pool Account**	6926.80	9287.60	-
TOTAL	**7735.86**	**9869.22**	**657.36**

* 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 54EC bond- March 2019 series

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363

Notes to financial statements
(All amounts in lakhs of INR, unless stated otherwise)

Note 5: Derivative financial instruments

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

	As at 31 March 2019			As at 31 March 2018			As at 1 April 2017		
PART I	**Notional amounts**	**Fair value -assets**	**Fair value - liabilities**	**Notional amounts**	**Fair value -assets**	**Fair value - liabilities**	**Notional amounts**	**Fair value -assets**	**Fair value - liabilities**
(i) Currency derivatives									
-Spot and forwards	-	-	-	422848.55	-	51415.99	422848.55	-	36501.30
-Currency swaps	127376.73	-	31059.54	119821.57	-	23541.90	120004.50	-	29110.84
Subtotal	**127376.73**	**-**	**31059.54**	**542670.12**	**-**	**74957.89**	**542853.05**	**-**	**65612.14**
(ii) Interest rate derivatives									
- Forward rate agreements and interest rate swaps	127376.73	4669.03	-	250821.57	9684.72	-	251004.50	6857.84	-
Subtotal	**127376.73**	**4669.03**	**-**	**250821.57**	**9684.72**	**-**	**251004.50**	**6857.84**	**-**
Total derivatives instruments	**254753.46**	**4669.03**	**31059.54**	**793491.69**	**9684.72**	**74957.89**	**793857.55**	**6857.84**	**65612.14**
PART II									
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:									
(i) Fair value hedging									
Currency derivatives	127376.73	-	31059.54	542670.12	-	74957.89	542853.05	-	65612.14
Interest rate derivatives	-	-	-	-	-	-	-	-	-
Subtotal (I)	**127376.73**	**-**	**31059.54**	**542670.12**	**-**	**74957.89**	**542853.05**	**-**	**65612.14**
(ii) Cash flow hedging									
Currency derivatives	-	-	-	-	-	-	-	-	-
Interest rate derivatives	127376.73	4669.03	-	250821.57	9684.72	-	251004.50	6857.84	-
Subtotal (ii)	**127376.73**	**4669.03**	**-**	**250821.57**	**9684.72**	**-**	**251004.50**	**6857.84**	**-**
Net Investment hedging									
Currency derivatives									
Interest rate derivatives									
Subtotal (iii)									
(iii) Undesignated derivatives	-	-	-	-	-	-	-	-	-
Subtotal (iii)	-	-	-	-	-	-	-	-	-
Total derivative financial instruments (i+ii+iii)	**254753.46**	**4669.03**	**31059.54**	**793491.69**	**9684.72**	**74957.89**	**793857.55**	**6857.84**	**65612.14**

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

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363

Notes to financial statement
(All amounts in lakhs of INR, unless stated otherwise)

Note 6 : Receivables

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Trade receivables	-	-	-
Lease receivables* (Unsecured, considered good due from Ministry of Railways, Government of India)	12502651.17	10947165.64	9820618.96
Total	**12502651.17**	**10947165.64**	**9820618.96**

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

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363

Notes to financial statement
(All amounts in lakhs of INR, unless stated otherwise)

Note 7 : Loans

Particulars	As at 31 March 2019						As at 31 March 2018						As at 1 April 2017					
		At Fair Value						At Fair Value						At Fair Value				
	Amortised cost	Through Other Compreh -ensive Income	Through profit or loss	Designa-ted at fair value through profit or loss	Subtotal	Total	Amortised cost	Through Other Compreh -ensive Income	Through profit or loss	Designa-ted at fair value through profit or loss	Subtotal	Total	Amortised cost	Through Other Compreh -ensive Income	Through profit or loss	Designa-ted at fair value through profit or loss	Subtotal	Total
Loans																		
(A) Term Loans																		
-Loan to Rail Vikas Nigam Limited	284263.00	-	-	-	-	284263.00	203795.50	-	-	-	-	203795.50	216403.00	-	-	-	-	216403.00
-Loan to Ircon International Limited	307653.38	-	-	-	-	307653.38	320000.00	-	-	-	-	320000.00	-	-	-	-	-	-
Total (A) -Gross	**591916.38**	-	-	-	-	**591916.38**	**523795.50**	-	-	-	-	**523795.50**	**216403.00**	-	-	-	-	**216403.00**
Less: Impairment loss allowance*	2367.67	-	-	-	-	2367.67	-	-	-	-	-	-	-	-	-	-	-	-
Total (A) - Net	**589548.71**	-	-	-	-	**589548.71**	**523795.50**	-	-	-	-	**523795.50**	**216403.00**	-	-	-	-	**216403.00**
(B)(I) Secured by tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii)Secured by intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii)Covered by Bank/Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Unsecured	591916.38	-	-	-	-	591916.38	523795.50	-	-	-	-	523795.50	216403.00	-	-	-	-	216403.00
Total (B)-Gross	**591916.38**	-	-	-	-	**591916.38**	**523795.50**	-	-	-	-	**523795.50**	**216403.00**	-	-	-	-	**216403.00**
Less:Impairment loss allowance	2367.67	-	-	-	-	2367.67	-	-	-	-	-	-	-	-	-	-	-	-
Total (B)-Net	**589548.71**	-	-	-	-	**589548.71**	**523795.50**	-	-	-	-	**523795.50**	**216403.00**	-	-	-	-	**216403.00**
(c) (I) Loans in India																		
(I) Public Sector	591916.38	-	-	-	-	591916.38	523795.50	-	-	-	-	523795.50	216403.00	-	-	-	-	216403.00
(ii) Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (C)-Gross	**591916.38**	-	-	-	-	**591916.38**	**523795.50**	-	-	-	-	**523795.50**	**216403.00**	-	-	-	-	**216403.00**

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363

Notes to financial statement
(All amounts in lakhs of INR, unless stated otherwise)

Note 7 : Loans

Particulars	As at 31 March 2019						As at 31 March 2018						As at 1 April 2017					
		At Fair Value						At Fair Value						At Fair Value				
	Amortised cost	Through Other Compreh -ensive Income	Through profit or loss	Designa-ted at fair value through profit or loss	Subtotal	Total	Amortised cost	Through Other Compreh -ensive Income	Through profit or loss	Designa-ted at fair value through profit or loss	Subtotal	Total	Amortised cost	Through Other Compreh -ensive Income	Through profit or loss	Designa-ted at fair value through profit or loss	Subtotal	Total
Less: Impairment loss allowance	2367.67	-	-	-	-	2367.67	-	-	-	-	-	-	-	-	-	-	-	-
Total (c) (I)-Net	**589548.71**	-	-	-	-	**589548.71**	**523795.50**	-	-	-	-	**523795.50**	**216403.00**	-	-	-	-	**216403.00**
(C)(II)Loans outside India																		
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (C)(II)- Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total C(I)and C(II)	**589548.71**	-	-	-	-	**589548.71**	**523795.50**	-	-	-	-	**523795.50**	**216403.00**	-	-	-	-	**216403.00**

* Impairement loss allowance is recogonised as per 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-18)

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363

Notes to financial statement
(All amounts in lakhs of INR, unless stated otherwise)

Note 8 : Investments

	As at 31 March 2019				As at 31 March 2018				As at 1 April 2017			
	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
Debt securities*	332.95	-	-	332.95	454.15	-	-	454.15	586.94	-	-	586.94
Equity instruments #	981.49	-	-	981.49	943.62	-	-	943.62	870.26	-	-	870.26
Total (A)	**1314.44**	-	-	**1314.44**	**1397.77**	-	-	**1397.77**	**1457.20**	-	-	**1457.20**
Investments Outside India	-	-	-	-	-	-	-	-	-	-	-	-
Investments in India	1314.44	-	-	1314.44	1397.77	-	-	1397.77	1457.20	-	-	1457.20
Total (B)	**1314.44**	-	-	**1314.44**	**1397.77**	-	-	**1397.77**	**1457.20**	-	-	**1457.20**
Less: Allowance for Impairment '(C)	-	-	-	-	-	-	-	-	-	-	-	-
Total (A)- (C)	**1314.44**	-	-	**1314.44**	**1397.77**	-	-	**1397.77**	**1457.20**	-	-	**1457.20**

* Numbers of Senior Pass through Certificates of NOVO X Trust Locos	35	45	55
* Fair value of Senior Pass through Certificates of NOVO X Trust Locos	332.95	454.15	586.94
# Numbers of Equity Shares of IRCON International Limited	244000	244000	244000
# Fair value of Equity Shares of IRCON International Limited	981.49	943.62	870.26

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 2019 has been measured as per the quotation on National Stock Exchange (Level 1 Input). The fair market value in earlier year has been determined on the basis of book value computed as per the preceding year's annual financial statement of IRCON International Limited as available with the Company (Level 3 Input).

Notes to financial statements

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

Note 9 : Other financial assets

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Amount recoverable from Ministry of Railways on account of exchange rate variation / derivatives#	46448.98	26757.90	86363.82
Amount recoverable from Ministry of Railways - Leased Assets	47296.31	332705.13	289799.87
Advance against Railway Infrastructure Assets to be leased (Refer Note No. 45)	6490884.04	3982505.49	2352778.69
Advance Funding Against National Project	508281.71	-	-
Interest accrued but not due on advance for railway project to be leased	213401.09	96498.71	22584.09
Security deposits	9.60	10.94	9.19
House building advance (secured)*	32.61	10.09	13.82
Advance to employees	30.53	0.83	0.88
Interest accrued but not due on advance to employees**	5.06	8.27	7.66
Interest accrued but not due on loans & deposits	96691.13	71837.43	73817.34
Interest accrued but not due on investment	360.40	409.00	431.18
Interest accrued but not due on 54 EC bond application money	13.32	13.93	-
Amount recoverable from others	4.65	2.25	0.63
Gross Total	**7403459.43**	**4510759.95**	**2825807.17**
Less: Impairment on interest accrued and due on loans & deposits***	386.76	-	-
Net Total	**7403072.67**	**4510759.95**	**2825807.17**

*Includes 24.74 for 31 March 2019, 1.08 Lakh for 31 March 2018, 13.82 Lakh for 01 April 2017 to Key Managerial Personnel/Officers of the Company.

**Includes 0.11 for 31 March 2019, 4.03 Lakh for 31 March 2018, 8.58 Lakh for 01 April 2017 to Key Managerial Personnel/Officers of the Company.

*** As per Reserve Bank of India Circular No. RBI/2017-18/181_DNBR (PD) CC. No. 092/03.10.001/2017-18 dated 31-May-2018

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 year. (Refer Note 44)

Note 10 : Current tax assets (net)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
TDS & advance tax	254477.62	234157.27	179806.93
Provision for tax	(254774.51)	(231572.89)	(178741.17)
Total	**(296.89)**	**2584.38**	**1065.76**

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363

Notes to financial statements
(All amounts in lakhs of INR, unless stated otherwise)

Note 11 : Property, plant and equipment

Particulars	Building	Office Equipment	Computer	Furniture and fixtures	Plant and equipment	Vehicles	Total
Deemed cost/ Gross Block							
Balance at 1 April 2017	1123.17	9.55	6.81	7.98	0.28	2.55	**1150.35**
Additions	-	5.37	3.27	3.99	-	-	**12.63**
Disposals	-	(2.55)	(1.77)	-	-	-	**(4.32)**
Balance at 31 March 2018	**1123.17**	**12.37**	**8.31**	**11.97**	**0.28**	**2.55**	**1158.66**
Additions	-	7.55	8.47	0.29	-	22.69	**38.99**
Disposals	-	(3.24)	(0.94)	-	-	-	**(4.18)**
Balance at 31 March 2019	**1123.17**	**16.68**	**15.84**	**12.26**	**0.28**	**25.24**	**1193.47**
Accumulated depreciation							
Balance at 1 April 2017	-	-	-	-	-	-	**-**
Depreciation expense	25.52	2.72	4.18	1.12	0.28	0.85	**34.68**
Adjusments	-	-	-	-	-	-	**-**
Elimination on disposals of assets	-	(1.10)	(1.77)	-	-	-	**(2.87)**
Balance at 31 March 2018	**25.52**	**1.62**	**2.41**	**1.12**	**0.28**	**0.85**	**31.81**
Depreciation expense	30.48	3.45	3.48	1.37	-	2.10	**40.88**
Adjusments	-	-	-	-	-	-	**-**
Elimination on disposals of assets	-	(1.27)	(0.43)	-	-	-	**(1.70)**
Balance at 31 March 2019	**56.00**	**3.80**	**5.46**	**2.49**	**0.28**	**2.95**	**70.99**
Carrying amount*							
Balance at 1 April 2017	1123.17	9.55	6.81	7.98	0.28	2.55	**1150.35**
Additions	-	5.37	3.27	3.99	-	-	**12.63**
Disposals	-	(1.45)	-	-	-	-	**(1.45)**
Depreciation expense	(25.52)	(2.72)	(4.18)	(1.12)	(0.28)	(0.85)	**(34.68)**
Balance at 31 March 2018	**1097.65**	**10.75**	**5.90**	**10.85**	-	1.70	**1126.85**
Additions	-	7.55	8.47	0.29	-	22.69	**38.99**
Disposals	-	(1.97)	(0.51)	-	-	-	**(2.48)**
Depreciation expense	(30.48)	(3.45)	(3.48)	(1.37)	-	(2.10)	**(40.88)**
Balance at 31 March 2018	**1067.17**	**12.88**	**10.38**	**9.77**	-	22.29	**1122.48**

*Represents deemed cost being carrying value as per previous GAAP as per para D7AA of Ind AS 101,'First time adoption Ind AS' on the date of transition to Ind AS. Gross block and accmulated depreciation as per the previous GAAP have been disclosed for the purpose of better understanding of the original cost of the assets.

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363

Notes to financial statements
(All amounts in lakhs of INR, unless stated otherwise)

Note 12 : Other intangible assets

Particulars	Software
Deemed cost/ Gross Block	
Balance at 1 April 2017	1.18
Additions	2.18
Disposals	-
Balance at 31 March 2018	**3.36**
Additions	3.25
Disposals	-
Balance at 31 March 2019	**6.61**
Accumulated depreciation	
Balance at 1 April 2017	-
Depreciation expense	0.72
Elimination on disposals of assets	-
Balance at 31 March 2018	**0.72**
Depreciation expense	0.91
Elimination on disposals of assets	-
Balance at 31 March 2019	**1.63**
Carrying amount*	
Balance at 1 April 2017	1.18
Additions	2.18
Disposals	-
Depreciation expense	(0.72)
Balance at 31 March 2018	2.64
Additions	3.25
Disposals	-
Depreciation expense	(0.91)
Balance at 31 March 2019	4.98

* Represents deemed cost being carrying value as per previous GAAP as per para D7AA of Ind AS 101,'First time adoption Ind AS' on the date of transition to Ind AS. Gross block and accmulated depreciation as per the previous GAAP have been disclosed for the purpose of better understanding of the original cost of the assets.

Notes to financial statements

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

Note 13 : Other non-financial assets

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Capital Advances			
Advance to FA & CAO, Northern Railway	253.01	253.01	253.01
Advances other than capital advances			
Advance to others	16.65	16.65	21.01
Others			
Gratuity funded assets	-	-	-
Prepaid expenses	41.78	48.85	39.01
Deposit with NCRDC, New Delhi	-	-	4.38
Tax refund receivable	2497.11	36.61	36.61
GST (TDS) recoverable	415.00	-	-
GST recoverable	146647.31	139977.89	-
Total	**149870.86**	**140333.01**	**359.13**

Note 14 : Payables

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(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	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1217.91	871.52	350.70
Total	**1217.91**	**871.52**	**350.70**

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363

Notes to financial statements
(All amounts in lakhs of INR, unless stated otherwise)

Note 15 : Debt Securities

Particulars	As at 31 March 2019				As at 31 March 2018				As at 1 April 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Others												
Bonds from domestic capital market	11365480.27	-	-	11365480.27	10358869.08	-	-	10358869.08	8413613.78	-	-	8413613.78
Bonds from overseas capital market	695711.93	-	-	695711.93	625796.67	-	-	625796.67	504129.05	-	-	504129.05
Commercial Paper	298597.67	-	-	298597.67	99758.85	-	-	99758.85	576719.39	-	-	576719.39
Total (A)	**12359789.87**	-	-	**12359789.87**	**11084424.60**	-	-	**11084424.60**	**9494462.22**	-	-	**9494462.22**
Debt securities in India	11664077.94	-	-	11664077.94	10458627.93	-	-	10458627.93	8990333.17	-	-	8990333.17
Debt securities outside India	695711.93	-	-	695711.93	625796.67	-	-	625796.67	504129.05	-	-	504129.05
Total (B) to tally with (A)	**12359789.87**	-	-	**12359789.87**	**11084424.60**	-	-	**11084424.60**	**9494462.22**	-	-	**9494462.22**

Also, refer note 38.2

Indian Railway Finance Corporation Limited
Secured bonds from domestic capital market

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

S. No.	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2019	31 March 2018	1 April 2017
1	104th 'A' Series Tax Free Bonds Public Issue	7.50%	Annual	Bullet Repayment	21-Dec-35	36963.42	36963.42	36963.42
2	104th Series Tax Free Bonds Public Issue	7.25%	Annual	Bullet Repayment	21-Dec-35	29441.58	29441.58	29441.58
3	71st "E" Taxable Non-Cum. Bonds	8.83%	Semi Annual	Bullet Repayment	14-May-35	22000.00	22000.00	22000.00
4	70th "E" Taxable Non-Cum. Bonds	8.72%	Semi Annual	Bullet Repayment	04-May-35	1500.00	1500.00	1500.00
5	71st "D" Taxable Non-Cum. Bonds	8.83%	Semi Annual	Bullet Repayment	14-May-34	22000.00	22000.00	22000.00
6	70th "D" Taxable Non-Cum. Bonds	8.72%	Semi Annual	Bullet Repayment	04-May-34	1500.00	1500.00	1500.00
7	71st "C" Taxable Non-Cum. Bonds	8.83%	Semi Annual	Bullet Repayment	14-May-33	22000.00	22000.00	22000.00
8	70th "C" Taxable Non-Cum. Bonds	8.72%	Semi Annual	Bullet Repayment	04-May-33	1500.00	1500.00	1500.00
9	71st "B" Taxable Non-Cum. Bonds	8.83%	Semi Annual	Bullet Repayment	14-May-32	22000.00	22000.00	22000.00
10	70th "B" Taxable Non-Cum. Bonds	8.72%	Semi Annual	Bullet Repayment	04-May-32	1500.00	1500.00	1500.00
11	71st "A" Taxable Non-Cum. Bonds	8.83%	Semi Annual	Bullet Repayment	14-May-31	22000.00	22000.00	22000.00
12	76th "B" Taxable Non-Cum. Bonds	9.47%	Semi Annual	Bullet Repayment	10-May-31	99500.00	99500.00	99500.00
13	70th "A" Taxable Non-Cum. Bonds	8.72%	Semi Annual	Bullet Repayment	04-May-31	1500.00	1500.00	1500.00
14	108th 'A' Series Tax Free Bonds Public Issue	7.64%	Annual	Bullet Repayment	22-Mar-31	119431.30	119431.30	119431.30
15	108th Series Tax Free Bonds Public Issue	7.35%	Annual	Bullet Repayment	22-Mar-31	101637.60	101637.60	101637.60
16	103rd 'A' Series Tax Free Bonds Public Issue	7.53%	Annual	Bullet Repayment	21-Dec-30	107421.72	107421.72	107421.72
17	103rd Series Tax Free Bonds Public Issue	7.28%	Annual	Bullet Repayment	21-Dec-30	205731.03	205731.03	205731.03

