



INDIAN RAILWAY FINANCE CORPORATION LIMITED

(A Government of India Enterprise)

Registered & Corporate Office: UG Floor, East Tower, NBCC Place, Pragati Vihar, Lodhi Road
New Delhi - 110003

Tel. No: (011) 24369766-69; **Fax No.:** +91-11-24369770; **E-Mail:** gma@irfc.nic.in & irfcbonds2@gmail.com

Website: www.irfc.nic.in; **CIN:** U65910DL1986GOI026363

(This is a Private Placement Offer Letter issued in conformity with Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, as amended and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014 and notification dated March 24 2015 and as amended (to the extent applicable), Form PAS-4 prescribed under section 42 and rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debenture) Rules 2014, circular no. DNBD(PD) CC No. 330 /03.10.001/2012-13 dated June 27, 2013 issued by the Reserve Bank of India on "Raising Money through Private Placement by NBFCs-Debentures etc." , circular no. DNBS(PD) CC No.349/03.10.001/2013-14 dated July 02, 2013 issued by the Reserve Bank of India on "Raising Money through Private Placement by NBFCs-Non-Convertible Debentures (NCDs) –Clarification" and circular no. DNBR (PD) CC No.021/03.10.001/2014-15 dated February 20, 2015 issued by the Reserve Bank of India on "Raising Money through Private Placement of Non-Convertible Debentures (NCDs) by NBFCs"

PRIVATE PLACEMENT OF TAXABLE SECURED REDEEMABLE NON-CONVERTIBLE BONDS OF FACE VALUE OF RS.10,00,000.00 EACH IN THE NATURE OF DEBENTURES (SERIES 133) (COLLECTIVELY REFERRED TO AS THE "BONDS") FOR CASH AT PAR FOR Rs.500 CRORE ("BASE ISSUE") WITH OPTION TO RETAIN OVERSUBSCRIPTION UPTO RS.2500 CRORE AN AMOUNT AGGREGATING TO RS.3000 CRORE (ISSUE SIZE) BY INDIAN RAILWAY FINANCE CORPORATION LIMITED ("IRFC" OR THE "ISSUER" OR THE "COMPANY")

NEITHER THE ISSUER NOR ANY OF THE CURRENT DIRECTORS OF THE ISSUER HAS BEEN DECLARED AS WILFILUL DEFAULTER

(PRIVATE & CONFIDENTIAL) (FOR ADDRESSEE ONLY)
PRIVATE PLACEMENT OFFER LETTER DATED 11TH MARCH, 2019

TRUSTEE FOR THE BONDHOLDERS

SBICAP Trustee Company Limited

Apeejay House,
6th Floor,
West Wing,3
3 Dinshaw Wachha Road,
Churchgate,
Mumbai - 400020
Tel. 022-43025555
Fax: 022-22040465
E-mail: corporate@sbicaptrustee.com

REGISTRAR TO THE ISSUE

Karvy Fintech Private Limited (Formerly known as Karvy Computershare Private Limited)

Unit: IRFC Bonds
Selenium Tower B,
Plot No. 31 & 32
Gachibowli, Financial District,
Nankramguda, Serilingampally,
Hyderabad - 500032
Tel: (040) 67161598/1600
E- mail: einward.ris@karvy.com
brahma.k@karvy.com

ISSUE SCHEDULE

| ISSUE OPENING DATE | ISSUE CLOSING DATE | PAY-IN DATES | DEEMED DATE OF ALLOTMENT |
|------------------------------|------------------------------|------------------------------|------------------------------|
| 11 th March, 2019 | 11 th March, 2019 | 13 th March, 2019 | 13 th March, 2019 |

LISTING

The Bonds are proposed to be listed on Wholesale Debt Market ("WDM") segment of the National Stock Exchange of India Limited ("NSE") and BSE limited ("BSE"). The NSE and BSE have since granted their in – principle approval vide their letters dated 8th March, 2019.



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**I. DISCLAIMER****a. DISCLAIMER OF THE ISSUER**

This Private Placement Offer Letter is neither a Prospectus nor a Statement in Lieu of Prospectus and is prepared in conformity with Form PAS-4 prescribed under section 42 and rule 14(3) of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended by Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2018, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, as amended and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014 and notification dated March 24, 2015, as amended (to the extent possible), circular no. DNBD(PD) CC No. 330 /03.10.001/2012-13 dated June 27, 2013 issued by the Reserve Bank of India on "Raising Money through Private Placement by NBFCs-Debentures etc.", circular no. DNBS(PD) CC No.349/03.10.001/2013-14 dated July 02, 2013 issued by the Reserve Bank of India on "Raising Money through Private Placement by NBFCs-Non-Convertible Debentures (NCDs) –Clarification") and circular no. DNBR (PD) CC No.021/03.10.001/2014-15 dated February 20, 2015 issued by the Reserve Bank of India on "Raising Money through Private Placement of Non-Convertible Debentures (NCDs) by NBFCs". This document does not constitute an offer to the public generally to subscription for or otherwise acquire the Bonds to be issued by IRFC Ltd. This document is for the exclusive use of the investors to whom it has been specifically addressed and it should not be circulated or distributed to third party(ies). It is not and shall not be deemed to constitute an offer or an invitation to the public in general to subscribe to the Bonds issued by the Issuer. This Bond issue is made strictly on private placement basis. Apart from this Private Placement Offer Letter, no offer document or prospectus has been prepared in connection with the offering of this Issue or in relation to Issuer.