Indian Railway Finance Corporation Limited
Secured bonds from domestic capital market

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

S. No.	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2019	31 March 2018	1 April 2017
18	70th "AA" Taxable Non-Cum. Bonds	8.79%	Semi Annual	Bullet Repayment	04-May-30	141000.00	141000.00	141000.00
19	67th "B" Taxable Non-Cum. Bonds	8.80%	Semi Annual	Bullet Repayment	03-Feb-30	38500.00	38500.00	38500.00
20	135 Series Taxable Bonds	8.23%	Annual	Bullet Repayment	29-Mar-29	250000.00	-	-
21	96th Series Tax Free Bonds Public Issue	8.63%	Annual	Bullet Repayment	26-Mar-29	94791.32	94791.32	94791.32
22	96th A Series Tax Free Bonds Public Issue	8.88%	Annual	Bullet Repayment	26-Mar-29	43641.41	43641.41	43641.41
23	134 Series Taxable Bonds	8.30%	Annual	Bullet Repayment	25-Mar-29	300000.00	-	-
24	133 Series Taxable Bonds	8.35%	Annual	Bullet Repayment	13-Mar-29	300000.00	-	-
25	131St Series Taxable Bonds	8.55%	Annual	Bullet Repayment	21-Feb-29	223650.00	-	-
26	92nd Series Tax Free Bonds Public Issue	8.40%	Annual	Bullet Repayment	18-Feb-29	109018.68	109018.68	109018.68
27	92nd A Series Tax Free Bonds Public Issue	8.65%	Annual	Bullet Repayment	18-Feb-29	68835.91	68835.91	68835.91
28	94th A Series Tax Free Non-Cum Bonds	8.55%	Annual	Bullet Repayment	12-Feb-29	1300.00	1300.00	1300.00
29	93rd A Series Tax Free Non-Cum Bonds	8.55%	Annual	Bullet Repayment	10-Feb-29	165000.00	165000.00	165000.00
30	129th Series Taxable Bonds	8.45%	Annual	Bullet Repayment	04-Dec-28	300000.00	-	-
31	130Th Series Taxable Bonds	8.40%	Annual	Bullet Repayment	08-Jan-29	284540.00	-	-
32	90th A Series Tax Free Non-Cum Bonds	8.48%	Annual	Bullet Repayment	27-Nov-28	5500.00	5500.00	5500.00
33	89th A Series Tax Free Non-Cum Bonds	8.48%	Annual	Bullet Repayment	21-Nov-28	73800.00	73800.00	73800.00
34	87th 'A' Series (Non-Retail), Tax Free Bonds Public Issue	7.04%	Annual	Bullet Repayment	23-Mar-28	22113.99	22035.64	21867.42

Indian Railway Finance Corporation Limited
Secured bonds from domestic capital market

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

S. No.	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2019	31 March 2018	1 April 2017
35	87th 'A' Series (Retail), Tax Free Bonds Public Issue	7.54%	Annual	Bullet Repayment	23-Mar-28	4274.39	4352.74	4520.96
36	86th 'A' Series (Non-Retail), Tax Free Bonds Public Issue	7.34%	Annual	Bullet Repayment	19-Feb-28	231474.24	230824.28	229705.93
37	86th 'A' Series (Retail), Tax Free Bonds Public Issue	7.84%	Annual	Bullet Repayment	19-Feb-28	24416.79	25066.75	26185.10
38	83rd 'A' Tax Free Non-Cum. Bonds	7.39%	Annual	Bullet Repayment	06-Dec-27	9500.00	9500.00	9500.00
39	82nd 'A' Tax Free Non-Cum. Bonds	7.38%	Annual	Bullet Repayment	30-Nov-27	3000.00	3000.00	3000.00
40	81st 'A' Tax Free Non-Cum. Bonds	7.38%	Annual	Bullet Repayment	26-Nov-27	6670.00	6670.00	6670.00
41	124th Series Taxable Non-Cum Bonds	7.54%	Annual	Bullet Repayment	31-Oct-27	93500.00	93500.00	-
42	123rd Series Taxable Non-Cum Bonds	7.33%	Annual	Bullet Repayment	28-Aug-27	174500.00	174500.00	-
43	121st Taxable Non Cum - Bonds	7.27%	Annual	Bullet Repayment	15-Jun-27	205000.00	205000.00	-
44	54th "B" Taxable Non-Cum. Bonds	10.04%	Semi Annual	Bullet Repayment	07-Jun-27	32000.00	32000.00	32000.00
45	120th Taxable Non Cum - Bonds	7.49%	Annual	Bullet Repayment	30-May-27	220000.00	220000.00	-
46	118th Taxable Non Cum - Bonds	7.83%	Annual	Bullet Repayment	21-Mar-27	295000.00	295000.00	295000.00
47	80th 'A' Series (Non-Retail), Tax Free Bonds Public Issue	8.10%	Annual	Bullet Repayment	23-Feb-27	277498.05	276651.43	274635.39
48	80th 'A' Series (Retail), Tax Free Bonds Public Issue	8.30%	Annual	Bullet Repayment	23-Feb-27	32067.14	32913.76	34929.80
49	53rd "C" Taxable Non-Cum. Bonds	8.75%	Semi Annual	Bullet Repayment	29-Nov-26	41000.00	41000.00	41000.00

Indian Railway Finance Corporation Limited
Secured bonds from domestic capital market

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

S. No.	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2019	31 March 2018	1 April 2017
50	79th "A" Tax Free Non-Cum. Bonds	7.77%	Annual	Bullet Repayment	08-Nov-26	19151.00	19151.00	19151.00
51	76th "A" Taxable Non-Cum. Bonds	9.33%	Semi Annual	Bullet Repayment	10-May-26	25500.00	25500.00	25500.00
52	75th Taxable Non-Cum. Bonds	9.09%	Semi Annual	Bullet Repayment	31-Mar-26	15000.00	15000.00	15000.00
53	74th Taxable Non-Cum. Bonds	9.09%	Semi Annual	Bullet Repayment	29-Mar-26	107600.00	107600.00	107600.00
54	107th 'A' Series Tax Free Bonds Public Issue	7.29%	Annual	Bullet Repayment	22-Mar-26	19071.38	19071.38	19071.38
55	107th Series Tax Free Bonds Public Issue	7.04%	Annual	Bullet Repayment	22-Mar-26	4859.72	4859.72	4859.72
56	106th Series Tax Free Bonds Public Issue	7.04%	Annual	Bullet Repayment	03-Mar-26	105000.00	105000.00	105000.00
57	102nd 'A' Series Tax Free Bonds Public Issue	7.32%	Annual	Bullet Repayment	21-Dec-25	36894.86	36894.86	36894.86
58	102nd Series Tax Free Bonds Public Issue	7.07%	Annual	Bullet Repayment	21-Dec-25	36747.39	36747.39	36747.39
59	100th Series Tax Free Non-Cum Bonds	7.15%	Annual	Bullet Repayment	21-Aug-25	32900.00	32900.00	32900.00
60	99th Series Tax Free Non-Cum Bonds	7.19%	Annual	Bullet Repayment	31-Jul-25	113900.00	113900.00	113900.00
61	69th Taxable Non-Cum. Bonds	8.95%	Semi Annual	Bullet Repayment	10-Mar-25	60000.00	60000.00	60000.00
62	67th "A" Taxable Non-Cum. Bonds	8.65%	Semi Annual	Bullet Repayment	03-Feb-25	20000.00	20000.00	20000.00
63	65th "O" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-24	6000.00	6000.00	6000.00
64	95th Series Tax Free Bonds Public Issue	8.19%	Annual	Bullet Repayment	26-Mar-24	23115.20	23115.20	23115.20
65	95th A Series Tax Free Bonds Public Issue	8.44%	Annual	Bullet Repayment	26-Mar-24	12973.84	12973.84	12973.84
66	132 Series Taxable Bonds	8.25%	Annual	Bullet Repayment	28-Feb-24	250000.00	-	-

Indian Railway Finance Corporation Limited
Secured bonds from domestic capital market

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

S. No.	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2019	31 March 2018	1 April 2017
67	91st Series Tax Free Bonds Public Issue	8.23%	Annual	Bullet Repayment	18-Feb-24	177832.10	177832.10	177832.10
68	91st A Series Tax Free Bonds Public Issue	8.48%	Annual	Bullet Repayment	18-Feb-24	52625.46	52625.46	52625.46
69	63rd "B" Taxable Non-Cum. Bonds	8.65%	Semi Annual	Bullet Repayment	15-Jan-24	31500.00	31500.00	31500.00
70	62nd "B" Taxable Non-Cum. Bonds	8.50%	Semi Annual	Bullet Repayment	26-Dec-23	28500.00	28500.00	28500.00
71	90th Series Tax Free Non-Cum Bonds	8.35%	Annual	Bullet Repayment	27-Nov-23	5700.00	5700.00	5700.00
72	89th Series Tax Free Non-Cum Bonds	8.35%	Annual	Bullet Repayment	21-Nov-23	48700.00	48700.00	48700.00
73	61st "A" Taxable Non-Cum. Bonds	10.70%	Semi Annual	Bullet Repayment	11-Sep-23	61500.00	61500.00	61500.00
74	65th "N" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-23	6000.00	6000.00	6000.00
75	88th Taxable Non-Cum. Bonds	8.83%	Annual	Bullet Repayment	25-Mar-23	110000.00	110000.00	110000.00
76	87th Series (Non-Retail), Tax Free Bonds Public Issue	6.88%	Annual	Bullet Repayment	23-Mar-23	13661.69	13610.92	13487.78
77	87th Series (Retail), Tax Free Bonds Public Issue	7.38%	Annual	Bullet Repayment	23-Mar-23	2855.31	2906.08	3029.22
78	86th Series (Non-Retail), Tax Free Bonds Public Issue	7.18%	Annual	Bullet Repayment	19-Feb-23	266384.12	266095.49	265518.43
79	86th Series (Retail), Tax Free Bonds Public Issue	7.68%	Annual	Bullet Repayment	19-Feb-23	15063.92	15352.55	15929.61
80	126th Taxable Non-Cum. Bonds*	7.63%	Annual	Bullet Repayment	25-Jan-23	300000.00	300000.00	-
81	85th Tax Free Non-Cum. Bonds	7.19%	Annual	Bullet Repayment	14-Dec-22	9500.00	9500.00	9500.00

Indian Railway Finance Corporation Limited
Secured bonds from domestic capital market

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S. No.	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2019	31 March 2018	1 April 2017
82	84th Tax Free Non-Cum. Bonds	7.22%	Annual	Bullet Repayment	07-Dec-22	49990.00	49990.00	49990.00
83	83rd Tax Free Non-Cum. Bonds	7.22%	Annual	Bullet Repayment	06-Dec-22	3000.00	3000.00	3000.00
84	82nd Tax Free Non-Cum. Bonds	7.22%	Annual	Bullet Repayment	30-Nov-22	4100.00	4100.00	4100.00
85	81st Tax Free Non-Cum. Bonds	7.21%	Annual	Bullet Repayment	26-Nov-22	25600.00	25600.00	25600.00
86	58th "A" Taxable Non-Cum. Bonds	9.20%	Semi Annual	Bullet Repayment	29-Oct-22	50000.00	50000.00	50000.00
87	54th "A" Taxable Non-Cum. Bonds	9.95%	Semi Annual	Bullet Repayment	07-Jun-22	15000.00	15000.00	15000.00
88	55th "O" Taxable Non-Cum. Bonds	9.86%	Semi Annual	Bullet Repayment	07-Jun-22	3300.00	3300.00	3300.00
89	65th "M" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-22	6000.00	6000.00	6000.00
90	80th Series (Non-Retail) Tax Free Bonds Public Issue	8.00%	Annual	Bullet Repayment	23-Feb-22	283010.99	282159.11	280820.04
91	80th Series (Retail) Tax Free Bonds Public Issue	8.15%	Annual	Bullet Repayment	23-Feb-22	34312.82	35164.70	36503.77
92	115th Taxable Non Cum - Bonds	6.73%	Annual	Bullet Repayment	23-Mar-20	80000.00	80000.00	80000.00
93	53rd "B" Taxable Non-Cum. Bonds	8.68%	Semi Annual	Bullet Repayment	29-Nov-21	22500.00	22500.00	22500.00
94	114th Taxable Non Cum - Bonds	6.70%	Annual	Bullet Repayment	24-Nov-21	200000.00	200000.00	200000.00
95	113th Taxable Non Cum - Bonds	7.24%	Annual	Bullet Repayment	08-Nov-21	65000.00	65000.00	65000.00
96	79th Tax Free Non-Cum. Bonds	7.55%	Annual	Bullet Repayment	08-Nov-21	53960.00	53960.00	53960.00
97	78th Taxable Non-Cum. Bonds	9.41%	Semi Annual	Bullet Repayment	28-Jul-21	150000.00	150000.00	150000.00

Indian Railway Finance Corporation Limited
Secured bonds from domestic capital market

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S. No.	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2019	31 March 2018	1 April 2017
98	55th "N" Taxable Non-Cum. Bonds	9.86%	Semi Annual	Bullet Repayment	07-Jun-21	3300.00	3300.00	3300.00
99	77th Taxable Non-Cum. Bonds	9.57%	Semi Annual	Bullet Repayment	31-May-21	124500.00	124500.00	124500.00
100	52nd "B" Taxable Non-Cum. Bonds	8.64%	Semi Annual	Bullet Repayment	17-May-21	70000.00	70000.00	70000.00
101	76th Taxable Non-Cum. Bonds	9.27%	Semi Annual	Bullet Repayment	10-May-21	39000.00	39000.00	39000.00
102	65th "L" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-21	6000.00	6000.00	6000.00
103	127th Taxable Non-Cum. Bonds	7.65%	Annual	Bullet Repayment	15-Mar-21	250000.00	250000.00	-
104	51st Taxable Non-Cum. Bonds	7.74%	Semi Annual	Bullet Repayment	22-Dec-20	45000.00	45000.00	45000.00
105	73rd "B" Tax Free Non-Cum. Bonds	6.72%	Semi Annual	Bullet Repayment	20-Dec-20	83591.00	83591.00	83591.00
106	49th "O" - FRB Taxable Non-Cum. Bonds	8.18%^	Semi Annual	Bullet Repayment	22-Jun-20	1000.00	1000.00	1000.00
107	72nd Taxable Non-Cum. Bonds	8.50%	Semi Annual	Bullet Repayment	22-Jun-20	80000.00	80000.00	80000.00
108	55th "M" Taxable Non-Cum. Bonds	9.86%	Semi Annual	Bullet Repayment	07-Jun-20	3300.00	3300.00	3300.00
109	119th Taxable Non - Cum Bonds	7.20%	Annual	Bullet Repayment	31-May-20	237500.00	237500.00	237500.00
110	65th "K" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-20	6000.00	6000.00	6000.00
111	68th "B" Tax Free Non-Cum. Bonds	6.70%	Semi Annual	Bullet Repayment	08-Mar-20	92721.00	92721.00	92,721.00
112	67th Taxable Non-Cum. Bonds	8.55%	Semi Annual	Bullet Repayment	03-Feb-20	17500.00	17500.00	17500.00
113	112th Taxable Non - Cum Bonds	6.92%	Annual	Bullet Repayment	10-Nov-19	150000.00	150000.00	150000.00
114	48th "JJ" Taxable Non-Cum. Bonds	6.85%	Semi Annual	Bullet Repayment	17-Sep-19	5000.00	5000.00	5000.00

Indian Railway Finance Corporation Limited
Secured bonds from domestic capital market

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

S. No.	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2019	31 March 2018	1 April 2017
115	111th Taxable Non Cum - Bonds	7.65%	Annual	Bullet Repayment	30-Jul-19	100000.00	100000.00	100000.00
116	49th "N" - FRB Taxable Non-Cum. Bonds	8.13%^	Semi Annual	Bullet Repayment	22-Jun-19	1000.00	1000.00	1000.00
117	66th Taxable Non-Cum. Bonds	8.60%	Semi Annual	Bullet Repayment	11-Jun-19	50000.00	50000.00	50000.00
118	128th Taxable Non-Cum. Bonds	7.72%	Annual	Bullet Repayment	07-Jun-19	260000.00	260000.00	-
119	55th "L" Taxable Non-Cum. Bonds	9.86%	Semi Annual	Bullet Repayment	07-Jun-19	3300.00	3300.00	3300.00
120	65th "AA" Taxable Non-Cum. Bonds	8.19%	Semi Annual	Bullet Repayment	27-Apr-19	56000.00	56000.00	56000.00
121	65th "J" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-19	6000.00	6000.00	6000.00
122	105th Series Taxable Non-Cum Bonds	8.33%	Annual	Bullet Repayment	26-Mar-19	-	150000.00	150000.00
123	47th "O" Taxable Non-Cum. Bonds	5.99%	Semi Annual	Bullet Repayment	26-Mar-19	-	1000.00	1000.00
124	63rd "A" Taxable Non-Cum. Bonds	8.55%	Semi Annual	Bullet Repayment	15-Jan-19	-	170500.00	170500.00
125	62nd "A" Taxable Non-Cum. Bonds	8.45%	Semi Annual	Bullet Repayment	26-Dec-18	-	50000.00	50000.00
126	57th Taxable Non-Cum. Bonds	9.66%	Semi Annual	Redeemable in four Equal installments commencing from 28-09-2019	28-Sep-18	80000.00	100000.00	100000.00
127	48th "II" Taxable Non-Cum. Bonds	6.85%	Semi Annual	Bullet Repayment	17-Sep-18	-	5000.00	5000.00
128	117th Taxable Non Cum - Bonds	7.15%	Annual	Bullet Repayment	16-Sep-18	-	148000.00	148000.00
129	61st Taxable Non-Cum. Bonds	10.60%	Semi Annual	Bullet Repayment	11-Sep-18	-	85500.00	85500.00

Indian Railway Finance Corporation Limited
Secured bonds from domestic capital market

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

S. No.	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2019	31 March 2018	1 April 2017
130	116th Taxable Non Cum - Bonds	7.00%	Annual	Bullet Repayment	10-Sep-18	-	216500.00	216500.00
131	46th "EE" Taxable Non-Cum. Bonds	6.20%	Semi Annual	Bullet Repayment	12-Aug-18	-	2500.00	2500.00
132	46th "O" Taxable Non-Cum. Bonds	6.25%	Semi Annual	Bullet Repayment	12-Aug-18	-	1300.00	1300.00
133	49th "M" - FRB Taxable Non-Cum. Bonds	7.11%^^	Semi Annual	Bullet Repayment	22-Jun-18	-	1000.00	1000.00
134	55th "K" Taxable Non-Cum. Bonds	9.86%	Semi Annual	Bullet Repayment	07-Jun-18	-	3300.00	3300.00
135	60th Taxable Non-Cum. Bonds	9.43%	Semi Annual	Bullet Repayment	23-May-18	-	60400.00	60400.00
136	45th "OO" Taxable Non-Cum. Bonds	6.39%	Semi Annual	Bullet Repayment	13-May-18	-	700.00	700.00
137	65th "I" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-18	-	6000.00	6000.00
138	47th "N" Taxable Non-Cum. Bonds	5.99%	Semi Annual	Bullet Repayment	26-Mar-18	-	-	1000.00
139	73rd "A" Tax Free Non-Cum. Bonds	6.32%	Semi Annual	Bullet Repayment	20-Dec-17	-	-	28456.00
140	43rd "OO" Taxable Non-Cum. Bonds	7.63%	Semi Annual	Bullet Repayment	29-Oct-17	-	-	3000.00
141	48th "HH" Taxable Non-Cum. Bonds	6.85%	Semi Annual	Bullet Repayment	17-Sep-17	-	-	5000.00
142	42nd "O" Taxable Non-Cum. Bonds	8.00%	Semi Annual	Bullet Repayment	29-Aug-17	-	-	1000.00
143	46th "N" Taxable Non-Cum. Bonds	6.25%	Semi Annual	Bullet Repayment	12-Aug-17	-	-	1300.00
144	49th "L" -FRB Taxable Non-Cum. Bonds	7.71%^^^	Semi Annual	Bullet Repayment	22-Jun-17	-	-	1000.00
145	54th Taxable Non-Cum. Bonds	9.81%	Semi Annual	Bullet Repayment	07-Jun-17	-	-	22000.00
146	55th "J" Taxable Non-Cum. Bonds	9.86%	Semi Annual	Bullet Repayment	07-Jun-17	-	-	3300.00

Indian Railway Finance Corporation Limited
Secured bonds from domestic capital market

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S. No.	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Bond	31 March 2019	31 March 2018	1 April 2017
147	45th "NN" Taxable Non-Cum. Bonds	6.39%	Semi Annual	Bullet Repayment	13-May-17	-	-	700.00
148	65th "H" Taxable Non-Cum. Bonds	8.20%	Semi Annual	Bullet Repayment	27-Apr-17	-	-	6000.00
149	98th Series Taxable Non-Cum Bonds	7.95%	Annual	Bullet Repayment	10-Apr-17	-	-	120000.00
	Total					**9724240.37**	**8737750.37**	**7427506.37**

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

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

^^ Applicable interest rate as on 31 March 2018, interest rate is floating linked to Indian Benchmark (INBMK) Yield and reset at half year rest. All other interest rates are fixed.

^^^ Applicable interest rate as on 1 April 2017, interest rate is floating linked to Indian Benchmark (INBMK) Yield and reset at half year rest. All other interest rates are fixed.

54 EC Bonds Secured in markets

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

S. No.	Description	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Loan	31 March 2019	31 March 2018	1 April 2017
1	54EC Bond Mar 2019 Series*	5.75%	Annual	Bullet Repayment	31-Mar-24	6,926.80	-	-
2	54EC Bond Feb 2019 Series	5.75%	Annual	Bullet Repayment	29-Feb-24	1,453.10	-	-
3	54EC Bond Jan 2019 Series	5.75%	Annual	Bullet Repayment	31-Jan-24	1,333.50	-	-
4	54 EC, Dec 2018 Bond Series	5.75%	Annual	Bullet Repayment	31-Dec-23	1,351.20	-	-
5	54 EC, Nov 2018 Bond Series	5.75%	Annual	Bullet Repayment	30-Nov-23	986.90	-	-
6	54 EC, Oct 2018 Bond Series	5.75%	Annual	Bullet Repayment	31-Oct-23	1,169.40	-	-
7	54 EC, Sep 2018 Bond Series	5.75%	Annual	Bullet Repayment	30-Sep-23	710.10	-	-
8	54 EC, Aug 2018 Bond Series	5.75%	Annual	Bullet Repayment	31-Aug-23	811.70	-	-
9	54 EC, July 2018 Bond Series	5.75%	Annual	Bullet Repayment	31-Jul-23	1,370.20	-	-
10	54 EC, June 2018 Bond Series	5.75%	Annual	Bullet Repayment	30-Jun-23	1,275.60	-	-
11	54 EC, May 2018 Bond Series	5.75%	Annual	Bullet Repayment	31-May-23	835.80	-	-
12	54 EC, Apr 2018 Bond Series	5.75%	Annual	Bullet Repayment	30-Apr-23	545.20	-	-
13	54 EC, Mar 2018 Bon Series	5.25%	Annual	Bullet Repayment	31-Mar-21	9,287.60	9,287.60	-
14	54 EC, Feb 2018 Bond Series	5.25%	Annual	Bullet Repayment	30-Apr-21	2,489.50	2,489.50	-
15	54 EC, Jan 2018 Bond Series	5.25%	Annual	Bullet Repayment	31-May-21	1,047.00	1,047.00	-
16	54 EC, Dec 2017 Bond Series	5.25%	Annual	Bullet Repayment	31-Dec-20	826.80	826.80	-
17	54 EC, Nov 2017 Bond Series	5.25%	Annual	Bullet Repayment	30-Nov-20	97.90	97.90	-
	Total					**32518.30**	**13748.80**	**-**

* Deemed Date of allotment as per resolution taken in Board Committee meeting held on 16 April 2019.

Unsecured bonds from domestic capital market

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

S. No.	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Loan	31 March 2019	31 March 2018	1 April 2017
1	125th Series Taxable Bonds	7.41% p.a.	Semi Annual	Reedemable in forty equal half yearly instalments commencing from 15 April 2028	22-Dec-47	210,000.00	210,000.00	-
2	122nd Series Taxable Bonds	6.77% p.a.	Semi Annual	Reedemable in forty equal half yearly instalments commencing from 15 April 2028	27-Jun-47	410,000.00	410,000.00	-
3	110th Series Taxable Bonds	7.80% p.a.	Semi Annual	Reedemable in forty equal half yearly instalments commencing from 15 April 2027	22-Jun-46	300,000.00	300,000.00	300,000.00
4	109th Series Taxable Bonds	8.02% p.a.	Semi Annual	Reedemable in forty equal half yearly instalments commencing from 15 April 2026	30-Mar-46	500,000.00	500,000.00	500,000.00
5	101st Series Taxable Bonds	7.87% p.a.	Semi Annual	Reedemable in forty equal half yearly instalments commencing from 15 April 2026	27-Oct-45	200,000.00	200,000.00	200,000.00
	Total					**1620000.00**	**1620000.00**	**1000000.00**

Reconciliation

Particulars	31 March 2019	31 March 2018	1 April 2017
Secured Bonds from Domestic Capital Market	9,724,240.37	8,737,750.37	7,427,506.37
54EC Bonds Secured in Market	32,518.30	13,748.80	-
Unsecured Bonds from Domestic Capital Market	1,620,000.00	1,620,000.00	1,000,000.00
Bonds in Domestic Market as per IGAAP	**11,376,758.67**	**10,371,499.17**	**8,427,506.37**
Less: Unamortised transaction cost	(11,278.40)	(12,630.09)	(13,892.59)
Bonds in Domestic Market as per Ind AS	**11,365,480.27**	**10,358,869.08**	**8,413,613.78**

Unsecured bonds from overseas capital market

The Unsecured bonds issued from overseas capital market and outstanding as on various dates is as set out below:-

S. No.	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Loan	31 March 2019	31 March 2018	1 April 2017
1	Reg-S Bonds Green Bond 1st Series (USD 500 Million)	3.835% p.a.	Semi Annual	Bullet Repayment	13-Dec-27	348,150.00	327,500.00	-
2	Reg S Bonds USD 500M-EMTN	3.73% p.a.	Semi Annual	Bullet Repayment	29-Mar-24	348,150.00	-	-
3	Reg-S Bonds 3rd Series (USD 500 Million)	3.92% p.a.	Semi Annual	Bullet Repayment	26-Feb-19	-	327,500.00	328,000.00
4	Reg-S Bonds 2nd Series (USD 300 Million)	3.42 % p.a	Semi Annual	Bullet Repayment	10-Oct-17	-	-	196,800.00
Total Overseas bonds as per IGAAP						**696,300.00**	**655,000.00**	**524,800.00**
Less: Unamortised transaction cost						(588.07)	(211.81)	(100.86)
Less: Fair value hedge adjustment- recoverable from Ministry of Railways						-	(28,991.52)	(20,570.09)
Total Overseas bonds as per IND AS						695,711.93	625,796.67	504,129.05

Commercial Paper (Unsecured)

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

S. No.	Series	Discount Rate	Date of Maturity of Loan	31 March 2019	31 March 2018	1 April 2017
1	CP Series- XIII	7.23%	25-Apr-19	300,000.00	-	-
2	CP series -X	7.40%	13-Apr-18	-	100,000.00	-
3	CP series -V	6.33%	15-Jun-17	-	-	200,000.00
4	CP series -IV	6.39%	12-Apr-17	-	-	380,000.00
Less: Unexpired discount				(1,402.33)	(241.15)	(3,280.61)
Total				**298,597.67**	**99,758.85**	**576,719.39**
Total Indian Bonds				11,365,480.27	10,358,869.08	8,413,613.78
Total Overseas Bonds				695,711.93	625,796.67	504,129.05
Commercial Paper				298,597.67	99,758.85	576,719.39
Total Debt Borrowings				**12,359,789.87**	**11,084,424.60**	**9,494,462.22**

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363

Notes to financial statements
(All amounts in lakhs of INR, unless stated otherwise)

Note 16: Borrowings (other than debt securities)

	As at 31 March 2019				As at 31 March 2018				As at 1 April 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Term loans												
Secured Loans												
(I) from banks- Indian	2779050.00	-	-	2779050.00	42000.00	-	-	420000.00	10000.00	-	-	10000.00
(II) from bank-Foreign	6254.37	-	-	6254.37	7843.56	-	-	7843.56	9819.46	-	-	9819.46
(ii)from other parties- National small saving fund	1750000.00	-	-	1750000.00	1000000.00	-	-	1000000.00	-	-	-	-
Unsecured Loans												
(I) from banks (indian)	241989.71	-	-	241989.71	396920.00	-	-	396920.00	708215.90	-	-	708215.90
(ii) from banks (foreign)	256183.52	-	-	256183.52	491364.57	-	-	491364.57	336431.04	-	-	336431.04
Deferred payment liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Loans from related parties	-	-	-	-	-	-	-	-	-	-	-	-
Finance lease obligations	-	-	-	-	-	-	-	-	-	-	-	-
Liability component of compound financial instruments	-	-	-	-	-	-	-	-	-	-	-	-
Loans repayable on demand	-	-	-	-	-	-	-	-	-	-	-	-
(i)from banks	-	-	-	-	-	-	-	-	-	-	-	-
(ii)from other parties	-	-	-	-	-	-	-	-	-	-	-	-
Other loans (specify nature)	-	-	-	-	-	-	-	-	-	-	-	-
Total (A)	**5033477.60**	-	-	**5033477.60**	**2316128.13**	-	-	**2316128.13**	**1064466.40**	-	-	**1064466.40**
Borrowings in India	4771039.71	-	-	4771039.71	1816920.00	-	-	1816920.00	718215.90	-	-	718215.90
Borrowings outside India	262437.89	-	-	262437.89	499208.13	-	-	499208.13	346250.50	-	-	346250.50
Total (B) to tally with (A)	**5033477.60**	-	-	**5033477.60**	**2316128.13**	-	-	**2316128.13**	**1064466.40**	-	-	**1064466.40**

Indian Railway Finance Corporation

Working of Secured Rupee Term Loan

Rupee Term Loans availed from banks are secured by first paripassu charge on the present/future rolling stock assets/ lease receivables of the Company. Terms of repayment of secured term loans and amount outstanding as on various dates is as set out below :-

S. No.	Series	Interest rate	Interest payment frequency	Terms of Repayment	Date of Maturity of Loan	31 March 2019	31 March 2018	1 April 2017
1	Canara Bank	8.35%	Linked to MCLR	Bullet Repayment	29-Apr-20	50,000.00	120,000.00	10,000.00
2	Punjab National Bank	8.10%	Linked to MCLR	Bullet Repayment	29-Apr-20	100,000.00		
3	Allahbad Bank	8.25%	Linked to MCLR	Bullet Repayment	28-Apr-20	130,000.00		
4	Corporation Bank	8.20%	Linked to MCLR	Bullet Repayment	26-Apr-20	115,000.00		
5	Corporation Bank	8.20%	Linked to MCLR	Bullet Repayment	19-Apr-20	75,000.00	-	-
6	State Bank of India	8.25%	Linked to MCLR	Bullet Repayment	02-Feb-20	100,000.00		
7	State Bank of India	8.25%	Linked to MCLR	Bullet Repayment	29-Jan-20	200,000.00		
8	J&K Bank	8.15%	Linked to MCLR	Bullet Repayment	01-Dec-19	50,000.00		
9	J&K Bank	8.15%	Linked to MCLR	Bullet Repayment	29-Nov-19	50,000.00	-	-
10	Bank of India	8.30%	Linked to MCLR	20 Equal Half Yearly installments of Rs.10,000 lakhs each commencing from 28 September 2019	28-Sep-19	200,000.00		
11	Andhra Bank	8.20%	Linked to MCLR	Bullet Repayment	10-Sep-19	149,050.00	-	-
12	Punjab National Bank	8.15%	Linked to MCLR	Bullet Repayment	10-Sep-19	100,000.00	-	-
13	State Bank of India	8.29%	Linked to MCLR	20 Equal Half Yearly installments Rs. 45,000 lakhs commencing from 3 July 2019	03-Jul-19	800,000.00		
14	State Bank of India	8.15%	Linked to MCLR	Bullet Repayment	22-Apr-19	280,000.00	300,000.00	-
15	Bank of India	8.15%	Linked to MCLR	19 Equal Half Yearly installments of Rs.5,000 lakhs each commencing from 15 April 2019	15-Apr-19	95,000.00	-	-
16	State Bank of India	8.35%	Linked to MCLR	19 Equal Half Yearly installments of Rs.10,000 lakhs each commencing from 15 April 2019	15-Apr-19	190,000.00	-	-
17	State Bank of India	8.35%	Linked to MCLR	19 Equal Half Yearly installments of Rs.5,000 lakhs each commencing from 15 April 2019	15-Apr-19	95,000.00		
Total						**2,779,050.00**	**420,000.00**	**10,000.00**

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

Working of Secured foreign currency term loan

Foreign Currency Loan are secured by first paripassu charge on the present/ future rolling stock assets/ lease receivables of the Company. Terms of Repayment of the foreign currency term loan and amount outstanding as on various dates is as set out below:-

S. No.	Description	Interest rate	Interest payment frequency	Date of Maturity of Loan	31 March 2019	31 March 2018	1 April 2017
1	Bank Of India	6M USD LIBOR+1.25%	Semi Annual	30-Apr-19	6,266.70	-	-
2	Bank Of India	6M USD LIBOR+1.25%	Semi Annual	30-Apr-18	-	7,860.00	-
3	Bank Of India	6M USD LIBOR+1.25%	Semi Annual	30-Apr-17	-	-	9,840.00
Total as per IGAAP					**6,266.70**	**7,860.00**	**9,840.00**
Unamortised transaction cost					(12.33)	(16.44)	(20.54)
Secured Foreign Currency Term Loan as per Ind AS					**6,254.37**	**7,843.56**	**9,819.46**

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

Working of Secured Rupee term loan from National Small Saving Fund (NSSF)

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

S. No.	Series	Interest rate (p.a.)	Interest payment frequency	Terms of Repayment	Date of Maturity of Loan	31 March 2019	31 March 2018	1 April 2017
1	National Small Saving Fund (NSSF)-II*	8.11%	Semi Annual	Bullet Repayment	07-Feb-29	750,000.00	-	-
2	National Small Saving Fund (NSSF)-I	8.01%	Semi Annual	Bullet Repayment	28-Mar-28	1,000,000.00	1,000,000.00	-
Total						**1,750,000.00**	**1,000,000.00**	**-**

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

Working of Unsecured Rupee Term Loan

Terms of repayment of the Unsecured Rupee Term Loans from banks and amount outstanding as on various dates is as set out below:-

S. No.	Description	Interest rate	Interest Type	Terms of Repayment	Date of Maturity of Loan	31 March 2019	31 March 2018	1 April 2017
1	State Bank of India	8.25%	Linked to MCLR	Bullet Repayment	12-Apr-19	91,989.71	-	-
2	Karnataka Bank	8.14%	T-bill plus spread	Bullet Repayment	12-Apr-19	25,000.00		
3	Karnataka Bank	8.19%	T-bill plus spread	Bullet Repayment	12-Apr-19	25,000.00	-	-
4	United Bank of India	8.15%	Linked to MCLR	Bullet Repayment	12-Apr-19	100,000.00	-	-
5	Allahabad Bank	8.15%	Linked to MCLR	Bullet Repayment	30-Jun-18	-	-	50,000.00
6	Allahabad Bank	7.85%	Linked to MCLR	Bullet Repayment	02-May-18	-	129,840.00	-
7	Bank of India	8.15%	Linked to MCLR	Bullet Repayment	30-Apr-18	-	-	200,000.00
8	HDFC Bank	7.85%	Linked to MCLR	Bullet Repayment	30-Apr-18	-	-	150,000.00
9	ICICI Bank	7.85%	Linked to MCLR	Bullet Repayment	30-Apr-18	-	-	250,000.00
10	J&K Bank	8.10%	Linked to MCLR	Bullet Repayment	30-Apr-18	-	-	30,000.00
11	Punjab National Bank	8.25%	Linked to MCLR	Bullet Repayment	30-Apr-18	-	-	10,000.00
12	Union Bank Of India	8.20%	Linked to MCLR	Bullet Repayment	30-Apr-18	-	-	10,000.00
13	Corporation Bank	8.25%	Linked to MCLR	Bullet Repayment	30-Apr-18	-	-	8,000.00
14	Vijaya Bank	7.90%	Linked to MCLR	Bullet Repayment	13-Apr-18	-	7,080.00	-
15	Bank of Baroda	7.85%	Linked to MCLR	Bullet Repayment	11-Apr-18	-	200,000.00	-
16	J&K Bank	7.60%	Linked to MCLR	Bullet Repayment	01-Apr-18	-	60,000.00	-
17	CTBC Bank Ltd	7.80%	Linked to MCLR	Bullet Repayment	27-Mar-18	-	-	215.90
	Total					**241,989.71**	**396,920.00**	**708,215.90**