This Private Placement Offer Letter is not intended to form the basis of evaluation for the prospective subscribers to whom it is addressed and who are willing and eligible to subscribe to the Bonds issued by IRFC Ltd. This Private Placement Offer Letter has been prepared to give general information regarding IRFC Ltd. to parties proposing to invest in this issue of Bonds and it does not purport to contain all the information that any such party may require. IRFC Ltd. believes that the information contained in this Private Placement Offer Letter is true and correct as of the date hereof. IRFC Ltd. does not undertake to update this Private Placement Offer Letter to reflect subsequent events and thus prospective subscribers must confirm about the accuracy and relevancy of any information contained herein with IRFC Ltd. However, IRFC Ltd. reserves its right for providing the information at its absolute discretion. IRFC Ltd. accepts no responsibility for statements made in any advertisement or another material and anyone placing reliance on any other source of information would be doing so at his own risk and responsibility.

Prospective subscribers must make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in Bonds. It is the responsibility of the prospective subscriber to have obtained all consents, approvals or authorizations required by them to make an offer to subscribe for, and purchase the Bonds. It is the responsibility of the prospective subscriber to verify if they have necessary power and competence to apply for the Bonds under the relevant laws and regulations in force. Prospective subscribers should conduct their own investigation, due diligence and analysis before applying for the Bonds. Nothing in this Private Placement Offer Letter should be construed as advice or recommendation by the Issuer or by the Arrangers to the Issue to subscribers to the Bonds. The prospective subscribers also acknowledge that the Arrangers to the Issue do not owe the subscribers any duty of care in respect of this private placement offer to subscribe for the Bonds. Prospective subscribers should also consult their own advisors on the implications of application, allotment, sale, holding, ownership and redemption of these Bonds and matters incidental thereto.

This Private Placement Offer Letter is not intended for distribution. In pursuance of sub-section (7) of section 42 of The Companies Act, 2013, the Issuer shall not release any public advertisements and shall not utilize any media, marketing or distribution channels or agents to inform the public at



large about such an offer, where the term 'public advertisements' shall include notices, brochures, pamphlets, circulars, show cards, catalogues, hoardings, placards, posters, insertions in newspapers, pictures, films, or any other print medium, radio, television programme through any electronic medium, mass communications or emails, internet websites including social networking websites, publicity through telephone or mobile etc.

It is meant for the consideration of the person to whom it is addressed and should not be reproduced by the recipient. The securities mentioned herein are being issued on private placement basis and this offer does not constitute a public offer/ invitation.

The Issuer reserves the right to withdraw the private placement of the Bond issue prior to the issue closing date(s) in the event of any unforeseen development adversely affecting the economic and regulatory environment or any other force majeure condition including any change in applicable law. In such an event, the Issuer will refund the application money, if any, along with interest payable on such application money, if any.

b. DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA

Pursuant to Rule 14 (3) of The Companies (Prospectus and Allotment of Securities) Rules, 2014, a copy of this Private Placement Offer Letter shall be filed with the Registrar of Companies, National Capital Territory of Delhi & Haryana along with fee as provided in The Companies (Registration Offices and Fees) Rules, 2014. Though the Bonds will not be immediately listed, however the bonds may be listed at a later date in the future and accordingly, a copy of this PPOL, with necessary amendments as required by applicable law, shall be filed with SEBI at such time to facilitate such prospective listing of the Bonds, within the prescribed time frame. The Private Placement Offer Letter has not been filed with or approved by SEBI. The Bonds have not been / will not be recommended or approved by SEBI nor does/will SEBI guarantee the accuracy or adequacy of this Private Placement Offer Letter at present or at such time of prospective listing. It is to be distinctly understood that this Private Placement Offer Letter should not, in any way, be deemed or construed that the same has been/will be cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this Private Placement Offer Letter. However SEBI reserves the right to take up at any point of time, with the Issuer, any irregularities or lapses in this Private Placement Offer Letter.

c. DISCLAIMER OF THE STOCK EXCHANGE

As and when required, at the point of listing, if any, a copy of this Private Placement Offer Letter, with the requisite legally required updations and amendments shall be submitted to NSE and/or BSE (hereinafter collectively referred to as "Exchanges") for hosting the same on its website. It is to be distinctly understood that such submission of the document with NSE & BSE or hosting the same on its website should not in any way be deemed or construed that this Private Placement Offer Letter shall be cleared or approved by the Exchanges; nor do they in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor do they warrant that the Issuer's securities will be listed or continue to be listed on the Exchanges; nor do they take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of IRFC Ltd. Every person who desires to apply for or otherwise acquire any securities of the Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

d. DISCLAIMER OF THE RESERVE BANK OF INDIA

The Bonds have not been recommended or approved by the Reserve Bank of India ("RBI") nor does RBI guarantee the accuracy or adequacy of this Private Placement Offer Letter. It is to be distinctly understood that this Private Placement Offer Letter should not, in any way, be deemed or construed that the Bonds have been recommended for investment by the RBI. RBI does not take any responsibility either for the financial soundness of the Issuer, or the Bonds being issued by the Issuer or for the correctness of the statements made or opinions expressed in this Private



Placement Offer Letter. The potential investors may make investment decision in respect of the Bonds offered in terms of this Private Placement Offer Letter solely on the basis of their own analysis and RBI does not accept any responsibility about servicing/repayment of such investment.