Unsecured foreign currency term loan

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

S. No.	Description	Interest rate (p.a.)	Interest payment frequency	Terms of Repayment	Date of Maturity of Loan	31 March 2019	31 March 2018	1 April 2017
1	Syndicated Foreign Currency Loan-JPY 26231.25 Mio	6M JPY LIBOR+0.80%	Semi Annual	Bullet Repayment	28-Mar-28	166,043.81	162,397.67	-
2	Loan From AFLAC-2	2.90%	Semi Annual	Bullet Repayment	30-Mar-26	25,788.89	24,259.26	24,296.30
3	Loan From AFLAC-1	2.85%	Semi Annual	Bullet Repayment	10-Mar-26	101,587.84	95,562.31	95,708.20
4	Syndicated Foreign Currency Loan-USD 400 Mio	6M USD LIBOR +0.60%	Semi Annual	Bullet Repayment	03-Dec-18	-	262,000.00	262,400.00
5	Syndicated Foreign Currency Loan-USD 200 Mio	6M USD LIBOR+1.25%	Semi Annual	Bullet Repayment	28-Sep-16	-	-	-
Total as per IGAAP						**293,420.54**	**544,219.24**	**382,404.50**
Less: Unamortised transaction cost						(6,177.48)	(6,888.30)	(931.40)
Less: Fair value hedge adjustment- recoverable from Ministry of Railways						(31,059.54)	(45,966.37)	(45,042.06)
Unsecured Foreign Currency Term Loan as per Ind AS						**256,183.52**	**491,364.57**	**336,431.04**

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363

Notes to financial statements
(All amounts in lakhs of INR, unless stated otherwise)

Note 17 : Other financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Interest accrued but not due	729180.35	565671.92	387176.37
Unclaimed matured debentures and interest accrued there on	809.06	581.62	657.36
Earnest money deposit	3.40	3.30	0.05
Total	**729992.81**	**566256.84**	**387833.78**

Note 18 : Provisions

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Provision for employee benefits	193.62	166.07	130.92
Provision for corporate social responsibility	789.35	789.35	789.35
Provision on interest payable on income tax	196.56	128.20	15.45
Total	**1179.53**	**1083.62**	**935.72**
Provision on asset as per Reserve Bank of India norms presented as a reduction being impairment loss allowance from	2754.43		
- Note 7 - Loans	2367.67	-	-
- Note 9 - Other financial assets	386.76	-	-
Total	**2754.43**	**-**	**-**

Note 19 : Deferred tax liabilities (net)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Deferred tax liability (net) (Refer Note No. 2.7)	644314.03	644314.03	644314.03
Total	**644314.03**	**644314.03**	**644314.03**

Note 20 : Other non-financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Statutory dues	10.49	64775.93	1.56
Tax deducted at source payable	471.01	1151.38	1067.32
Total	**481.50**	**65927.31**	**1068.88**

Notes to financial statements

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

Note 21: Share capital

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Authorised share capital			
'No. of shares (in lakhs)	150000	150000	1500
'Par value per share (Rs.)	10.00	10.00*	1000.00
Amount	**1500000.00**	**1500000.00**	**1500000.00**

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

Issued, subscribed and fully paid-up			
No. of Shares	6526460000	65264600	65264600
Issued during the year	2854000000	-	-
Total no of shares	9380460000	65264600	65264600
'Par value per share (Rs.)	10.00	10.00	1000.00
Amount (in lakhs)	**938046.00**	**652646.00**	**652646.00**
On sub-division of face value from Rs 1000 to Rs 10 each in Annual General Meeting held on 12 September 2017-No of shares	-	6526460000	-
'Par value per share (Rs.)	-	10.00	-
Amount (in lakhs)	**-**	**652646.00**	**-**
Total	**938046.00**	**652646.00**	**652646.00**

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

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Number of shares*	Amount (in lakhs)	Number of shares*	Amount (in lakhs)	Number of shares*	Amount (in lakhs)
Shares outstanding at the beginning of the year	6526460000	652646.00	6526460000	652646.00	65264600	652646.00
Shares issued during the year	2854000000	285400.00	-	-	-	-
Shares outstanding at the end of the year	**9380460000**	**938046.00**	6526460000	652646.00	65264600	652646.00

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

(ii) The Company has only one class of shares referred to as Equity Share having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share.

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

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Number of shares	% Holding	Number of shares	% Holding	Number of shares	% Holding
The President of India and his nominees (through Ministry of Railways)	9,380,460,000	100%	6,526,460,000	100%	65,264,600	100%

Notes to financial statements

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

Note 22 : Other Equity

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Security premium reserve	-	-	-
Bond redemption reserve	571455.92	529474.92	487493.92
General reserve	303273.59	173978.97	60398.70
Retained earnings	-	36125.80	14320.28
Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	45094.97	-	-
Equity instruments through other comprehensive income	680.80	642.93	569.57
Total	**920505.28**	**740222.62**	**562782.47**

Note 22.1: Securities premium reserve

The Company had as on 1 April 2017 (as per earlier GAAP), Rs. 421.09 lakh being premium on issue of certain debt securities which has been considered in determination of effective interest cost of these bonds as per Ind AS 109 "Financial Instruments".

Note 22.2: Bond redemption reserve

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Balance at the beginning of year	529474.92	487493.92	487493.92
Addition during the year	41981.00	41981.00	-
Balance at the end of year	**571455.92**	**529474.92**	**487493.92**

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 Feb, 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 is required to transfer 50% of the value of the bonds raised through public issue during FY 2011-12 and 25% of the value of Bonds raised through Public Issue during 2012-13, FY 2013-14 and FY 2015-16 to Bond Redemption Reserve by the redemption dates of such Bonds. The Company has raised Rs. 24,88,167.37 Lakhs 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 has transferred an amount of Rs. 41,981 lakhs to the Bond Redemption Reserve during FY 2018-19.

Note 22.3: General reserve

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Balance at the beginning of year	173978.97	60398.70	60398.70
Addition during the year	129294.62	113580.27	-
Balance at the end of year	**303273.59**	**173978.97**	**60398.70**

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

Notes to financial statements

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

Note 22.4: Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Balance at the beginning of year	-	-	-
Addition during the year	45094.97	-	-
Balance at the end of year	**45094.97**	**-**	**-**

Note 22.5: Retained earnings

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Balance at the beginning of year	36125.80	14320.28	14320.28
Profit for the year	225453.63	205473.26	-
Transfer to bond redemption reserve	(41981.00)	(41981.00)	-
Transfer to general reserve	(129294.62)	(113580.27)	-
Transfer to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934	(45094.97)	-	-
Dividend	(37500.00)	(23352.46)	-
Dividend tax	(7708.84)	(4754.01)	-
Balance at the end of year	**-**	**36125.80**	**14320.28**

The Board of Directors of the Company have proposed a final dividend of Rs. 20,000.00 lakhs(Previous year Rs. 17,500.00 lakhs) subject to Corporate Dividend Tax in the board meeting held on 5 September 2019 (Previous year 10 September 2018) subject to approval of shareholders in the forthcoming Annual General Meeting

Note 22.6: Equity instruments through other comprehensive income

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Balance at the beginning of year	642.93	569.57	-
Total comprehensive income for the year	37.87	73.36	569.57
Balance at the end of year	**680.80**	**642.93**	**569.57**

Notes to financial statements

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

Note 23 : Interest income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
On financial assets measured at amortised cost :		
- Interest on loans	52510.54	23432.76
- Interest income from deposits	2025.52	1392.07
- Interest income from investments	66.65	81.48
- Pre commencement lease - Interest Income	117577.15	73914.62
Total	**172179.86**	**98820.93**

Note 24 : Lease income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Lease income	941000.91	827844.84
Total	**941000.91**	**827844.84**

Note 25 : Other income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit on sale of fixed assets	0.11	-
Miscellaneous income	127.24	123.68
Total	**127.35**	**123.68**

Note 26: Finance cost

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest on debt securities	855146.05	761571.16
Interest on borrowings	192763.31	26397.62
Discount on commercial paper	12372.54	20201.18
Interest on delayed payments to Ministry of Railways	29934.94	7869.89
Interest to Income Tax Authorities	196.56	128.22
Other borrowing cost	1142.94	1327.00
Sub-Total	**1091556.34**	**817495.07**
Less: Borrowing costs capitalized on Railway Infrastructure Assets	273250.26	153737.80
Total	**818306.08**	**663757.27**

Notes to financial statements

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

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

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Loans & Interest accrued thereon	2,754.43	-
Total	**2,754.43**	**-**

* 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 Recogonition 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 impairement requirements to its exposure with MOR. The computation of impairment is as under:

Loan to IRCON International Limited	3,07,653.38
Loan to Rail Vikas Nigam Limited	2,84,263.00
Interest accrued on above	96,691.13
Total	6,88,607.51
Provision @ 0.4%	**2,754.43**

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

Notes to financial statements

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

Note 28 : Employee benefit expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries and wages	547.75	442.39
Contribution to provident and others funds	73.21	106.70
Staff welfare expenses	4.09	3.53
Total	**625.05**	**552.62**

Note 29: Depreciation, amortisation and impairment

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of property, plant and equipment	40.88	34.68
Amortisation of intangible assets	0.91	0.72
Total	**41.79**	**35.40**

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363

Notes to financial statement
(All amounts in lakhs of INR, unless stated otherwise)

Note 30 : Other expenses

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Bank charges	3.69	1.76
Fee & subscription	20.10	23.57
Filing fees	0.17	0.46
Travelling	48.63	49.17
Conveyance	7.42	7.07
Ground rent	1.35	1.29
Printing & stationery	17.68	16.51
Postage, telegram & telephone	2.86	2.94
Transport hire charges	27.05	37.15
Insurance	0.19	0.25
Manpower Services	94.92	74.62
Vehicle expenses	0.90	2.09
Legal & professional charge	83.15	349.69
Loss on sale of fixed assets	1.59	0.65
Payment to auditors (refer note (I) below)	47.93	20.59
Property tax	2.77	2.62
Office maintenance charges	37.25	42.07
Office equipment maintenance	25.42	24.95
Advertisement & publicity	54.73	37.54
Sponsorship/Donation	6.18	31.29
Newspaper, books and periodicals	2.29	1.53
Electricity charges	21.85	23.78
Exchange rate variation	2.35	16.62
Miscellaneous expenses	115.44	97.58
Corporate social responsibility expenses (refer note 49)	847.76	2377.97
Total	**1473.67**	**3243.76**
(I) Payment to the Auditors (Comprises net of service tax input credit, where applicable)		
(a) Annual Audit fees	10.00	7.50
(b) Nine months Audit fees	7.50	-
(c) Tax audit fees	3.25	2.49
(d) Quarterly Review fees	6.92	6.29
(e) Certification fees	18.76	4.31
(f) GST Audit Fees	1.50	-
Total	**47.93**	**20.59**

Notes to financial statements

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

Note 31: Income taxes

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Income taxes recognised in profit and loss		
Current tax		
In respect of the current year	64692.39	54340.47
Adjustments for prior periods	(8.78)	(557.84)
	64683.61	**53782.63**
Deferred tax		
In respect of the current year	-	-
	64683.61	**53782.63**
Total income tax expense recognised in the current year	**64683.61**	**53782.63**

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

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit before tax	290158.48	259249.06
Tax rate	34.944%	34.608%
Tax thereon	101392.98	89720.91
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'	(101392.98)	(89720.91)
Minimum alternate tax on book profits as per section 115JB(1) of Income Tax Act, 1961 (see note 1 below)	63147.77	54342.32
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)	1538.78	-
Tax on items recogonised in other comprehensive income	5.84	(1.85)
Tax on adjustment for earlier years on finalization of assesments by the assessing authorities	(8.78)	(557.84)
Total tax expense	**64683.61**	**53782.63**

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363

Notes to financial statements
(All amounts in lakhs of INR, unless stated otherwise)

Note -1

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit for the period as per Ind AS	**290158.48**	**259249.06**
Less: Ind AS adjustments	27.08	4733.91
Total (A)	**290131.40**	**254515.15**
Add:-		
Expenses u/s 14A of Income Tax Act	2.00	2.00
Interest u/s 234 B & C	196.56	-
Provision for post retirement employee benefits	12.40	34.27
Standard asset provision	2754.43	-
Interest payable to tax authority	-	128.21
Total (B)	2965.39	164.48
Total (A+B)	**293096.79**	**254679.63**
Less:-		
Dividend income	51.38	48.66
Total (c)	51.38	48.66
Book Profit((A+B)-C)	**293045.41**	**254630.97**
Tax rate	**21.5488%**	**21.3416%**
Tax thereon	**63147.77**	**54342.32**

Note -2

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Other equity as per Ind AS on date of conversion i.e, 01 April 2018	740222.62	-
Adjustment on account of fair value change in the value of investments measured at FVTOCI	642.93	-
Total	**739579.70**	**-**
Other equity as per AS on date of conversion i.e, 01 April 2018	703874.98	-
Difference	**35704.72**	-
Tax rate	**21.5488%**	**21.3416%**
Tax thereon	7693.94	-
Proportionate amount for the year ended 31 March 2019	**1538.78**	-

Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Remeasurements of defined benefit obligation	5.84	(1.85)
Total income tax recognised in other comprehensive income	**5.84**	**(1.85)**

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363

Notes to financial statements
(All amounts in lakhs of INR, unless stated otherwise)

Note 32: Earning per share

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Net Profit	225474.87	205466.43
Weighted average number of equity shares outstanding		
Opening balance at the beginning of the year	6,526,460,000	6,526,460,000
Issued during the year	46,915,068	-
Brought back during the year	-	-
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 year	6,573,375,068	6,526,460,000
Earning per share- Basic [Face value of Rs. 10/- per share]	3.43	3.15
Earning per share- Diluted [Face value of Rs. 10/- per share]	3.43	3.15

Notes to financial statements

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

Note 33: Leases

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

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

Reconciliation of the lease receivable amount on the gross value of leased assets worth Rs. 1,90,26,667.44 lakhs (31 March 2018: Rs. 1,66,21,159.00 lakhs, 1 April 2017: Rs. 1,47,54,173.00 lakhs) owned by the Company and leased to the Ministry of Railways(MoR) is as under:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Gross value of assets acquired & leased upto the end of previous financial year	16621159.00	14754173.00	13326089.00
Less: Capital recovery provided upto last Year	(5673993.36)	(4933554.04)	(4276755.00)
Capital recovery outstanding on leased assets as at the end of last year	**10947165.64**	**9820618.96**	**9049334.00**
Add: Gross value of assets acquired and leased during the period	2405508.44	1866986.00	1428084.00
	13352674.08	**11687604.96**	**10477418.00**
Less: Capital recovery for the period	(850022.91)	(740439.32)	(656799.04)
Net investment in Lease Receivables	**12502651.17**	**10947165.64**	**9820618.96**

The value of contractual maturity of leases as per Ind AS–17 is as under:-

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Gross investment in lease	18425690.07	16093270.00	14548332.00
Unearned finance income	5923038.90	5146104.36	4727713.04
Present value of minimum lease payment (MLP)	12502651.17	10947165.64	9820618.96

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 2019	As at 31 March 2018	As at 1 April 2017
Not later than one year	1902280.15	1658213.00	1477428.00
Later than one year and not later than five years	7156881.84	6259588.00	5588036.00
Later than five years	9366528.08	8175469.00	7482868.00
Total	**18425690.07**	**16093270.00**	**14548332.00**

Notes to financial statements

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

Present value of MLP

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Not later than one year	951043.96	823685.00	712419.00
Later than one year and not later than five years	4197425.06	3654790.00	3184071.00
Later than five years	7354182.15	6468690.64	5924128.96
Total	**12502651.17**	**10947165.64**	**9820618.96**

Unearned Finance Income & Unguaranteed Residual Income

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Unearned finance income	5923038.90	5146104.36	4727713.04
Unguaranteed residual income	NIL	NIL	NIL

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

Notes to financial statements

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

Note 34: Contingent liabilities and Commitments

Contigent liabilities

a.

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Claims against the Company not acknowledged as debt – Claims by bondholders in the consumer / civil courts	42.71	8.69	8.72

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

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

d. Directorate General of GST Intelligence (DGGI), Chennai, Zonal Unit has served a show cause notice dated 16 April 2019 on the Company alleging contravention of provisions of Section 67, 68 and 70 of the Finance Act, 1994 by the Company and as to why service tax of Rs. 2,65,376.54 Lakhs along with interest and penalty be not demanded from the Company.

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

e. (i) The Income Tax assessments of the Company have been completed up to the Assessment Year 2015-16. The disputed demand of tax including interest thereon amount to Rs. 94.79 Lakhs . The Company has already filed appeals against the said tax demands and the same are pending at various appellate levels. Based on decisions of the Appellate authorities in other similar matters and interpretation of relevant provisions, the Company is confident that the demands will be either deleted or substantially reduced and accordingly no provision is considered necessary.

e. (ii) During the year 2015-16, the Income Tax Department had raised demand of Rs. 39,949.01 lakhs u/s 201(1) of the Income Tax Act, 1961 towards non-deduction of tax at source and interest theron for the Assessment Years 2011-12, 2012-13 and 2013-14. The Company filed appeals against the said assessment orders before the CIT (Appeals) on 28 April 2016. Further, rectification applications u/s 154 were also filed on 20 May 2016. As per the Appellate Order dated 25 January 2017 for the Assessment Year 2011-12, the Order passed by the Assessing Officer raising demand of Rs. 24,516.56 lakhs has been set aside. The remaining demand for Rs. 1,54,432.45 Lakhs has also been set aside vide order dated 28th December 2018 & 31st December, 2018.

Note 35: Expenditure in Foreign Currency

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
a) Interest/Swap Cost on foreign currency borrowings	46412.04	32325.68	37644.50
b) Processing agent/ fiscal Agent/ admin fees	85.54	28.98	17.73
c) Underwriting/ arranger fees	-	4862.14	-
d) International credit rating agencies fees	113.79	289.00	110.51
e) Others	44.64	146.73	19.28
Total	**46656.01**	**37652.53**	**37792.02**

Notes to financial statements

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

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 is domiciled in India, the Company's country of domicile.

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

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

Particulars	As at 31 March 2019	As at 31 March 2018
Revenue from MOR & entities under the control of MOR		
- Lease Income	941000.91	827844.84
- Interest Income	52510.54	23432.76
- Pre Commencement lease interest income	117577.15	73914.62
Total	**1111088.60**	**925192.22**

Notes to financial statements

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

Note 37: Employee benefits

37.1

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Contribution to provident fund	24.15	25.01	16.54
Contribution to gratuity	6.58	21.30	4.99
Contribution to leave enchasement	30.08	26.11	14.61
Contribution to post retirement medical and pension	12.40	34.28	10.15

37.2 The Company operates a funded gratuity benefit plan.

(A) Actuarial Assumptions

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Economic Assumptions			
Discount rate	7.50% p.a	7.60% p.a	7.15% p.a
Salary escalation	6.00% p.a	6.00% p.a	6.00% p.a
Demographic Assumptions			
Retirement age	60	60	60
Attrition rate	0.00%	0.00%	0.00%
Mortality table used	100% of IALM (2006-08)	100% of IALM (2006-08)	100% of IALM (2006-08)

Notes:

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

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

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Present value of obligation as at the beginning of the year	76.45	59.00	67.65
Acquisition adjustment out	-	-	-
Interest cost	5.79	4.20	4.51
Past service cost	-	17.27	-
Current service cost	6.50	4.56	4.51
Benefit paid	(20.00)	-	(10.00)
Actuarial (gain)/loss on obligations due to change in financial assumptions	0.71	(2.75)	2.38
Actuarial (gain)/loss on obligations- due to experience	26.28	(5.83)	(10.00)
Liability at the end of the year	**95.73**	**76.45**	**59.05**

Notes to financial statements

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

(C) Movements in the fair value of plan assets

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Fair value of plan assets at the beginning of the year	72.15	64.11	59.22
Contribution from the employer	-	3.21	-
Interest income	5.71	4.73	4.03
Return on plan assets excluding amounts included in interest income	(0.10)	0.10	0.86
Benefits paid	-	-	-
Reimbursement paid by the insurer	-	-	-
Actuarial gain/(loss) for the year on asset	-	-	-
Fair value of the plan assets for the period ending	**77.76**	**72.15**	**64.11**

(D) Amount recognised in the Balance Sheet

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Present value of funded obligation at the end of the year	95.73	76.45	59.05
Fair value of plan assets at the end of the year	77.76	72.15	64.11
Net liability recognised in the Balance Sheet	**17.97**	**4.30**	**(5.06)**

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

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Current service cost	6.50	4.56	4.51
Past service cost	-	17.27	-
Net interest cost (Income)	0.08	(0.53)	0.48
Expected return on plan assets	-	-	-
Expense recognised in the Statement of Profit and Loss	**6.58**	**21.30**	**4.99**

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

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Net cumulative unrecognised actuarial gain/(loss) opening			
Actuarial (gain) / loss for the year on PBO	26.99	(8.58)	(7.67)
Actuarial (gain) / loss for the year on Asset	0.09	(0.10)	(0.86)
Unrecognised actuarial gain / (loss) for the period ending	**27.08**	**(8.68)**	**(8.53)**

Notes to financial statements

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

(G) Composition of the plan assets:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Policy of insurance	100%	100%	100%

(H) Change in Net benefit obligations

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Net defined benefit liability at the start of the year	4.31	(5.11)	8.43
Acquisition adjustment	-	-	-
Total service cost	6.58	21.83	4.51
Net interest cost (income)	-	(0.53)	0.48
Re-measurements	27.08	(8.68)	(8.53)
Reimbursement paid by the insurer	-	-	-
Contribution paid to the fund	-	(3.21)	-
Benefit paid directly by the enterprise	(20.00)	-	(10.00)
Net defined benefit liability for the period ending	**17.97**	**4.30**	**(5.11)**

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

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Current liability (Amount due within one year)	8.25	4.12	(4.56)
Non-Current liability (Amount due over one year)	9.72	0.18	(0.55)
Total PBO at the end of year	**17.97**	**4.30**	**(5.11)**

(J) Bifurcation of defined benefit obligation

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Vested	88.29	74.63	58.62
Non- Vested	7.44	1.82	0.382
	95.73	**76.45**	**59.00**

Notes to financial statements

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

(K) Sensitivity analysis of the defined benefit obligation

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

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
a) Impact of the change in discount rate			
-Impact due to increase of 0.50 %	92.28	73.56	56.83
-Impact due to decrease of 0.50 %	99.38	79.52	61.29
b) Impact of the change in salary increase			
-Impact due to increase of 0.50 %	97.29	78.78	59.61
-Impact due to decrease of 0.50 %	92.66	74.17	58.64

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

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

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

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Expected contribution of the next year	8.25	4.12	4.63

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

Actuarial Risk	It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons: **Adverse Salary Growth Experience:** Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected. **Variability in mortality rates:** If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate. **Variability in withdrawal rates:** If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Notes to financial statements

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

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

Investment Risk	For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
Liquidity Risk	Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cash flows.
Market Risk	Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
Legislative Risk	Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

37.3 Actuarial Assumptions for unfunded Post Retirement Medical Benefits:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Compensated absences			
Discount rate	7.50% p.a	7.60% p.a	7.15% p.a
Future salary increase	N/A	N/A	N/A
Medical inflation Rate	8.90%p.a	8.90%p.a	8.90%p.a
Retirement age	60 years	60 years	60 years
Mortality table	100% of IALM (2006-08)	100% of IALM (2006-08)	100% of IALM (2006-08)

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

Actuarial Risk	It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons: **Adverse Salary Growth Experience:** Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected. **Variability in morbidity rates:** If actual morbidity rates are higher than assumed morbidity rate assumption than the Post Retirement Medical Benefits will be paid earlier than expected. **Variability in withdrawal rates:** If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Post Retirement Medical Benefits will not be paid earlier than expected. This will lead to an actuarial gain in the year of such experience.

Notes to financial statements

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

Investment Risk	For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
Liquidity Risk	Employees with high treatment costs and long durations of treatments, accumulate significant level of benefits. Such benefits can lead to strain on the cash flows.
Market Risk	Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Notes to financial statements

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

37.4 The Company operates a funded leave benefit plan.

(A) Actuarial Assumptions

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Economic Assumptions			
Discount rate	7.50% p.a	7.60% p.a	7.15% p.a
Salary escalation	6.00% p.a	6.00% p.a	6.00% p.a
Demographic Assumptions			
Retirement age	60 Years	60 Years	60 Years
Attrition rate	0.00% p.a.	0.00% p.a.	0.00% p.a.
Mortality table used	100% of IALM (2006-08)	100% of IALM (2006-08)	100% of IALM (2006-08)
Leave Availment and Encashment Rate			
Leave Availment Rate	10% p.a.	10% p.a.	10% p.a.
Encashment in service	0.00% p.a.	0.00% p.a.	0.00% p.a.

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

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Present value of obligation as at the beginning of the year	91.71	71.60	82.54
Acquisition adjustment out	-	-	-
Interest cost	6.97	5.12	6.36
Past service cost	-	13.77	-
Current service cost	11.21	14.73	13.93
Benefit paid	(27.50)	(9.66)	(28.15)
Actuarial (gain)/loss on obligations- due to change in financial assumptions	0.44	(1.91)	1.32
Actuarial (gain)/loss on obligations- due to experience	15.75	(1.94)	(4.40)
Liability at the end of the year	**98.58**	**91.71**	**71.60**

(C) Movements in the fair value of plan assets

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Fair value of plan assets at the beginning of the year	57.62	34.08	31.48
Contribution from the employer	-	19.88	-
Interest income	4.81	2.96	2.96
Return on plan assets excluding amounts included in interest	(0.52)	0.70	(0.36)
Benefits paid	-	-	-
Actuarial gain/(loss) for the year on asset	-	-	-
Fair value of the plan assets at the end of the year	**61.91**	**57.62**	**34.08**

Notes to financial statements

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

(D) Amount recognised in the Balance Sheet

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Present value of funded obligation at the end of the year	98.58	91.71	71.60
Fair value of plan assets at the end of the year	61.91	57.62	34.08
Net liability recognised in the Balance Sheet	**36.67**	**34.09**	**37.52**

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

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Current service cost	11.21	14.73	13.93
Past service cost	-	13.77	-
Net interest cost (Income)	2.16	2.16	3.40
Net value of re measurements on the obligation and planned assets	16.71	(4.55)	(2.72)
Expense recognised in the Statement of Profit and Loss	**30.08**	**26.11**	**14.61**

(F) Components of actuarial gain/loss on obligation

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Due to change in financial assumptions	0.44	(1.91)	1.32
Due to change in demographic assumption	-	-	-
Due to experience adjustments	15.75	(1.94)	(4.40)
Return on plan assets excluding amounts included in interest income	0.52	(0.70)	0.36
Expense recognised in the Statement of Profit and Loss	**16.71**	**(4.55)**	**(2.72)**

(G) Composition of the plan assets:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Policy of insurance	100%	100%	100%

Notes to financial statements

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

(H) Change in Net benefit obligations

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Net defined benefit liability at the start of the year	34.09	37.52	51.06
Acquisition adjustment	-	-	-
Total service cost	11.21	28.50	13.93
Net interest cost (Income)	2.16	2.16	3.40
Re-measurements	16.71	(4.55)	(2.72)
Contribution paid to the fund	-	(19.88)	-
Benefit paid directly by the enterprise	(27.50)	(9.66)	(28.15)
Net defined benefit liability at the end of the year	**36.67**	**34.09**	**37.52**

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

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Current liability (Amount due within one year)	12.19	11.21	14.73
Non-Current liability (Amount due over one year)	24.48	22.88	22.79
Total PBO at the end of year	**36.67**	**34.09**	**37.52**

(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 2019	As at 31 March 2018	As at 1 April 2017
a) Impact of the change in discount rate			
-Impact due to increase of 0.50 %	96.40	89.68	70.45
-Impact due to decrease of 0.50 %	100.86	93.84	73.83
b) Impact of the change in salary increase			
-Impact due to increase of 0.50 %	100.89	93.86	73.84
-Impact due to decrease of 0.50 %	96.36	89.64	70.42

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

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

Notes to financial statements

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

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

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

Notes to financial statements

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

Note 38: Financial Instruments

38.1: Capital management

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

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

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

38.1.1 Gearing ratio

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

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Debt (See note 'I' below)	17393267.47	13400552.73	10558928.62
Cash and cash equivalents	370.76	112.88	94.39
Net debt	17392896.71	13400439.85	10558834.23
Total equity	1858551.28	1392868.62	1215428.47
Net debt to equity ratio (in times)	**9.36**	**9.62**	**8.69**

38.1.2 Net Worth

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Total Assets	20660360.96	16146832.56	12874472.34
Total Liabilities	18801809.68	14753963.94	11659043.87
Net Worth	**1858551.28**	**1392868.62**	**1215428.47**

38.1.3 Debt Equity Ratio

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Debt	17393267.47	13400552.73	10558928.62
Equity	1858551.28	1392868.62	1215428.47
	9.36	**9.62**	**8.69**

Note:

I) Debt computed as under:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Debt Securities (Note 15)	12359789.87	11084424.60	9494462.22
Borrowing(other than debt securities) (Note 16)	5033477.60	2316128.13	1064466.40
Total Debt	**17393267.47**	**13400552.73**	**10558928.62**

Notes to financial statements

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

38.2 Financial Instruments - Accounting classification and fair value measurement

38.2.1 Categories of financial instruments

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Financial assets			
Measured at amortised cost			
Cash and cash equivalents	370.76	112.88	94.39
Bank balance other than above	7735.86	9869.22	657.36
Investments (Pass through certificates)	332.95	454.15	586.94
Loans	589548.71	523795.50	216403.00
Other financial assets	7403072.67	4510759.95	2825807.17
Receivables (Lease Receivables)	12502651.17	10947165.64	9820618.96
Measured at fair value through Profit and Loss			
Derivative financial instruments	4669.03	9684.72	6857.84
Measured at fair value through Other Comprehensive Income			
Investments (IRCON)	981.49	943.62	870.26
Financial liabilities			
Measured at amortised cost			
Payables			
(I) Trade payables			
(I) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
(II) Other payables			
(I) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1217.91	871.52	350.70
Debt securities	12359789.87	11084424.60	9494462.22
Borrowings (Other than debt securities)	5033477.60	2316128.13	1064466.40
Other financial liabilities (Interest accured but not due, amount payable to MoR etc.)	729992.81	566256.84	387833.78
Measured at fair value through Profit and Loss			
Derivative financial instruments	31059.54	74957.89	65612.14

Notes to financial statements
(All amounts in lakhs of INR, unless stated otherwise)

38.2.2: Fair value measurements

Fair value hierarchy :

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

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

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

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

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

Particulars	As at 31 March 2019	Fair Value measurement at end of the reporting period/ year using		
		Level 1	Level 2	Level 3
Investment in IRCON International Limited	981.49	981.49	-	-

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

Particulars	As at 31 March 2018	Fair Value measurement at end of the reporting period/ year using		
		Level 1	Level 2	Level 3
Investment in IRCON International Limited	943.62	-	-	943.62

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 1 April 2017:

Particulars	As at 01 April 2017	Fair Value measurement at end of the reporting period/ year using		
		Level 1	Level 2	Level 3
Investment in IRCON International Limited	870.26	-	-	870.26

Valuation technique used to determine fair value

The Company maintains policies and procedures to value financials 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 2019 has been measured as per the quoted on National Stock Exchange (Level 1 Input). The fair market value in earlier year has been determined on the basis of book value computed as per the preceding year's annual financial statement of IRCON International Limited as available with the Company (Level 3 Input).

Dividend received

Particulars	As at 31 March 2019	As at 31 March 2018
Dividend received (IRCON International Limited)	51.38	48.66

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

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

Notes to financial statements
(All amounts in lakhs of INR, unless stated otherwise)

38.3 Financial risk management

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

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

38.4: Market risk

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

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

38.5: Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01April 2017	As at 31 March 2019	As at 31 March 2018	As at 01April 2017
Secured foreign currency term loan	6254.37	7843.56	9819.46	-	-	-
Unsecured bonds from overseas capital market	695711.93	625796.67	504129.05	-	-	-
Unsecured foreign currency term loans	256183.52	491364.57	336431.04	-	-	-
Total	**958149.82**	**1125004.80**	**850379.55**	**-**	**-**	**-**

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 2019		As at 31 March 2018		As at 1 April 2017	
	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)	95814.98	(95814.98)	112500.48	(112500.48)	85037.95	(85037.95)

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.

Notes to financial statements

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

38.6: Interest rate risk management

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

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

Interest rate sensitivity analysis

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

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

I) Profit for the year ended 31 March 2019 would decrease/increase by Rs. 58,610.52 lakhs (31 March 2018: decrease/increase Rs. 51,447.15 lakhs). This is mainly attributable to the Company’s exposure to interest rates on its variable rate debt securities;

ii) Profit for the year ended 31 March 2019 would decrease/increase by Rs. 18,374.01 lakhs (31 March 2018: decrease/increase Rs. 8,451.49 lakhs). This is mainly attributable to the Company’s exposure to interest rates on its variable rate borrowings.

38.7: Other price risks

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

38.8: Credit risk management

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

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

(I) Actual or expected significant adverse change in business.

(ii) Actual or expected significant changes in the operating results of the counterparty.

(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation.

(iv) Significant increase in credit risk and other financial instruments of the same counterparty.

(v) Significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements.

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

The Company's major exposure is from lease receivables from Ministry of Railways, Government of India and loans to Rail Vikas Nigam Limited and IRCON International Limited which are under the control of Ministry of Railways. There is no credit risk on lease receivables being due from sovereign. With respect to loan given to Rail Vikas Nigam Limited and IRCON International Limited, the company consider the Reserve Bank of India directions in terms of its circular no. RBI/2017-18/181_DNBR (PD) CC. No. 092/03.10.001/2017-18

dated 31-May-2018 read with letter no. DNRB (PD). CO.No.1271/03.10.001/2018-19 dated 21-December-2018, to be adequate compliance with the impairment norms as per Ind AS 109, Financial Instruments, as IRCON International Limited and Rail Vikas Nigam Limited, both, are under Ministry of Railways, Government of India and the Company do not expect any concern in the repayment of aforesaid loans.

38.9: Liquidity risk management

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

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

Liquidity and interest risk tables

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

Particulars	0-1 year	1-3 years	3-5 years	5+ years	Total	Recognition of borrowings at amortised cost using effective interest rate method	Fair value hedge adjustment-recoverable from Ministry of Railways	Carrying Amount (Balance Sheet amount as per IND AS
31 March 2019								
Trade Payables-Other Payables	1217.91	-	-	-	1217.91	-	-	1217.91
Other Financial Liabilities								
-Interest accrued but not due	392661.75	264973.93	71544.67	-	729180.35	-	-	729180.35
-Unclaimed mature debentures and interest accrued thereon	809.06				809.06			809.06
-Amount Payable to MOR	-	-	-	-	-	-	-	-
-Earnest Money Deposit	3.40	-	-	-	3.40	-	-	3.40
Debt Securities								
-Bonds in Domestic Market	761521.00	1891724.00	1611671.00	7111842.67	11376758.67	(11278.40)	-	11365480.27
-Commercial Paper	298597.67	-	-	-	298597.67	-	-	298597.67
-Bonds in Overseas Market	-	-	348150.00	348150.00	696300.00	(588.07)	-	695711.93
Borrowing (Other than Debt Securities)								
Borrowings in India	1321040.00	770000.00	280000.00	2400000.00	4771040.00	-	-	4771040.00
Borrowings outside India	2088.90	4177.80	-	293420.54	299687.24	(6189.81)	(31059.54)	262437.89

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363

Notes to financial statements
(All amounts in lakhs 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)
31 March 2018								
Trade Payables-Other Payables	871.52				871.52	-	-	871.52
Other Financial Liabilities								-
-Interest accrued but not due	384228	-	-	181443.47	565671.92	-	-	565671.92
-Unclaimed mature debentures and interest accrued thereon	581.62	-	-	-	581.62	-	-	581.62
-Amount Payable to MOR		-	-	-	-	-	-	-
-Earnest Money Deposit	3.30	-	-	-	3.30	-	-	3.30
Debt Securities								-
-Bonds in Domestic Market	921700.00	1501660.81	2046038.85	5902099.52	10371499.17	(12630.09)	-	10358869.08
-Commercial Paper	99758.85	-	-	-	99758.85		-	99758.85
-Bonds in Overseas Market	327500.00		-	327500.00	655000.00	(211.82)	(28991.52)	625796.67
Borrowing (Other than Debt Securities)								
Borrowings in India	396920.00	420000.00	-	1000000.00	1816920.00	-	-	1816920.00
Borrowings outside India	263965.00	3930.00	1965.00	282219.24	552079.24	(6904.74)	(45966.37)	499208.13
1 April 2017								
Trade Payables-Other Payables	350.7				350.71	-	-	350.70
Other Financial Liabilities								-
-Interest accrued but not due	304299.37	-	-	82877.00	387176.37	-	-	387176.37
-Unclaimed mature debentures and interest accrued thereon	657.36	-	-	-	657.36	-	-	657.36
-Amount Payable to MOR		-	-	-	-	-	-	-
-Earnest Money Deposit	0.05	-	-	-	0.05	-	-	0.05
Debt Securities								-
-Bonds in Domestic Market	192756.00	1403221.00	1587974.81	5243554.56	8427506.37	(13892.59)	-	8413613.78
-Commercial Paper	576719.39	-	-	-	576719.39		-	576719.39
-Bonds in Overseas Market	196800.00		-	328000.00	524800.00	(100.86)	(20570.09)	504129.05
Borrowing (Other than Debt Securities)								
Borrowings in India	718215.90	-	-	-	718215.90	-	-	718215.90
Borrowings outside India	1968.00	266336.00	3936.00	120004.50	392244.50	(951.95)	(45042.05)	346250.50

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 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					
	No. of Outstanding Contracts	Amount				USD
Forward Contract						
1. Sell	-	-	-	-	-	-
2. Buy	-	-	-	-	-	-
Swap Contracts						
1. Buy	2	2917.93	20802.77	10-03-2026	1:1	N/A
2. Buy	2	740.74	5587.74	30-03-2026	1:1	N/A

As on 31 March 2018

Types of hedge and risks	Nominal value (Foreign Currency)		Carrying amount of hedging instruments	Maturity date	Hedge ratio	Weighted average strike price/rate
	USD					
	No. of Outstanding Contracts	Amount				USD
Forward Contract						
1. Sell						
2. Buy	6	3000.00	28991.52	26-02-2019	1:1	77.47
3. Buy	3	2500.00	22424.47	03-12-2018	1:1	76.18
Swap Contracts						
1. Buy	2	2917.93	11631.85	10-03-2026	1:1	N/A
2. Buy	2	740.74	3207.08	30-03-2026	1:1	N/A
3. Buy	1	2000.00	981.74	03-12-2018	1:1	N/A

Notes to financial statements

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

As on 1 April 2017

Types of hedge and risks	Nominal value (Foreign Currency)		Carrying amount of hedging instruments	Maturity date	Hedge ratio	Weighted average strike price/rate
	USD					
	No. of Outstanding Contracts	Amount				USD
Forward Contract						
1. Sell						
2. Buy	6	3000.00	20570.09	26-02-2019	1:1	77.47
3. Buy	3	2500.00	15931.22	03-12-2018	1:1	76.18
Swap Contracts						
1. Buy	2	2917.93	18080.35	10-03-2026	1:1	N/A
2. Buy	2	740.74	4843.13	30-03-2026	1:1	N/A
3. Buy	1	2000.00	670.48	03-12-2018	1:1	N/A

Disclosure of effects of hedge accounting on financial performance

Cash Flow hedge	Opening	Changes during the year	Closing	Receivables/ (Payables) from MOR	Impact on financial performance
31-03-2019	9684.72	(5015.69)	4669.03	5015.69	-
31-03-2018	6857.84	2826.88	9684.72	(2826.88)	-
01-04-2017	-	6857.84	6857.84	(6857.84)	-

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

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Capital Fund-Tier I	1858504.53	1392817.13	1215388.28
Capital Fund-Tier II	-	-	-
Risk weighted assets along-with adjusted value of off balance sheet items	701045.94	619585.57	318358.44
CRAR			
CRAR-Tier I Capital	265.10%	224.80%	380.57%
CRAR-Tier II Capital	265.10%	224.80%	380.57%
Amount of subordinated debt raised as Tier-II capital	-	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-	-

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363

Notes to financial statements
(All amounts in lakhs 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:

		As at 31 March 2019				As at 31 March 2018				As at 1 April 2017			
S. No.	Name of Party	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) -II	187663.00	8000.00	3 + 12 years	Regular project Work	203795.50	9250.00	3 + 12 years	Regular project Work	216403.00	3713.00	3 + 12 years	Regular project Work
2	IRCON International Limited	307653.38	-	5 years	Station Development	320000.00	320000.00	5 years	Station Development	-	-	-	-
3	Rail Vikas Nigam Limited (RVNL) -II	96600.00	96600.00	3 + 12 years	Regular project Work	-	-	-	-	-	-	-	-
	Total	**591916.38**	**104600.00**			**523795.50**	**329250.00**			216403.00	**3713.00**		

Notes to financial statements

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

Note 41: Other Disclosures

(a) Lease rental is charged on the assets leased from the first day of the month in which the Rolling Stock assets have been identified and placed on line as per the Standard Lease Agreements executed between the Company and MOR from year to year.