II. DEFINITIONS/ ABBREVIATIONS

| | |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AY | Assessment Year |
| Allotment/ Allot/ Allotted | The issue and allotment of the Bonds to the successful Applicants in the Issue. |
| Applicant/Investor | A person who makes an offer to subscribe the Bonds pursuant to the terms of this Private Placement Offer Letter and the Application Form |
| Application Form | The form in terms of which the Applicant shall make an offer to subscribe to the Bonds and which will be considered as the application for allotment of Bonds for Series 133 |
| Bondholder(s) | Any person or entity holding the Bonds and whose name appears in the list of Beneficial Owners in the records of the Company. |
| Beneficial Owner(s) | Bondholder(s) holding Bond(s) in dematerialized form (Beneficial Owner of the Bond(s) as defined in clause (a) of sub-section of Section 2 of the Depositories Act, 1996) |
| Board/ Board of Directors | The Board of Directors of Indian Railway Finance Corporation Ltd. or Committee thereof, unless otherwise specified |
| Bond(s) | Secured, Redeemable Non-Convertible, Taxable Bonds in the nature of Debentures of face value of Rs. 10,00,000 each ("Bonds") to be issued by Indian Railway Finance Corporation Ltd. ("IRFC" or "Issuer" or the "Company") through private placement route under the terms of this Private Placement Offer Letter |
| Book Closure / Record Date | Record date for the Bonds shall be 15 days prior to each interest payment date and/or redemption date. |
| CAR | Capital Adequacy Ratio |
| CARE | Credit Analysis & Research Limited |
| CAG | Comptroller and Auditor General of India |
| CAGR | Compounded Annual Growth Rate |
| CBDT | Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India |
| CDSL | Central Depository Services (India) Limited |
| CIN | Corporate Identity Number |
| CIT (Appeals) | Commissioner of Income Tax (Appeals) |
| CRISIL | CRISIL Limited |
| MD | Managing Director of IRFC |
| Debt Securities | Non-Convertible debt securities which create or acknowledge indebtedness and include debenture, bonds and such other securities of the Issuer, whether constituting a charge on the assets of the Issuer or not, but excludes security receipts and securitized debt instruments. |
| Deemed Date of Allotment | The cut-off date declared by the Issuer from which all benefits under the Bonds including interest on the Bonds shall be available to the Bondholder(s). The actual allotment of Bonds (i.e. approval from the Board of Directors or a Committee thereof) may take place on a date other than the Deemed Date of Allotment |
| Depository | A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time |
| Depositories Act | The Depositories Act, 1996, as amended from time to time |
| Depository Participant | A Depository participant as defined under Depositories Act |
| DP | Depository Participant |
| DRR | Bond/ Debenture Redemption Reserve |
| EPS | Earnings Per Share |
| FIs | Financial Institutions |



| | |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FII | Foreign Institutional Investors |
| FPI | Foreign Portfolio Investors as defined under SEBI (Foreign Portfolio Investors) Regulations, 2014 registered with SEBI. |
| Financial Year/ FY / Fiscal | Period of twelve months ending March 31, of a particular year |
| Gol | Government of India/ Central Government |
| Trustees | Trustees for the Bondholders in this case being SBI Caps Trustee Company Limited |
| ICRA | ICRA Limited |
| Issuer/ IRFC/ Company | Indian Railway Finance Corporation Ltd. a company incorporated under Companies Act, 1956, as amended |
| Independent Director | An Independent Director referred to in sub-section (6) of section 149 of the Companies Act, 2013 |
| I.T. Act | The Income Tax Act, 1961, as amended from time to time |
| Listing Agreement | Listing Agreement as may be issued by SEBI. |
| MF | Mutual Fund |
| Memorandum/ Memorandum of Association | Memorandum of association of the Company as originally framed or as altered from time to time in pursuance of any previous company law or of the Companies Act, 2013 |
| MoF | Ministry of Finance |
| MoR | Ministry of Railways |
| NSDL | National Securities Depository Limited |
| NRI | Non Resident Indians |
| PAN | Permanent Account Number |
| Private Placement/ The Issue/ The Offer | Offer of Bonds or invitation to subscribe to the Secured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures of face value of Rs.10 lakhs each bond ("Bonds") to be issued by Indian Railway Finance Corporation Ltd. (other than by way of Public Offer) through issue of this Private Placement Offer Letter to the Investors on such conditions including the form and manner of private placement as prescribed under the Companies Act, 2013 and RBI Circular No. RBI/2014-15/475 DNBR (PD) CC NO.021/03.10.001/2014-15, dated February 20, 2015, as amended |
| Private Placement Offer Letter | Private Placement Offer Letter shall mean this Private Placement Offer Letter |
| GIR | General Index Registration Number |
| Rupee/ INR/ Rs. | Indian National Rupee |
| RBI | Reserve Bank of India |
| RTGS | Real Time Gross Settlement |
| ROC | Registrar of Companies, National Capital Territory of Delhi & Haryana |
| RBI Guidelines | Any rule, regulations, guidelines or amendment as may be issued by RBI from time to time |
| SEBI | The Securities and Exchange Board of India, constituted under the SEBI Act, 1992 |
| SEBI Act | Securities and Exchange Board of India Act, 1992, as amended from time to time |
| SEBI Debt Regulations | Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, as amended and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014, SEBI (Listing obligations and Disclosure Requirements) Regulations 2015, Guideline/ Regulations issued by the Statutory Authorities, etc. as amended. |
| TDS | Tax Deducted at Source |



| | |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key Managerial Personnel | Key managerial personnel, in relation to the Company, shall mean: Managing Director & Chief Executive Officer or the Manager; Company Secretary; Whole-Time Directors; Chief Financial Officer; and any such other officer as may be prescribed under the Companies Act. |
| Companies Act | The Companies Act, 1956 as amended from time to time |
| Companies Act, 2013 | The Companies Act, 2013, as amended and to the extent notified by the MCA and read with the rules framed there under |