(b) Ministry of Railways (MOR) charges interest on the value of the assets identified prior to the payments made by the Company, from the first day of the month in which the assets have been identified and placed on line to the first day of the month in which the money is paid to the MOR. However, no interest is charged from the MOR on the amount paid by the company prior to identification of Rolling stock by them.

(C) (i) Interest rate variation on the floating rate linked rupee borrowings and interest rate and exchange rate variations on interest payments in the case of foreign currency borrowings are adjusted against the lease income in terms of the variation clauses in the lease agreements executed with the Ministry of Railways. During the year ended 31 March 2019, such differential has resulted in an amount of Rs. 7,079.79 lakhs accruing to the Company (31 March 2018: Rs. 4,774.16 lakhs (accruing to MOR), 1 April 2017:Rs.7,046.00 lakhs), which has been accounted for in the lease income.

(ii) In respect of foreign currency borrowings, which have not been hedged, variation clause have been incorporated in the lease agreements specifying notional hedging cost adopted for working out the cost of funds on the leases executed with MOR. Hedging cost in respect of these foreign currency borrowings is compared with the amount recovered by the company on such account on notional cost basis and accordingly, the same is adjusted against the lease income. During the year ended 31st March 2019 in respect of these foreign currency borrowings, the Company has recovered a sum of Rs.6,993.85 Lakhs (31 March 2018: Rs. 14,232.11 lakhs, 01 April 2017:Rs. 17,433 lakhs) on this account from MOR against a sum of Rs. 17,324.34 lakhs (31 March 2018:Rs. 20,976.66 lakhs, 1 April 2017: Rs 19,713 lakhs) incurred towards hedging cost and the balance amount of Rs.10,330.49 lakhs (31 March 2018: Rs. 6,744.55 lakhs (Reecoverable) ,01 April 2017: Rs 2,280.00 lakhs (Reecoverable)) is recoverable from MOR.

(d) The Leases executed for Rolling Stock in the year 1987-88 & 1988-99 for Rs. 77,032.86 lakhs & 86,072.69 lakhs have expired on 31 March 2018 & 31 March 2019 respectively. During the primary and secondary lease periods full value of assets (i n c l u d i n g interest) has been recovered from the lessee (MOR). These assets have outlived their useful economic life. Formalities for the transfer of these assets to MOR are under progress and neccessary adjustments in the accounts if required, will be carried out on transfer of Rolling Stock to MOR.

Note 42:

(a) (i)The Reserve Bank of India has issued Master Direction – Non- Banking Financial Company- Systemically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 vide notification DNBR.PD.008/03.10.119/2016-17 dated 1st September 2016 as amended from time to time have become mandatory with effect from 31 May, 2018. The Reserve Bank of India has granted exemption to the Company in respect of classification of asset, provisioning norms and credit concentration norms to the extent of direct exposure to sovereign.

(a) (ii)Till the financial year 2017-18, the Company, being a Govt. NBFC, was exempt from creation and maintainence 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.092/03.10.001/2017-18 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.

(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 Feb, 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 is required to transfer 50% of the value of the bonds raised through public issue during FY 2011-12 and 25% of the value of Bonds raised through Public Issue during 2012-13, FY 2013-14 and FY 2015-16 to Bond Redemption Reserve by the redemption dates of such Bonds. The Company has raised Rs. 24,88,167.37 Lakhs 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 has transferred an amount of Rs. 41,981 lakhs to the Bond Redemption Reserve during FY 2018-19.

Note 43:

(i)The Finance Act, 2001 provides for levy of service tax on the finance and interest charges recovered through lease rental installments on the Financial Leases entered on or after 16-07-2001. The Central Government vide Order No.1/1/2003-ST dated 30 April 2003 and subsequent clarification dated 15-12-2006 issued by Ministry of Finance has exempted the Leas 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.

Note 44:

Increase/Decrease in liability due to exchange rate variation on foreign currency loans for purchase of leased assets amounting to Rs.26,700.40 lakhs(31 March, 2018: Increase Rs. 4,923.00 lakhs, 1 April 2017: Decrease Rs. 7,997.00 lakhs) has not been charged to the Statement of Profit and Loss as the same is recoverable from the Ministry of Railways (lessee) separately as per lease agreements. The crystallized exchange rate variation loss on foreign currency loans repaid during the year amounting to Rs.57,797.44 lakhs(31 March 2018: Rs.40,176 lakhs,1 April 2017: Rs. 69,674 lakhs) has been recovered from the Lessee, leaving a balance of Rs. 51,118.01 lakhs recoverable from MOR as on 31 March 2019(31 March, 2018: Rs.82,215.05 lakhs,1 April 2017:Rs. 1,17,467.43 lakhs).

Effective portion of (loss)/gain on account of decrease/increase in the fair value of the derivative assets (hedging instruments) amounting to (Rs5015.69 Lakhs) (P.Y gain Rs 2826.88 Lakhs) 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).

Notes to financial statements

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

Note 45:

The Ministry of Railways (MOR) vide letter dated 23 July 2015 had authorized the Company to draw funds from LIC in consultation with MOR for funding of Railway Projects in line with leasing methodology adopted by Company for funding Railway Projects in past. Pending execution of the Lease Documents, the Company has entered into a Memorandum of Understanding with the Ministry of Railways on 23 May 2017 containing principal terms of the lease transactions. The total sum of Rs. 59,71,529.00 lakhs disbursed to MOR till the end of 31 March 2019 (31 March 2018:Rs. 37,35,989.00 lakhs, 1 April, 2017: Rs.22,60,000.00 lakhs) has been shown as 'Advance against Railway Infrastructure Assets to be leased'. A sum of Rs. 5,19,355.04 lakhs (31 March 2018: Rs. 2,46,516.49 lakhs, 1 April, 2017: Rs. 92,778.69 lakhs) incurred by the Company on account of interest cost on the funds borrowed for the purpose of making aforesaid advances has been capitalised and added to the Advance paid against Infrastructure assets to be leased out to MoR. Under erstwhile Indian GAAP, the said amount was accounted for as Interest Income which under the Ind AS has now been reduced from interest expense. In respect of National Project, a total sum of Rs. 5,07,870 lakhs disbursed to MoR till the end of 31 March 2019 (31 March 2018: Nil, 1 April 2017: Nil) has been shown as 'Advance funding against National Project' on which a sum of Rs. 411.71 lakhs (31 March 2018: Nil, 1 April 2017: Nil) has been incurred by the Company on account of interest cost on the funds borrowed for the purpose of making aforesaid advances has been capitalised and added to the Advance funding against National Project to be leased out to MoR. The same would be recovered through lease rentals in future over the life of the leases. Details are as under:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Advance paid against infrastructure assets to be leased	5971529.00	3735989.00	2260000.00
-Add: Borrowing cost capitalised on borrowed funds	519355.04	246516.49	92778.69
Total	**6490884.04**	**3982505.49**	**2352778.69**

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Advance funding against National Project	507870.00	-	-
-Add: Borrowing cost capitalised on borrowed funds	411.71	-	-
Total	**508281.71**	**-**	**-**

Capitalisation rate used to determine the borrowing cost

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Capitalisation rate	8.01%	7.47%	6.98%

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 Rs. 91.45 lakhs(as certified by approved valuer) (31 March 2018: Rs. 91.45 lakhs, 1 April 2017: Rs. 122.00 lakhs), which will be accounted for on registration.

Notes to financial statements

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

Note 47:

(a) The Company discharges its obligation towards payment of interest and redemption of bonds, for which warrants are issued, by depositing the respective amounts in the designated bank accounts. Reconciliation of such accounts is an ongoing process and has been completed upto 31 March 2019. The Company does not foresee any additional liability on this account. The total balance held in such specified bank accounts as on 31st March 2019 is Rs. 809.06 lakhs (31March, 2018: Rs. 581.62 lakhs,1 April, 2017: Rs. 657.36 lakhs).

(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 2019, a sum of Rs. 0.69 lakhs was deposited in IEPF (31 March, 2018: Rs.0.65 lakhs,1 April, 2017: Rs. 12.80 lakhs).

Note 48:

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

In terms of the Reserve Bank of India (RBI) Guidelines on Minimum Retention Requirement issued by the Reserve Bank of India as applicable to the Non-Banking Finance Companies, the company being the originator, had opted to retain a minimum of 5% of the book value of the receivables being securitised. Accordingly, the Company had invested Rs. 1,697.71 lakhs in the Pass Through Certificates (PTCs) issued by the 'Special Purpose Vehicle' towards Minimum Retention Requirement. Out of the amount invested in Pass Through Certificates (PTCs), Rs.1,364.76 lakhs have matured till 31st March 2019, leaving a balance of Rs.332.95 lakhs. Details of the amount invested in Pass Through Certificates (PTCs) and outstanding as on 31st March 2019 is as follows:

As on 31 March 2019

Series	Date of Maturity	Nos of PTC	Face value per PTC	Total Amount
Q	15-04-2019	5	11.31	56.57
R	15-10-2019	5	10.81	54.04
S	15-04-2020	5	10.32	51.62
T	15-10-2020	5	9.86	49.32
U	15-04-2021	5	9.42	47.10
V	15-10-2021	5	9.00	45.00
W	15-04-2022	5	5.86	29.30
TOTAL		**35**		**332.95**

Notes to financial statements

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

As on 31 March 2018

Series	Date of Maturity	Nos of PTC	Face value per PTC	Total Amount
O	15-04-2018	5	12.40	61.99
P	15-10-2018	5	11.84	59.21
Q	15-04-2019	5	11.31	56.57
R	15-10-2019	5	10.81	54.04
S	15-04-2020	5	10.32	51.62
T	15-10-2020	5	9.86	49.32
U	15-04-2021	5	9.42	47.10
V	15-10-2021	5	9.00	45.00
W	15-04-2022	5	5.86	29.30
TOTAL		**45**		**454.15**

As on 1 April 2017

Series	Date of Maturity	Nos of PTC	Face value per PTC	Total Amount
M	15-04-2017	5	13.58	67.91
N	15-10-2017	5	12.98	64.88
O	15-04-2018	5	12.40	61.99
P	15-10-2018	5	11.84	59.21
Q	15-04-2019	5	11.31	56.57
R	15-10-2019	5	10.81	54.04
S	15-04-2020	5	10.32	51.62
T	15-10-2020	5	9.86	49.32
U	15-04-2021	5	9.42	47.10
V	15-10-2021	5	9.00	45.00
W	15-04-2022	5	5.86	29.30
TOTAL		**55**		**586.94**

Note 49: Corporate Social Responsibility

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

i) Gross amount required to be spent by the Company upto the period 31 March 2019 is Rs. 4,418.00 lakhs (excluding Rs.166.63 lakhs spent for earlier year)

ii) **Amount spent during the year on:**

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363

Notes to financial statements
(All amounts in lakhs of INR, unless stated otherwise)

As on 31 March 2019

Sl. No	Particulars	In cash	Yet to be paid in cash	Total
i)	**Construction/Acquisition of any assets**	-	-	-
ii)	**On Purpose other than (I) above**	**719.74**	**128.02**	**847.76**
iia)	Sanitation and safe drinking water (Item No. (i) of Schedule - VII)	295.38	-	**295.38**
iib)	Social Welfare (Item No.(iii) of Schedule-VII)	-	-	-
iic)	Forest & Environment,animal welfare etc. (Item No. (iv) of Schedule-VII)	-	-	-
iid)	Contribution to'Clean Ganga Fund' (Item No.(iv) of Schedule-VII)	-	-	-
iie)	Ensuring environment sustainability item No. (iv) of Schedule - (VII)	324.36	128.02	**452.38**
iif)	Measures for armed forces veterans,(Item No. (vi) of ScheduleVII)	100.00	-	**100.00**
	Grand Total (i+ii)	**719.74**	**128.02**	**847.76**

As on 31 March 2018

Sl. No	Particulars	In cash	Yet to be paid in cash	Total
i)	**Construction/Acquisition of any assets**	-	-	-
ii)	**On Purpose other than (I) above**	**2072.90**	**305.07**	**2377.97**
iia)	Contribution to 'Swachh bharat Kosh' (Item No. I of Schedule-VII)	-	-	-
iib)	Health Care (Item No.(I) of Schedule-VII)	-	-	-
iic)	Social Welfare (Item No.(iii) of Schedule-VII)	247.75	-	**247.75**
iid)	Forest & Environment,animal welfare etc. (Item No. (iv) of Schedule-VII)	736.45	305.07	**1041.52**
iie)	Contribution to'Clean Ganga Fund' (Item No.(iv) of Schedule-VII)	1088.70	-	**1088.70**
iif)	Art & Culture, Public Libraries (Item No (v) of Schedule-VII)	-	-	-
	Grand Total (i+ii)	**2072.90**	**305.07**	**2377.97**

Note 50: Interest on deposit & Investment include Tax Deducted at Source amounting to Rs 34.58 lakhs for the year ended 31 March 2019(31 March 2018 :Rs. 31.09 lakhs, 1 April 2017: Rs. 71.89 lakhs.) Ministry of Railways has also deducted tax at source amounting to Rs. 37,051.24 lakhs (31 March 2018: Rs. 32,919.24 lakhs, 1 April 2017: Rs. 30,391.60 lakhs)on lease rentals.

Note 51: The Company is in the process or compiling relevant information from its supplier about their coverage under the Micro, Small and Medium Enterprises development Act, 2006 (MSMED Act). As the Company has not received the relevant information till finalisation of accounts, disclosure in this regard could not be made.

Note 52: In respect of physical verification of assets given on lease, Ministry of Railways (Lessee) provides a certificate each year that the leased assets are maintained in good working condition as per laid down norms, procedures and standards. In the opinion of the management, the aforesaid system is satisfactory considering the fact that the assets are maintained and operated by the Central Government.

Notes to financial statements

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

53.1Related party disclosures

a. Related parties and their relationships

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

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

Particulars	As at 31 March 2019	As at 31 March 2018
- Lease Receivables	12502651.17	10947165.64
- Advance for Railways Infrastructure Assets	6490884.04	3982505.49
- Advance for National Project	508281.71	-
-Interest accrued but not due on advance for railway project to be leased	213401.09	96498.71
- Other Payables/(Receivable)	93745.29	359463.03

Particulars	As at 31 March 2019	As at 31 March 2018
- Lease Income	941000.91	827844.84
- Pre-commencement Lease-interest income	117577.15	73914.62

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

Particulars	As at 31 March 2019	As at 31 March 2018
- Closing Balances of Loan to Rail Vikas Nigam Ltd	284263.00	203795.50
- Closing Balances of Loan to IRCON International Ltd.	307653.38	320000.00
- Interest Income received thereon	52510.54	23432.76
- Interest Receivables	96691.13	71837.43

iv. **Key Management Personnel**
Relationship :

Managing Director	Sh. S K Pattanayak	(From 9 March 2017 to 26 July 2018)
	Sh. Vijay Kumar	(From 26 July 2018)
Director - Finance	Sh. Niraj Kumar	(From 1 July 2015)
Company Secretary & Group General Manager (TL)	Sh. S K Ajmani	(Uptill 8 March 2018)
	Sh. Vijay Babulal Shirode	(From 9 March 2018)

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363

Notes to financial statements
(All amounts in lakhs of INR, unless stated otherwise)

Transactions:

Particulars	As at 31 March 2019	As at 31 March 2018
Salary/Allowances	64.62	127.12
Reimbursments	3.00	38.58
Incentives	14.36	15.81
Total	**81.98**	**181.51**

Notes to financial statements

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

54: First-time Ind AS Adoption Reconciliations

54.1: Effect of Ind AS adoption on the Balance Sheet

Particulars	As at 31 March 2018			As at 1 April 2017		
	Previous GAAP*	Effect of Transition to Ind AS	As per Ind AS Balance sheet	Previous GAAP*	Effect of Transition to Ind AS	As per Ind AS Balance sheet
Financial Assets						
Cash and cash equivalents	112.88	-	112.88	94.39	-	94.39
Bank balance other than (a) above	9869.22	-	9869.22	657.36	-	657.36
Derivative financial instruments	9684.72	-	9684.72	6857.84	-	6857.84
Receivables	10947165.64	-	10947165.64	9820618.96	-	9820618.96
Loans	523795.50	-	523795.50	216403.00	-	216403.00
Investments	654.00	743.77	1397.77	786.79	670.41	1457.20
Other financial assets	4580076.28	(69316.33)	4510759.95	2879165.54	(53358.37)	2825807.17
Total financial assets	**16071358.24**	**(68572.56)**	**16002785.68**	**12924583.88**	**(52687.96)**	**12871895.92**
Non- financial Assets						
Non-current tax assets (net)	2584.38	-	2584.38	1065.76	-	1065.76
Property, plant and equipment	1126.85	-	1126.85	1150.35	-	1150.35
Intangible assets	2.64	-	2.64	1.18	-	1.18
Other non-financial assets	157159.13	(16826.12)	140333.01	38161.91	(37802.78)	359.13
Non financial assets	**160873.00**	**(16826.12)**	**144046.88**	**40379.20**	**(37802.78)**	**2576.42**
Total assets	**16232231.24**	**(85398.68)**	**16146832.56**	**12964963.08**	**(90490.74)**	**12874472.34**
Financial Liabilities						
Derivative financial instruments	86140.45	(11182.56)	74957.89	91159.39	(25547.25)	65612.14
Payables						
(I) Trade payables						
(II) Other payables	871.52	-	871.52	350.70	-	350.70
Debt securities	11126258.03	(41833.43)	11084424.60	9529025.76	(34563.54)	9494462.22
Borrowings (Other than debt securities)	2368999.24	(52871.11)	2316128.13	1110460.41	(45994.01)	1064466.40
Other financial liabilities	566256.84	-	566256.84	387833.78	-	387833.78
Total financial liabilities	**14148526.08**	**(105887.10)**	**14042638.98**	**11118830.04**	**(106104.80)**	**11012725.24**
Non-Financial Liabilities						
Provisions	22181.39	(21097.77)	1083.62	4970.56	(4034.84)	935.72
Deferred tax liabilities (net)	638991.66	5322.37	644314.03	638991.66	5322.37	644314.03
Other non-financial liabilities	66011.13	(83.82)	65927.31	1211.11	(142.23)	1068.88
Total non-financial liabilities	**727184.18**	**(15859.22)**	**711324.96**	**645173.33**	**1145.30**	**646318.63**
Total liabilities	**14875710.26**	**(121746.32)**	**14753963.94**	**11764003.37**	**(104959.50)**	**11659043.87**
EQUITY						
Equity share capital	652646.00	-	652646.00	652646.00	-	652646.00
Other equity	703874.98	36347.64	740222.62	548313.71	14468.76	562782.47
Total equity	**1356520.98**	**36347.64**	**1392868.62**	**1200959.71**	**14468.76**	**1215428.47**
Total equity and liabilities	**16232231.24**	**(85398.68)**	**16146832.56**	**12964963.08**	**(90490.74)**	**12874472.34**

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes to financial statements

54.2: Reconciliation of Total Equity

Particulars	As at 31 March 2018	As at 1 April 2017
Total equity (shareholders funds) under previous GAAP		
Share capital	652646.00	652646.00
Reserves and surplus	703874.98	548313.71
	1356520.98	**1200959.71**
Adjustments:		
Proposed equity dividend reversed (including dividend distribution tax)	21097.77	4034.85
Recognition of borrowings at amortised cost using effective interest rate method	20167.73	15366.48
Recognition of advances to employees at amortised cost using effective interest rate method	(1.99)	(1.75)
Fair value of investments	743.77	670.41
Gain on securitization recognised on the date of transaction	83.82	142.23
Security Premium	(421.09)	(421.09)
Deferred Tax Liability	(5322.37)	(5322.37)
Total adjustment to equity	**36347.64**	**14468.76**
Total equity under Ind AS		
Equity share capital	652646.00	652646.00
Other equity	740222.62	562782.47
	1392868.62	**1215428.47**

Notes to financial statements

54.3: Effect of Ind AS Adoption on the Statement of Profit and Loss

Particulars	As at 31 March 2018		
	Previous GAAP*	Effect of Transition to Ind AS	As per Ind AS Balance sheet
Revenue from operations			
Interest income	252558.97	(153738.04)	98820.93
Dividend income	48.66	-	48.66
Lease income	849233.50	(21388.66)	827844.84
Total revenue from operations	1101841.13	(175126.70)	926714.43
Other income	182.09	(58.41)	123.68
Total income	**1102023.22**	**(175185.11)**	**926838.11**
Expenses			
Finance costs	843684.97	(179927.70)	663757.27
Employee benefits expenses	543.94	8.68	552.62
Depreciation, amortization and impairment	35.40	-	35.40
Others expenses	3243.76	-	3243.76
Total income	**847508.07**	**(179919.02)**	**667589.05**
Profit before exceptional items and tax	**254515.15**	**4733.91**	**259249.06**
Exceptional items			
Profit before tax	**254515.15**	**4733.91**	**259249.06**
Tax Expense:			
Current tax	54342.32	(1.85)	54340.47
Adjustment for earlier years	(557.84)	-	(557.84)
Total Tax Expenses	**53784.48**	**(1.85)**	**53782.63**
Profit for the period	**200730.67**	**4735.76**	**205466.43**
Other Comprehensive Income			
(A)(I) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		8.68	8.68
- Remeasurement of Equity Instrument		73.36	73.36
(ii) Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		(1.85)	(1.85)
Subtotal (A)	-	**80.19**	**80.19**
(B) (i) Items that will not be reclassified to profit or loss			
- Remeasurement of Equity Instrument			
(ii) Income tax relating to items that will not be reclassified to profit and loss account			
Subtotal (B)	-	-	-
Other Comprehensive Income (A + B)	**-**	**80.19**	**80.19**
Total Comprehensive Income for the period (Comprising Profit (Loss) and other Comprehensive Income for the period)	**200730.67**	**4815.95**	**205546.62**

54.4: Reconcilation of Total Comprehensive Income

Particulars	As at 31 March 2018
Profit after tax as per Indian GAAP	**200730.67**
Pre commencement lease - interest income recognized	(153737.80)
Lease Income	(21388.66)
Securitization gain - recognised during the year	(58.41)
Borrowing Cost on Railway Infrastructure Assets capitalised	153737.80
Adjustment of transaction cost/Effective Interest Rate	4801.24
Adjustment of Effective Interest Rate on Advances to employees	(0.24)
Unabsorbed forward premium derecognized	21388.66
Employees benefit expenses - recognised in OCI	(8.68)
Adjustment of Current tax Liability - recognised in OCI	1.85
Total effects of transition to Ind AS	**4735.76**
Profit for the period as per Ind AS	**205466.43**
Remesurement of defined benefit plans	8.68
Remesurement of Equity instruments - IRCON International Limited	73.36
Tax impact on remesurement of defined benefit plans	(1.85)
Total other comprehensive income under Ind AS	**80.19**
Total comprehensive income under Ind AS	**205546.62**

54.5: Effect of Ind AS adoption on the statement of cash flows for the year ended 31 March, 2018

Particulars	As at 31 March 2018		
	Previous GAAP*	Effect of Transition to Ind AS	As per Ind AS Balance sheet
Net Cash flows from operating activities	(2802827.57)	(4784.83)	(2807612.40)
Net Cash flows from investing activities	167.44	-	167.44
Net Cash flows from financing activities	2802678.62	4784.83	2807463.45
Net increase in cash and cash equivalents	18.49	-	18.49
Cash and Cash equivalents at the beginning of the period	94.39	-	94.39
Effects of exchange rate changes on the balance of cash held in foreign currencies	-	-	-
Total income	**112.88**	**-**	**112.88**

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes to financial statements

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

Notes to the Reconciliaiton:

1 Under previous GAAP, all financial assets and financial liabilities were carried at cost.
Under Ind AS, certain financial assets and financial liabilities are initially recognised at fair value and subsequently measured at amortised cost which involves the application of effective interest/amortised cost method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial assets or financial liability to the fair value amount on the date of recognition of financial assets or financial liability. The transaction cost has been considered in determining the fair value at initial recognition.

2 Under previous GAAP, long term investments being equity share of IRCON International Limited were measured at cost less diminution in value which is other than temporary.Under Ind AS, these financial assets have been classified as Fair Value through Other Comprehensive Income (FVTOCI). On the date of transition to Ind AS, these investments have been measured at their fair value.

3 Under previous GAAP, actuarial gains and losses were recognised in the Statement of Profit and Loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/ asset which is recognised in Other Comprehensive Income. Consequently, the tax effect of the same has also been recognised in Other Comprehensive Income under Ind AS instead of the Statement of Profit and Loss.

4 Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxe using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences, which was not required under previous GAAP. The Company has been exempted the provisions of Ind AS-12 as per MCA gazatte notifications No.S.O 529(E) dated 5th Feb,2018 as amended by Notification No. S.O 1465 Dated 2nd April 2018.

5 Under the previous GAAP, Provision for receivable is recognised on specific identification method based on management assessment of recoverability of trade receivable. As per Ind AS 109, the Company is required to apply expected credit loss model for recognition the allowance for doubtful receivables subject to RBI directions.

6 Under the previous GAAP, Proposed dividend including Corporate dividend tax was recognised as proposed by the Board of Directors. Under Ind AS, proposed dividend including corporate dividend tax has been recognised when approval by the shareholders in the annual general meeting of the Company.

7 Under previous GAAP, Secruitisation gain was amortized over the period of pass through certificates. As per Ind AS-109, the gain has been recognized in the year of transaction.

8 Under the previous GAAP, the Company had recognised 'Interest on Lease Advance' on capital advance for Northern Railway Infrastructure Assets. As per Ind AS, the aforesaid amount is based on the nature of funds deployed is either recognised as pre commencement lease - interest income or capitalised as borrowing cost.

9 The Company had applied hedge accounting on derivatives/forward contracts taken to hedge foreign currency loan/bond transactions.

Notes to financial statements

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

Note 55: Additional disclosures in accordance with RBI directions on Corporate Governance

55.1: Investments

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
1 Value of investments			
I Gross value of investments			
(a)In India	1,314.44	1,397.77	1,457.20
(b)Outside India	-	-	-
ii Provisions for depriciation			
(a)In India	-	-	-
(b)Outside India	-	-	-
iii Net value of investments			
(a)In India	1,314.44	1,397.77	1,457.20
(b)Outside India	-	-	-
2 Movement of provisions held towards depriciation on investments			
I Opening balance	-	-	-
ii Add: Provisions made during the year	-	-	-
iii Less: Write-off/ write-back of excess provisions during the year	-	-	-
iv Closing balance	-	-	-

55.2: Derivatives

55.2.1: Forward rate agreement/ Interest rate swap

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(I) The notional principal of swap agreements	254753.46	370643.14	371209.01
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	4669.03	9684.72	6857.84
(iii) Collateral required by the NBFC upon entering into swaps	-	-	-
(iv) Concentration of credit risk arising from the swaps	-	-	-
(v) The fair value of the swap book	(26390.51)	(13857.18)	(22253.00)

Notes to financial statements

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

55.2.2: Disclosure of risk exposure in derivatives

Qualitative disclosure

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

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

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

Quantitative disclosures : As at 31 March 2019

	Particulars	Currency derivatives	Cross Currency & Interest Rate Derivatives	Interest rate derivatives
I)	Derivatives (notional principal amount)	-	127376.73	127376.73
	For hedging			
ii)	Marked to market positions			
	a) Asset	-	-	4669.03
	b) Liability	-	31059.54	-
iii)	Credit exposure	-	3821.30	8490.33
iv)	Unhedged exposure	-	-	172310.51

As at 31 March 2018

	Particulars	Currency derivatives	Cross Currency & Interest Rate Derivatives	Interest rate derivatives
I)	Derivatives (notional principal amount)			
	For hedging	422848.55	119821.56	250821.56
ii)	Marked to market positions			
	a) Asset	-	-	9684.71
	b) Liability	51509.08	23541.90	-
iii)	Credit exposure	8456.97	3594.64	13934.36
iv)	Unhedged exposure	846829.24	-	301257.67

As at 31 March 2017

	Particulars	Currency derivatives	Cross Currency & Interest Rate Derivatives	Interest rate derivatives
I)	Derivatives (notional principal amount)			
	For hedging	422848.55	120004.50	251204.50
ii)	Marked to market positions			
	a) Asset	-	-	6857.83
	b) Liability	32736.58	29110.83	-
iii)	Credit exposure	4228.48	3600.13	11769.97
iv)	Unhedged exposure	556248.64	-	141040.00

Notes to financial statements

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

55.2.3. Derivative Instruments

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

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

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

As at 31 March 2019			As at 31 March 2018			As at 1 April 2017		
No. of Contracts	Borrowing outstanding in foreign Currency (USD Million)	INR equivalent (lakhs)	No. of Contracts	Borrowing outstanding in foreign Currency (USD Million)	INR equivalent (lakhs)	No. of Contracts	Borrowing outstanding in foreign Currency (USD Million)	INR equivalent (lakhs)
-	-	-	9	550	422848.55	9	550	422848.55

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

As at 31 March 2019			As at 31 March 2018			As at 1 April 2017			Remarks
No. of Contracts	Borrowing outstanding in foreign Currency	Notional USD equivalent	No. of Contracts	Borrowing outstanding in foreign Currency	Notional USD equivalent	No. of Contracts	Borrowing outstanding in foreign Currency	Notional USD equivalent	
1	JPY 12 Billion	145.90 Million	1	JPY 12 Billion	145.90 Million	1	JPY 12 Billion	145.90 Million	Back to back recovery of INR/USD exchanges rate variation from MOR.
1	JPY 3 Billion	37.04 Million	1	JPY 3 Billion	37.04 Million	1	JPY 3 Billion	37.04 Million	Back to back recovery of INR/USD exchange rate variation from MOR.

Notes to financial statements

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

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

As at 31 March 2019		As at 31 March 2018		As at 1 April 2017		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 9.00 Million	1	USD 12.00 Million	1	USD 15 Million	Back to back recovery of exchange rate variation from MOR.
1	USD 500 Million	-	-	1	USD 300 Million	
1	USD 500 Million	2	USD 350 Million	2	USD 350 Million	
1	JPY 26231.25 Million (Equivalent to USD 250 Million)	1	JPY 26231.25 Million (Equivalent to USD 250 Million)	-	-	
		1	USD 500 Million	-	-	

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

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

No. of transaction	Description of Derivative	Notional Principal	Fair Value Asset / (liability) at 31 March 2019	Fair Value Asset / (liability) at 31 March 2018	Fair Value Asset / (liability) at 1April 2017
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	(31059.54)	(23541.90)	(29110.84)
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	4669.03	8702.98	6187.36
1	Foreign Currency Interest Rate Swap (Floating Rate USD Libor to Fixed Rate)	USD 200.00 Mio	-	981.74	670.48

Notes to financial statements

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

55.3: 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.

55.3.1

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 2019 is Rs.332.95 lakhs (Previous year Rs. 454.15 lakhs). The details are as below:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
1 No. of SPVs sponsored by the NBFC for securitisation transactions	2	2	2
2 Total amount of securitised asset as per books of the SPVs sponsored	15116.63	20788.85	26971.52
3 Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	332.95	454.15	586.94
a Off-balance sheet exposures			
First loss	-	-	-
Others	332.95	454.15	586.94
b Off-balance sheet exposures			
First loss	-	-	-
Others	-	-	-
4 Amount of exposures to securitisation transactions other than MRR	NIL	NIL	NIL

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

55.3.3 : Company has not undertaken any assignment transaction during the financial year ended on 31 March 2019. (31 March 2018: NIL).

53.3.4 : Company has neither purchased nor sold any non-performing financial assets during the financial year ended on 31 March 2019 (31 March 2018: NIL)

55.4: Asset liability management maturity pattern of certain items of Assets and Liabilities

Refer financial instrument notes 38.9

55.5: Exposures

55.5.1: Exposure to real Estate sector

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

55.5.2: Exposure to capital market

Notes to financial statements

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

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
I Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt (includes investment in fully convertible preference shares			
- At Cost	199.85	199.85	199.85
- At Fair Value	981.49	943.62	870.26
ii Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-	-
iii Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-	-
iv Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances (excluding loans where security creation is under process)	-	-	-
v Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-	-
vi Loans sanctioned to corporates against the security of shares/ bonds / debentures or other securities or on clean basis for meeting promoters contribution to the equity of new companies in anticipation of raising resources	-	-	-
vii Bridge loans to companies against expected equity flows / issues	-	-	-
viii All exposures to Venture Capital Funds (both registered and unregistered)	-	-	-
Total exposure to capital market	**981.49**	**943.62**	**870.26**

55.5.4: 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

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

55.5.5: Unsecured advances

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

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Ministry of Railways, Government of India			
- Lease receivables	12,502,651.17	10,947,165.64	9,820,618.96
- Other receivables/(payables)	-	-	-
Rail Vikas Nigam Limited, a wholly owned entity of Ministry of Railways, Govt. of India	284,263.00	203,795.50	216,403.00
IRCON International Limited	307,653.38	320,000.00	-
Interest accrued thereon(RVNL & IRCON)	96,691.13	71,837.43	73,817.34
Total	**13,191,258.68**	**11,542,798.57**	**10,110,839.30**

Notes to financial statements

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

55.6: Miscellaneous

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
55.6.1: Registration obtained from other financial sector regulators	NIL	NIL	NIL

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
55.6.2: Disclosure of Penalties imposed by RBI and other regulators	NIL	NIL	NIL

55.6.3: 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 2019	As at 31 March 2018	As at 1 April 2017
	Long Term Rating			
1	CRISIL	CRISIL AAA	CRISIL AAA	CRISIL AAA
2	ICRA	ICRA AAA	ICRA AAA	ICRA AAA
3	CARE	CARE AAA	CARE AAA	CARE AAA
	Short Term Rating			
1	CRISIL	CRISIL A1+	CRISIL A1+	CRISIL A1+
2	ICRA	ICRA A1+	ICRA A1+	ICRA A1+
3	CARE	CARE A1+	CARE A1+	CARE A1+

(b) Long term foreign currency issuer rating assigned to the Company as at 31.03.2018

S. No.	Rating Agencies	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Long Term Rating			
1	Fitch Rating	BBB-/Stable	BBB-/Stable	BBB-/Stable
2	Standard & Poor	BBB-/Stable	BBB-/Stable	BBB-/Stable
3	Moody's	Baa2/Stable	Baa2/Positive	Baa3/Positive
4	Japanese Credit Rating Agency	BBB+/Stable	BBB+/Stable	BBB+/Stable

Particulars	As at 31 March 2019	As at 31 March 2018
55.6.4: Net Profit or Loss for the period, prior period items and changes in accounting policies	NIL	4815.95

Notes to financial statements

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

Note 55.7

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
55.7.1: Provisions and Contigencies	Refer Note 34	Refer Note 34	Refer Note 34
55.7.2: Drawn down from reserves	NIL	NIL	NIL

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
55.7.3: Concentration of Deposits, Advances, Exposures and NPAs			
55.7.3.1: 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

55.7.3.2: Concentration of advances

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Total advances to twenty largest borrowers	20091365.63	15453466.63	12389800.65
Percentage of advances to twenty largest borrowers to total advances of the NBFC	100%	100%	100%

55.7.3.3: Concentration of exposures

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Total exposure to twenty largest borrowers/ customers	20092347.12	15454410.25	12390670.91
Percentage of exposure to twenty largest borrowers/ customers to total exposure of the NBFC on borrowers/customers	100%	100%	100%

55.7.3.4: Concentration of NPAs	NIL	NIL	NIL
55.7.3.5: Sector-wise NPAs	NIL	NIL	NIL
55.7.4: Movement of NPAs	NIL	NIL	NIL
55.7.5: Overseas Assets	NIL	NIL	NIL
55.7.6: Off-balance sheet SPVs sponsored	NIL	NIL	NIL