III. GENERAL INFORMATION

Name of the Issuer : Indian Railway Finance Corporation Limited
Date of Incorporation : 12th December, 1986
CIN : U65910DL1986GOI026363
Registered & Corporate Office : UG Floor, East Tower, NBCC Place, Pragati Vihar
 Lodhi Road, New Delhi-110 003
Tel. No. : (011) 24369766/ 69
Fax No. : +91-11-24369770
Website : www.irfc.nic.in
E-mail : gma@irfc.nic.in & irfcbonds2@gmail.com

Compliance Officer for the Issue : **Mr. Vijay Babulal Shirode**
Dy. General Manager (Law) & Company Secretary
Indian Railway Finance Corporation Limited
 Registered Office UG Floor, East Tower
 NBCC Place, Pragati Vihar
 Lodhi Road, New Delhi-110 003
 Tel No.: (011) 24369766-69
 Fax No.: +91-11-24368721 / 24369770
 E-mail: gma@irfc.nic.in

Chief Financial Officer of the Issuer : **Mr. Niraj Kumar**
Director Finance
Indian Railway Finance Corporation Limited
 Registered Office UG Floor, East Tower
 NBCC Place, Pragati Vihar
 Lodhi Road, New Delhi-110 003
 Tel No.: (011) 24369766-69, 24369789
 Fax No.: +91-11-24369770
 E-mail: df@irfc.nic.in

Trustees to the Bonds : **SBICAP Trustee Company Limited**
 Apeejay House,
 6th Floor, West Wing,
 3 Dinshaw Wachha Road,
 Churchgate,
 Mumbai - 400020
 Tel. 022-43025555
 Fax : 022-22040465
 E-mail: corporate@sbicaptrustee.com

Credit Rating Agencies : **CRISIL Limited**
 CRISIL House, Central Avenue
 Hiranandani Business Park, Powai
 Mumbai - 400076
 Tel: +91-22-3342 3000
 Fax: +91-22-3342 3050
 E-mail: crisilratingdesk@crisil.com
 Website: www.crisil.com

**ICRA Limited**

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 Investor Grievance
 E-mail: vw@icraindia.com
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Credit Analysis & Research Limited

B-47 3rd Floor, Inner Circle
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 Tel: +91-11-45333200
 Fax: +91-11-45333238
 E-mail: jyotsana.gadgil@careratings.com
 Website: www.careratings.com

Registrar to the Issue : **Karvy Fintech Private Limited**
(Formerly known as Karvy Computershare Private Limited)
 Unit: IRFC Bonds
 Selenium Tower B, Plot No. 31 & 32
 Gachibowli, Financial District,
 Nankramguda, Serilingampally,
 Hyderabad - 500032
 Tel: (040) 67161598/1600
 E-mail: einward.ris@karvy.com & brahma.k@karvy.com

Auditors of the Issuer : **M/s. SPMG & Co.**
 Chartered Accountants
 3322-A, 2nd Floor,
 Bank Street, Karol Bagh,
 New Delhi - 110005
 Tel: +91-11-25728769, 65460082, 28727385
 Email: spoddar@vsnl.com / sharad@spmgingdia.com
 Firm Registration No.: 509249C

Arrangers :

1. ICICI Bank
2. Axis Bank Limited
3. HDFC Bank Limited
4. Yes Bank Limited
5. A.K. Capital Services Limited
6. Kotak Mahindra Bank Limited
7. ICICI Securities Primary Dealership Limited
8. Trust Investment Advisors Private Limited
9. Tipsons
10. Edelweiss Financial Services Limited



IV. OUR MANAGEMENT

1. CURRENT DIRECTORS OF THE ISSUER

The composition of the Board of Directors of the Issuer as on date of this Private Placement Offer Letter is as under:

| Sr. No. | Name, Designation and DIN | Age | Address | Occupation | Director of the Company since | Other Directorships |
|---------|------------------------------------------------------------------------------------|-----|-------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Mr. A.K. Prasad FC Railways & Chairman DIN : 08125752 | 59 | 2B RAILWAY COLONY, TILAK BRIDGE, NEW DELHI | Service | 14-August-2018 | NRTU Foundation |
| 2. | Mr. Vijay Kumar Managing Director DIN : 08189249 | 59 | D-4 TOWER -6, NEW MOTI BAGH, NEW DELHI | Service | 26-July-2018 | Nil |
| 3. | Mr. Niraj Kumar Director (Finance) DIN : 00795972 | 58 | B-54,MODEST KETKI C G H S LTD, PLOT NO. 8B SECTOR 11, DWARKA - 110075. | Service | 01-July-2015 | Nil |
| 4. | Dr. Kumar Vinay Pratap Director DIN : 07606296 | 54 | JOINT SECRETARY, MOF (DEA), NORTH BLOCK, NEW DELHI- 110 001 | Service | 23-April-2018 | ONGC Videsh Limited, India Infrastructure Finance Company Limited, Indian Railway Stations Development Corporation Limited & Asian Infrastructure Development Bank, Beijing, Alternate Director |
| 5. | Mr. Kishor Jinabhai Devani Independent Director DIN : 07502684 | 67 | 22 MAHAVIR DARSHAN, OPP. BHANDARI STREET P.O. MASJID BUNDER (W) MUMBAI-400003 | Professional | 01-April-2016 | Nil |
| 6. | Ms. Aditi Sengupta Ray Independent Director DIN : 00447385 | 63 | FLAT NO.EH 1/602, ELDECO UTOPIA, SECTOR 93 A NOIDA, PIN 201304 | Superannuated from Secretary equivalent level in Central Government | 19-Sept-2017 | NIL |
| 7. | Mr. Chetan Venugopal Independent Director | 51 | 451, 6TH CROSS, 7TH BLOCK, WEST | Business | 08-March-2018 | Pierian Services Private Limited, |



| | | | | | | |
|----|---------------------------------------------------------------------------------------|----|------------------------------------------------------|------------------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| | DIN : 00317183 | | JAYANAGAR, BANGALORE 560070 | | | Flat World Interactive Services Private Limited, E Analytics Partners (India) Private Limited & Pierian Digital Private Limited |
| 8. | Mr. Ashok Kumar Singhal <i>Independent Director</i> DIN: 08193963 | 62 | C II / 57, SHAHJAHAN ROAD, NEW DELHI 110011 | Retired Govt. Official | 20-July-2018 | NIL |

None of the current directors of the Issuer appears in the RBI's defaulter list or ECGC's default list.

Relationship with Other Directors:

None of the Directors of the Company are, in any way, related to each other

2. CHANGE IN DIRECTORS OF THE ISSUER SINCE LAST THREE YEARS

Changes in the Board of Directors of the Issuer during the last three years are as under:

| Name of Directors, Designation and DIN | Date of Appointment | Date of Cessation | Reason for change |
|-------------------------------------------------------------------------------------------------|---------------------|---------------------------|-------------------|
| Mr. D. C. Arya <i>Director (Finance)</i> DIN : 05164932 | December 30, 2011 | June 30, 2015 | Expiry of term |
| Mr. K B Nanda <i>Chairman</i> DIN : 07640826 | October 6, 2016 | October 31, 2016 | Expiry of Term |
| Mr. Shahzad Shah <i>Chairman</i> DIN : 02349678 | November 28, 2016 | February 27, 2017 (FN) | Cessation |
| Mr. P.V. Vaidialingam <i>Managing Director</i> DIN: 07413701 | July 29 , 2016 | April 30, 2017 | Expiry of Term |
| Mr. Rajiv Datt <i>Managing Director</i> DIN : 05129499 | November 14, 2011** | June 30, 2016 | Expiry of term |
| Mr. Sanjoy Mookerjee <i>Chairman</i> DIN : 03546243 | October 16, 2015 | August 31, 2016 | Cessation |
| Mr. B.N. Mohapatra <i>Chairman</i> DIN: 00772188 | April 20, 2017 | January 31, 2018 | Cessation |
| Ms. Sharmila Chavaly <i>Nominee Director(MoF)</i> DIN : 06411077 | November 21, 2012 | September 26, 2017 | Cessation |
| Mr. S. K. Goel <i>Independent Director</i> DIN : 06742476 | December 31, 2013 | December 31, 2016 | Expiry of Term |
| Ms. Rajalakshmi Ravikumar <i>Chairman/ Nominee Director*</i> DIN : 00194063 | October 30, 2014 | September 30, 2015 | Expiry of term |
| Mr. Niraj Kumar <i>Director (Finance)</i> | July 1, 2015 | - | Appointment |



| Name of Directors, Designation and DIN | Date of Appointment | Date of Cessation | Reason for change |
|----------------------------------------------------------------------------------------------------------|---------------------|-------------------|-------------------|
| DIN : 00795972 | | | |
| Mr. Kishor Jinabhai Devani <i>Independent Director</i> DIN : 07502684 | April 1, 2016 | - | Appointment |
| Mr. S.K. Pattanayak <i>Managing Director</i> DIN : 02396063 | March 9, 2017 | July 26, 2018 | Cessation |
| Ms. Aditi Sengupta Ray <i>Independent Director</i> DIN : 00447385 | September 19, 2017 | - | Appointment |
| Mr. Chetan Venugopal <i>Independent Director</i> DIN : 00317183 | March 8, 2018 | - | Appointment |
| Mr. Ashok Kumar Singhal <i>Independent Director</i> DIN : 08193963 | July 20, 2018 | - | Appointment |
| Mr. Vijay Kumar <i>Addl. Member Budget and Managing Director/IRFC</i> DIN : 08189249 | July 26, 2018 | - | Appointment |
| Mr. A.K. Prasad <i>FC Railways & Chairman</i> DIN : 08125752 | August 14, 2018 | - | Appointment |

Remuneration of Directors during the current year and the last three financial years

A. Managing Director/ Whole time Director

The following table sets forth the details of remuneration paid to our Managing Director and Director (Finance) for the financial year ended March 31, 2018:

(In Rs. Lacs)

| Name of Director | Designation | Salary | Other Benefits | Total Salary |
|----------------------|--------------------|--------|----------------|--------------|
| Mr. S.K. Pattanayak* | Managing Director | 35.52 | 4.08 | 39.60 |
| Mr. Niraj Kumar | Director (Finance) | 53.03 | 0.45 | 53.48 |

*Mr. S. K. Pattanayak was appointed our Managing Director on February 16, 2017 replacing Mr. P.V. Vaidialingam who had relinquished additional charge of the Managing Director. He ceased to be MD / IRFC with effect from July 26, 2018.