55.8: Disclosure of complaints

55.8.1: Investor complaints

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(a) No. of complaints pending at the beginning of the year	-	-	-
(b) No. of complaints received during the year	1,073	603	2,348
(C) No. of complaints redressed during the year	1,073	603	2,348
(d) No. of complaints pending at the end of the year	-	-	-

Notes to financial statements

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

Note 56: 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 2019

Line Item	As at 31 March 2019		
	Amount	Current	Non-current
Assets			
Financial Assets			
Cash and cash equivalents	370.76	370.76	-
Bank balance other than (a) above	7,735.86	7,735.86	
Derivative financial instruments	4,669.03	-	4,669.03
Receivables	-	-	-
-Lease receivables	12,502,651.17	951,043.96	11,551,607.21
Loans	589,548.71	87,795.67	501,753.04
Investments	1,314.44	110.61	1,203.83
Other financial assets	7,403,072.67	102,678.90	7,300,393.77
Total financial assets	**20,509,362.64**	**1,149,735.76**	**19,359,626.88**
Non-financial assets			
Current tax assets (net)	-	-	-
Deferred tax assets (net)	-	-	-
Property, plant and equipment	1,122.48	-	1,122.48
Other Intangible assets	4.98	-	4.98
Other non-financial assets	149,870.86	149,617.85	253.01
Total non-financial assets	**150,998.32**	**149,617.85**	**1,380.47**
Total Assets	**20,660,360.96**	**1,299,353.61**	**19,361,007.35**
Liabilities			
Financial liabilities			
Derivative financial instruments	31,059.54	-	31,059.54
Trade payable	1,217.91	1,217.91	
Debt securities	12,359,789.87	1,060,113.61	11,299,676.26
Borrowings (other than debt securities)	5,033,477.60	1,243,124.50	3,790,353.10
Other financial liabilities	729,992.81	385,109.09	344,883.72
Total financial liabilities	**18,155,537.73**	**2,689,565.11**	**15,465,972.62**
Non-financial liabilities			
Current tax liabilities (net)	296.89	296.89	-
Provisions	1,179.53	809.80	369.73
Deferred tax liabilities (net)	644,314.03	-	644,314.03
Other non-financial liabilities	481.50	481.50	-
Total non-financial liabilities	**646,271.95**	**1,588.19**	**644,683.76**
Total liabilities	**18,801,809.68**	**2,691,153.30**	**16,110,656.38**
Equity			
Equity share capital	938,046.00	-	938,046.00
Other equity	920,505.28	-	920,505.28
Total equity	**1,858,551.28**	**-**	**1,858,551.28**
Total Liabilities and Equity	**20,660,360.96**	**2,691,153.30**	**17,969,207.66**

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363

Notes to financial statements
(All amounts in lakhs of INR, unless stated otherwise)

b) Classification of balance sheet as at 31st March 2018

Line Item	As at 31 March 2018		
	Amount	Current	Non-current
Assets			
Financial Assets			
Cash and cash equivalents	112.88	112.88	-
Bank balance other than (a) above	9,869.22	9,869.22	-
Derivative financial instruments	9,684.72	981.74	8,702.98
Receivables	-	-	-
-Trade receivables	-	-	-
-Lease receivables	10,947,165.64	823,685.52	10,123,480.12
Loans	523,795.50	24,132.50	499,663.00
Investments	1,397.77	121.20	1,276.57
Other financial assets	4,510,759.95	394,810.21	4,115,949.74
Total financial assets	**16,002,785.68**	**1,253,713.27**	**14,749,072.41**
Non-financial assets			
Current tax assets (net)	2,584.38	2,584.38	-
Deferred tax assets (net)	-	-	-
Property, plant and equipment	1,126.85	-	1,126.85
Other Intangible assets	2.64	-	2.64
Other non-financial assets	140,333.01	140,080.00	253.01
Total non-financial asset	**144,046.88**	**142,664.38**	**1,382.50**
Total Assets	**16,146,832.56**	**1,396,377.65**	**14,750,454.91**
Liabilities			
Financial liabilities			
Derivative financial instruments	74,957.89	51,415.99	23,541.90
Trade payable	871.52	871.52	-
Debt securities	11,084,424.60	1,319,817.66	9,764,606.94
Borrowings (other than debt securities)	2,316,128.13	638,444.10	1,677,684.03
Other financial liabilities	566,256.84	370,202.82	196,054.02
Total financial liabilities	**14,042,638.98**	**2,380,752.09**	**11,661,886.89**
Non-financial liabilities			
Current tax liabilities (net)	-	-	-
Provisions	1,083.62	932.88	150.74
Deferred tax liabilities (net)	644,314.03	-	644,314.03
Other non-financial liabilities	65,927.31	65,927.31	-
Total non-financial liabilities	**711,324.96**	**66,860.19**	**644,464.77**
Total liabilities	**14,753,963.94**	**2,447,612.28**	**12,306,351.66**
Equity			
Equity share capital	652,646.00	-	652,646.00
Other equity	740,222.62	-	740,222.62
Total equity	**1,392,868.62**	**-**	**1,392,868.62**
Total Liabilities and Equity	**16,146,832.56**	**2,447,612.28**	**13,699,220.28**

Notes to financial statements

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

c) Classification of balance sheet as at 1st April 2017.

Line Item	As at 1 April 2017		
	Amount	Current	Non-current
Assets			
Financial Assets			
Cash and cash equivalents	94.39	94.39	-
Bank balance other than (a) above	657.36	657.36	-
Derivative financial instruments	6,857.84	670.48	6,187.36
Receivables			
- Trade receivables	-	-	-
- Lease receivables	9,820,618.96	712,419.74	9,108,199.22
Loans	216,403.00	21,857.50	194,545.50
Investments	1,457.20	132.79	1,324.41
Other financial assets	2,825,807.17	351,803.02	2,474,004.15
Total financial assets	**12,871,895.92**	**1,087,635.28**	**11,784,260.64**
Non-financial assets			
Current tax assets (net)	1,065.76	1,065.76	-
Deferred tax assets (net)	-	-	-
Property, plant and equipment	1,150.35	-	1,150.35
Other Intangible assets	1.18	-	1.18
Other non-financial assets	359.13	106.12	253.01
Total non-financial assets	**2,576.42**	**1,171.88**	**1,404.54**
Total Assets	**12,874,472.34**	**1,088,807.16**	**11,785,665.18**
Liabilities			
Financial liabilities			
Derivative financial instruments	65,612.14	-	65,612.14
Trade payable	350.70	350.70	-
Debt securities	9,494,462.22	966,231.69	8,528,230.53
Borrowings (other than debt securities)	1,064,466.40	2,177.96	1,062,288.44
Other financial liabilities	387,833.78	304,956.78	82,877.00
Total financial liabilities	**11,012,725.24**	**1,273,717.13**	**9,739,008.11**
Non-financial liabilities			
Current tax liabilities (net)	-	-	-
Provisions	935.72	819.53	116.19
Deferred tax liabilities (net)	644,314.03	-	644,314.03
Other non-financial liabilities	1,068.88	1,068.88	-
Total non-financial liabilities	**646,318.63**	**1,888.41**	**644,430.22**
Total liabilities	**11,659,043.87**	**1,275,605.54**	**10,383,438.33**
Equity			
Equity share capital	652,646.00	-	652,646.00
Other equity	562,782.47	-	562,782.47
Total equity	**1,215,428.47**	**-**	**1,215,428.47**
Total Liabilities and Equity	**12,874,472.34**	**1,275,605.54**	**11,598,866.80**

Indian Railway Finance Corporation Limited
CIN U65910DL1986GOI026363

Notes to financial statements
(All amounts in lakhs 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 being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non current.

ii) The Company classify a liability as current when,

-It expects to settle the liability in its normal operating cycle;

-It holds the liability primarily for the purpose of trading;

-The liability is due to be settled within twelve months after the reporting period or;

-It does not have an unconditional right to defer settlements of the liability for at least twelve months after the reporting period (see paragraph 73). Terms of a liability that could at the option of the counterparty, result in its settlement by the issue of equity instruments do not affects its classification. All other liabilities are classified as non current .

Note 57:

a) Previous year figures have been regrouped/ rearranged, whenever necessary, in order to make them comparable with those of the current year.

Note 58: Approval of financial statements

a) The financial statements for the year ended 31 March, 2019 were approved by the Board of Directors on 5 September 2019

For SPMG & Co.
Chartered Accountants
FRN-509249C

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

Sd/-
Vinod Gupta
Partner
M.No. 090687
Place: New Delhi
Date : 05-09-2019

Sd/-
Vijay Babulal Shirode
Company Secretary
& DGM (Law)

Sd/-
Niraj Kumar
Director Finance
DIN: 00795972

Sd/-
Vijay Kumar
Managing Director
DIN: 08189249

Independent Auditor's Report

To the Members of
Indian Railways Finance Corporation Limited
Report on the 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, 2019 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, 2019, 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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current 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.

We have determined the matters described below to be the Key Audit Matters to be communicated:-

S.No.	Key Audit Matters	Auditor's Response
1	The Company has adopted Ind AS from 1st April 2018 with an effective date of 1st April 2017 for such transition. For periods up to and including the year ended 31st March 2018, the Company had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). To give effect of the transition to Ind-AS, these financial statements for the year ended 31st March 2019, together with the comparative financial information for the previous year ended 31st March 2018 and the transition date Balance Sheet as at 1st April 2017 have been prepared under Ind AS. The transition has involved significant change in the Company's policies and processes for financial reporting, including generation of supportable information and applying estimates to inter alia determine impact of Ind AS on accounting and disclosure requirements prescribed under extant Reserve Bank of India (RBI) directions. In view of the complexity involved, Ind AS transition and the preparation of financial statements subsequent to the transition date have been areas of key focus in our audit.	• Read the Ind-AS impact assessment performed by the Management and the resultant changes made to the accounting policies considering the requirements of the new framework. • Evaluated the exemptions and exceptions allowed by Ind-AS and applied by the Management in applying the first-time adoption 'principles of Ind-AS 101 in respect of fair valuation of assets and liabilities existing as at transition date. • Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS. • Tested the disclosures prescribed under Ind AS. • Reliance has been placed on the external expert appointed by the company to look into the Ind-AS Compliance.
2	As per the Master direction issued by Reserve Bank of India circular no. RBI/2017-18/181_DNBR (PD) CC. No. 092/03.10.001/2017-18 dated 31st May, 2018 read with letter no. DNRB (PD). CO.No.1271/ 03.10.001/2018-19 dated 21st December 2018, the company has to follow the Income recognition, asset classification and provisioning norms on the loans/ advances to non sovereign bodies, which was earlier exempted vide notification DNBR.PD.008/03.10.119/ 2016-17 dated 1st September 2016 for all government owned NBFC's.	As stated in Note 27 of the financial statements, the Company has made a provision of 0.40% amounting to Rs. 2,754.43 Lakhs as at 31st March, 2019.
3	As per the Master direction issued by Reserve bank of India circular no. RBI/2017-18/181_DNBR (PD) CC. No. 092/03.10.001/2017-18 dated 31st May, 2018 road with letter no. DNRB (PD).CO. No.1271/03.10.001/2018-19 dated 21st December 2018, for all government owned NBFC's required to transfer 20% of the net profit after tax.	As stated in Note 22.4, of the financial statements the company has transferred 20% of the net profit after tax amounting to Rs. 45,094.97 Lakhs in reserve fund as per Section 45-IC of RBI Act, 1934 as at 31st March, 2019.

4	Company enters into derivative contracts in accordance with RBI guidelines to manage its currency and interest rate risk. The company has applied Hedge Accounting and accounted for the derivatives either as fair value hedges or cash flow hedges. We consider the valuation of the derivative financial instruments and hedge accounting as a key audit matter due to material exposure and the fact that the inappropriate application of these requirements could lead to a material effect on the financial statement.	Company obtains fair value of derivative contracts from the counter party banks. Our procedure include review of the fair value obtained using observable market inputs like prevailing exchange rate, interest rate curves and other volatility index subsequent thereto. We did not find any material misstatement in measuring derivative contracts at fair value obtained from counter party banks while considering other inputs.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Board's Report and annexures to Board Report but does not include the standalone Ind AS financial statements and our auditor's report thereon. The Board's Report and annexures to Board's Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Board's Report and annexures to the Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 underling 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 finding, 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.

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, refer to our separate Report in "Annexure B".

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, of 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.

3. As required by section 143(5) of Companies Act, 2013, we have considered the directions/sub-directions issued by the Comptroller and Audit General of India, the action taken and its impact to the Financial Statements to the company given in **"Annexure-C"**

For SPMG & Co.

Chartered Accountants

Firm Reg. No. 509249C

Sd/-

CA Vinnod Gupta

(Partner)

M. No. 090687

UDIN:19090687AAAACJ8741

Place : New Delhi

Dated : 5th September, 2019

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, 2019)

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 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 immovable properties are held in the name of the company except the title deed of office building is yet to be executed in favor 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. 22,35,540 Lakhs during the year ended 31stMarch, 2019 (P.Y Rs. 14,75,989 Lakhs) to Ministry of Railways under leased arrangement for financing the Railway Infrastructure Projects and Rs. 5,07,870 Lakhs during the year ended 31stMarch, 2019 (P.Y NIL) to Ministry of Railways under leased arrangement for financing the National Project. However, agreement for the same is yet to be executed and list of the Projects financed is yet to be received from Ministry of Railways. (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 , the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. 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 andbased on audit procedures performed, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities provided by the company as specified under section 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 Act and the companies (Acceptance of Deposit) Rules, 2015 and the rules framed thereunder.

6. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sec on 148(1) of the 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 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 31st March, 2019 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 dues in respect of Sales tax, Service tax, Duty of customs, Duty of excise, Value added tax and Cess which 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 no monies raised by way of initial public offer or further public offer. However, the funds raised by way of issue of debt instruments and term Loans 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 or by the officers and employees of the Company has been noticed or reported during the year.

11. The Company being the Government Company wholly owned by the Central Govt., therefore section197 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 section 177 and 188 of Companies Act, 2013 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 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. 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 45-1A of the Reserve Bank of India Act, 1934 and accordingly, the registration has been obtained.

For SPMG & Co.

Chartered Accountants

Firm Reg. No. 509249C

Sd/-

CA Vinnod Gupta

(Partner)

M. No. 090687

UDIN:19090687AAAACJ8741

Place : New Delhi

Dated : 5th September, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-sec on 3 of Sec on 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, 2019 in conjunction with our audit of the 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 on 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 sec on 143(10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we complywith 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 operatedeffectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systemover financial reporting and their operating effectiveness. Ouraudit 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 procedures 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 Ind AS 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) Pertainto 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.changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, 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

as at 31stMarch 2019, 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.

For SPMG & Co.

Chartered Accountants

Firm Reg. No. 509249C

Sd/-

CA Vinnod Gupta

(Partner)

M. No. 090687

UDIN:19090687AAAACJ8741

Place : New Delhi

Dated : 5th September, 2019

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT

Directions u/s 143(5) of Companies Act, 2013

S.No.	Direction's	Audit Remarks
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	According to the information and explanations given to us and on the basis of our examination of the IT system of the company, the company has adequate IT controls to process all the accounting transactions through IT system.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations given to us and on the basis of our examinations of the records of the Company, there is no restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company.
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.	According to the information and explanations given to us and on the basis of our examinations of the records of the Company, no such funds is received or receivable for specific schemes from central/state agencies.

For SPMG & Co.
Chartered Accountants
Firm Reg. No. 509249C

Sd/-
CA Vinnod Gupta
(Partner)
M. No. 090687
UDIN:19090687AAAACJ8741

Place : New Delhi
Dated : 5th September, 2019

NON-BANKING FINANCIAL COMPANIES AUDITORS' REPORT FOR THE YEAR ENDED 31stMARCH, 2019

To

Board of Directors

Indian Railway Finance Corporation Limited

Pragati Vihar, New Delhi

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 3and 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, havingvalid certificate of registration as an Infrastructure Finance Company issued by Reserve Bank of India vide No. is B-14.00013 dated 22.11.201. Further, the Company is entitled to continue to hold such registration in terms of its asset income pattern as on 31.03.2019.
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 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 depositsduring the year 2018-19.
4. The Company has not accepted any public deposits during the financial year 2018-19.
5. For the Financial year ending 31st March, 2019, the Company has compiled 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 /03.01.001/2018-19 dated 21.12.2018.

6. As per the information and explanation give to us, the statement of capital funds, risk assets/exposures and risk ratio (NBS-7 Return) has been filed by the company for the quarter ending 31.03.2019 on the basis of the provisional financial results.

For SPMG & Co.

Chartered Accountants

Firm Reg. No. 509249C

Sd/-

CA Vinnod Gupta

(Partner)

M. No. 090687

UDIN:19090687AAAADA7905

Place : New Delhi

Dated : 5th September, 2019

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 2019.

The preparation of financial statements of Indian Railway Finance Corporation Limited for the period ended 31 March 2019 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 Audit Report dated 05.09.2019.

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 2019 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

Sd/-

(B.R.Mondal)

Principal Director of Audit Railway Commercial, New Delhi

Place: New Delhi

Dated:.25th September, 2019

Notes

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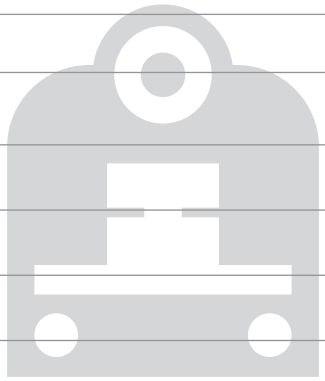

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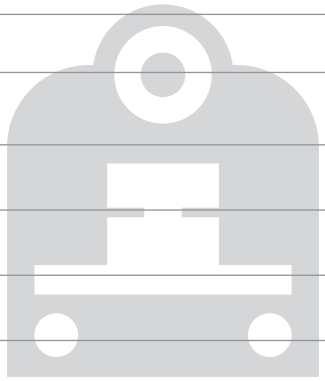

FUTURE ON TRACK

Corporate Social Responsibility

Cochlear Implant Center, Central Hospital, Kolkata

Distribution of tri-cycles at Ahmednagar, Maharashtra

Installation of Solar Street Light - Ghazipur, UP

IRFC is felicitating Padmashri Dr. Shyam Singh Shashi on the occasion of Hindi Diwas 2019.

Children's creativity towards Drawing & Art Competitions

Motivation by Director Finance on Swachta Diwas

Plantation

MOU signed between IRFC & ALIMCO related to CSR

MOU signed between IRFC & NBCFDC on 28.05.2019 for facilitating Skill Development Training on PAN India basis

Sponsoring Integrity Club on the occasion of Vigilance Awareness Week

Signing of MOU with Ministry of Railwasys for FY 2019-20

32nd Annual General Meeting

ADHUNIK BHARAT

INDIAN RAILWAY FINANCE CORPORATION LTD.
(A GOVERNMENT OF INDIA ENTERPRISE)

Upper Ground Floor, East Tower, NBCC Place,
Pragati Vihar, Lodhi Road, New Delhi - 110003

Design & Printed by Asian Paper Products, Greater Noida