The following table sets forth the details of remuneration paid to our Managing Director and Director (Finance) for the financial year ended March 31, 2017:

(In Rs. Lacs)

| Name of Director | Designation | Salary | Other Benefits | Total Salary |
|----------------------|--------------------|--------|----------------|--------------|
| Mr. Rajiv Datt* | Managing Director | 6.57 | 0.73 | 7.30 |
| Mr. Niraj Kumar | Director (Finance) | 31.13 | 0.17 | 31.30 |
| Mr. S.K. Pattanayak* | Managing Director | 1.76 | - | 1.76 |

* Mr. Rajiv Datt superannuated on June 30, 2016 and Mr. S.K. Pattanayak was appointed as Managing Director on February 16, 2017.



The following table sets forth the details of remuneration paid to our Managing Director and Director (Finance) for the year ended March 31, 2016:

(In Rs. Lacs)

| Name of Director | Designation | Salary | Other Benefits | Total Salary |
|-------------------|-------------------|--------|----------------|--------------|
| Mr. Rajiv Datt* | Managing Director | 32.54 | 21.33 | 53.87 |
| Mr. Niraj Kumar** | Director Finance | 19.32 | 10.30 | 29.62 |
| Mr. D.C.Arya** | Director Finance | 8.36 | 3.34 | 11.70 |

* Mr. Rajiv Datt was appointed as our Managing Director on November 14, 2011.

** Mr. Niraj Kumar was appointed as Director Finance w.e.f. July 01, 2015 and Mr. D.C. Arya superannuated on 30th June, 2015.

B. Non-Executive Directors

The Part time Non-Official Independent Director(s) do not have any material pecuniary relationship with the Company. A sitting fee of Rs.20,000 (Rs.5,000 till July, 2015) is payable to the independent directors for attending the meetings of the Board or committees thereof.

The following table sets forth the details of sitting fees paid to Independent Directors:

(In Rs.)

| Period | Total Amount |
|-----------------------------------------|--------------|
| Year ending 31 st March 2018 | 6,60,000.00 |
| Year ending 31 st March 2017 | 5,22,000.00 |
| Year ending 31 st March 2016 | 2,00,000.00 |
| Year ending 31 st March 2015 | 55,000.00 |

C. Interests of our Directors

All our Directors are appointed by the President of India acting through the Ministry of Railways, who is presently holding 100% of the paid-up equity share capital of our Company along with nominees. Besides this, there are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors or member of the senior management was appointed.

Our Company has not entered into any contract, agreements and arrangement during the two years preceding the date of this Private Placement Offer Letter in which the directors are interested directly or indirectly and no payments have been made to them in respect of such contracts or agreements.

Our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses payable to them.

Our Directors, may also be regarded as interested, to the extent they, their relatives or the entities in which they are interested as directors, members, partners or trustees, are allotted Bonds pursuant to this Issue, if any.

Further, none of our current directors are listed as a defaulter in the RBI Defaulter list and/or the ECGC List.

D. Interest of Key Managerial Personnel / Promoters in the Offer:

NIL

E. Litigation:



Since the Government of India is the promoter of the Company, it is not possible to give details of litigations, legal actions or directions pending or taken by any Ministry or Department of the Government or a Statutory Authority against the promoter of the Company during the last three years.

F. DETAILS OF ANY INQUIRY, INSPECTIONS OR INVESTIGATIONS INITIATED OR CONDUCTED UNDER THE COMPANIES ACT OR ANY PREVIOUS COMPANY LAW IN THE LAST THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF CIRCULATION OF PRIVATE PLACEMENT OFFER LETTER AGAINST THE COMPANY AND ITS SUBSIDIARIES

There has been no inquiry, inspection or investigation initiated or conducted against the Company or its subsidiaries under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of Private Placement Offer Letter. Further there was no prosecution filed, fines imposed, compounding of offences against the Company or its subsidiaries in the last three years immediately preceding the year of circulation of Private Placement Offer Letter.

G. DETAILS OF ACTS OF MATERIAL FRAUDS COMMITTED AGAINST THE COMPANY IN THE LAST THREE YEARS, IF ANY, AND IF SO, THE ACTION TAKEN BY THE COMPANY

There has been no act of material fraud committed against the Company in the last three years immediately preceding the year of circulation of Private Placement Offer Letter.

H. OUTSTANDING BORROWINGS/ DEBT SECURITIES ISSUED FOR CONSIDERATION OTHER THAN CASH, WHETHER IN WHOLE OR PART, AT A PREMIUM OR DISCOUNT, OR IN PURSUANCE OF AN OPTION

NIL



V. DETAILS OF STATUTORY AUDITORS OF THE ISSUER

1. CURRENT STATUTORY AUDITORS OF THE ISSUER (FY 2018-19)

Details of the statutory auditors of the Issuer for financial year 2017-18 are as under:

| Name | Address | Auditors since |
|-------------------------------------------------|-------------------------------------------------------------------------|----------------|
| M/s. SPMG & Co. <i>Chartered Accountants</i> | 3322-A, 2nd Floor, Bank Street, Karol Bagh, New Delhi – 110005 | 2016-17 |

2. CHANGE IN STATUTORY AUDITORS OF THE ISSUER SINCE LAST THREE YEARS

Details of change in auditor since last three years:

| Name | Address | Date of Appointment/ Resignation | Auditor of the Company Since (in case of resignation) | Remarks |
|--------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| M/s. SPMG & Co. Chartered Accountants | 3322-A, 2nd Floor, Bank Street, Karol Bagh, New Delhi - 110005 | Date of Appointment: August 29, 2016 | - | M/s SPMG & Co., Chartered Accountants, has been appointed as the Statutory Auditors of the Company by the C&AG for FY 2016-17 |
| M/s Bansal Sinha & Co., Chartered Accountants | 18/19, Old Rajinder Nagar, New Delhi – 110 060 | Date of completion of term: August 29, 2016 | Since FY 2012-13 | M/s Bansal Sinha & Co., Chartered Accountants were appointed as Statutory Auditors of our Company by the C&AG for FY 2012-13 and reappointed as Statutory Auditors by the C&AG for the years 2013-14, 2014-15 and 2015-16 |



VI. MANAGEMENT'S PERCEPTION OF RISK FACTORS:-

Prospective investors should carefully consider all the information in this Private Placement Offer Letter, including the risks and uncertainties described below, before making an investment in the Bonds. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business prospects, results of operations and financial condition. If any of the following or any other risks actually occur, our business prospects, results of operations and financial condition could be adversely affected and the price of, and the value of your investment in the Bonds could decline and you may lose all or part of your redemption amounts and/or interest amounts.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

- 1. We derive a significant amount of our revenue from operations from the Indian Railways and a loss of or reduction of business from the Indian Railways or in our relationship with the MoR could have an adverse effect on our business.*

We are the dedicated market borrowing arm of the Indian Railways. A significant portion of our revenue is generated from the leasing of rolling stock assets, comprising locomotives, passenger coaches and freight wagons, to the Indian Railways. Lease income from the leases with the Ministry of Railways, Government of India (“MoR”) and other MoR administered entities represented 99.86% of our revenue from operations in FY 2017-18. Any change that might affect the MoR’s ability and willingness to meet its contractual obligations under the Standard Lease Agreement entered into with our Company will have an adverse impact on the financial position of our Company. Further, any shift in the funding pattern of the Indian Railways, such as, amongst others, reduced demand for rolling stock assets or reliance on internal accruals or preference to other funding arrangements such as public private partnerships, will have an adverse impact on our results of operations. Therefore, overall prospects of our business are closely tied to our relationship with the MoR. We do not have any control over the Government of India, its related entities including the MoR or its policies. Any corporatization or privatization of the Indian Railways allowing the MoR to raise funds directly from banks, NBFCs and other financial institutions will have an adverse impact on our business, results of operation and financial condition.

- 2. Our business is dependent on the continued growth of the Indian railway sector, which makes us susceptible to GoI initiatives to modernize the railways and other policies and any slowdown in the growth of Indian Railways will impact our business and results of operations.*

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



- 3. *Our ability to operate efficiently is dependent on our ability to maintain diverse sources of funds and at a low cost. Any disruption in our funding sources or any inability to raise funds at a low cost could have a material adverse effect on our business, financial condition and results of operations.***

Our liquidity largely depends upon on timely access and costs associated with raising capital. Our funding requirements historically have been met through various sources including from taxable and tax-free bonds in India, term loans from banks/financial institutions, external commercial borrowings including bonds and syndicated loans, internal accruals, asset securitization and lease financing. Owing to our diversified sources of funds, we believe we have access to funds at relatively lower costs. Our finance costs were Rs.5,504.48 crore, Rs. 6,888.08 crore and Rs.8436.85 Crore in Fiscal 2016, 2017 and 2018 respectively. As we are fundamentally dependent upon funding from the debt markets and commercial borrowings, our ability to continue to obtain funds from the debt markets and through commercial borrowings on acceptable terms and our ability to access new sources of funding, markets or investors, is dependent on various factors which include but are not limited to, our ability to maintain our existing credit ratings, which are based upon several factors, many of which are outside our control, including the economic conditions in the Indian economy and liquidity in the domestic and global financial markets. Further, since we are a non-deposit taking NBFC, we have restricted access to funds in comparison to banks and deposit taking NBFCs.

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

If we are unable to obtain adequate financing or financing on terms satisfactory to us and in a timely manner or are unable to access new sources of funding or markets and investors, our ability to grow or support our business and to respond to business challenges could be limited and our business prospects, financial condition and results of operations would be materially and adversely affected.

- 4. *In the event the interest margin on the project assets funded by our Company is not favourable, it may have an adverse impact on our financial condition and results of operation.***

We operate on a cost-plus based model and under the terms of the lease agreements we enter with the MoR for funding of project assets, we are entitled to an assured interest margin on the project assets leased in that particular Fiscal. In Fiscal 2018, pursuant to our arrangements with the MoR, we are entitled to a margin of 25bps over our average cost of borrowing. The interest margin is determined by the end of each Fiscal by our Company following discussions with the MoR. There can be no assurance that the interest margin determined will be favourable for our Company. Any adverse determination of the interest margin will also impact our profitability and results of operation including leverage capacity. In the event the interest margin determined is not favourable, it also may also adversely impact our financial condition and results of operation.

- 5. *Mismatch in the tenor of our leases and borrowings may lead to reinvestment and liquidity risk, which may adversely impact our financial condition and results of operations.***



A majority of our revenues is derived from the lease agreements with the MoR. These agreements with respect to rolling stock assets acquisition currently provide for a primary lease period of 15 years, followed by a secondary lease period of another 15 years, unless otherwise revised by mutual consent. We recover the full amount of principal borrowed and related interest within the primary lease period. Repayments occur by installments during the primary lease period. One-time repayment of some borrowings in certain years may give rise to a temporary mismatch. This may potentially give rise to a liquidity risk when we are required to refinance our loans and other borrowings. The receipt of lease rentals in an amortised fashion by the Company may lead to reinvestment risk in a falling interest rate scenario. If we are unable to refinance our borrowings on favourable terms or reinvest lease rentals on favourable terms, it could adversely affect our business, financial condition and results of operations.

6. *Any change in the terms of the Standard Lease Agreement entered into by us with the MoR may have an adverse effect on our business, financial position and result of operations.*

We enter into the Standard Lease Agreement with the MoR on an annual basis in respect of rolling stock assets leased by us to the MoR during a Fiscal. Under the terms of the Standard Lease Agreement, the MoR covenants that in the event we are unable to redeem our bonds on maturity and/or repay our loans resulting from inadequate cash flows, the MoR is required to make good such shortfall through bullet payments in advance before the time of maturity of such bonds/term loans. Such bullet payments shall be set off through mutual agreement against future lease rentals. If such assurance/ undertakings cease to be valid or the MoR fails to comply with performance of such undertakings or such undertakings are amended or modified or altered or if we waive compliance with any provision of such undertakings, it may result in an event of default thereby accelerating repayment under the various bonds issued by our Company and our Company will not have any direct right of action or right of subrogation against the MoR. Also, the MoR may not provide such assurances / undertakings in subsequent lease agreements.

Further, under the terms of the Standard Lease Agreement certain other risks including risk arising from foreign exchange rate fluctuations and interest rate fluctuation are passed on to the MoR. However, there can be no assurance that the MoR will continue to bear such risks under subsequent lease agreements and should the MoR decline to bear such risks, it may adversely affect our financial conditions and results of operations.

7. *The Standard Lease Agreement is executed after the end of the Fiscal to which it relates and there can be no assurance that the agreement will be executed each year.*

The Standard Lease Agreement governs the lease rentals payable by the MoR to us and specifies details of the rolling stock assets leased to the MoR by our Company. The lease rentals are calculated as equal to half yearly payments to be made by the MoR based on weighted average cost of incremental borrowing during the relevant year together with a reasonable markup mutually agreed between the MoR and our Company, so as to ensure that our obligation to repay and settle our debts is fully met during primary lease period of 15 years. The Standard Lease Agreement is executed at the end of the financial year but comes into effect from the date of commencement of that year. Lease rentals during any particular year are calculated using the cost of borrowing and margin relevant to the previous year. There can be no assurance that such arrangements will be honoured with respect to our ownership of the rolling stock assets or in relation to the lease rentals in a timely manner or at all. Any failure to execute the Standard Lease



Agreement will adversely affect our business, results of operations, prospects and financial condition.

In addition, in relation to funding of project assets we enter into lease agreements with the MoR. There can be no assurance that the MoR will enter into such lease agreements in a timely manner or at all. Specific to each project, we also enter into license agreements and development agreements. Any failure to execute the license agreements and development agreements may impact our title to the project assets being funded by us under such arrangements and could have an adverse impact on our financial condition and results of operation.

8. *Any downgrade in our credit ratings or India's debt rating could increase our finance costs and adversely affect our business, results of operations, financial condition and cash flows.*

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

We have been accorded ratings of 'AAA' by CRISIL, 'ICRA (AAA)' by ICRA and 'CARE AAA' by CARE each with respect to our debt programme. International credit rating agencies such as Moody's, Fitch, Standard & Poor and Japan Credit Rating Agency have accorded us rating at par with sovereign. Any downgrade in our credit ratings could increase borrowing costs and adversely affect our business, results of operations, financial condition and cash flows.

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. As our international credit ratings are influenced by India's sovereign rating, any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

9. *Our Company will be required to prepare financial statements under Ind AS from April 1, 2018. The transition to Ind AS in India is a recent requirement and the impact of these changes to our historical financial statements prepared in accordance with Indian GAAP is under process and therefore currently unclear and cannot be quantified.*

Our Company till March 31, 2018 prepared its annual and interim financial statements under Indian GAAP and the Companies Act. Companies in India, including our Company, will be required to prepare annual and interim financial statements under Indian Accounting Standard 101 "First-time Adoption of Indian Accounting Standards". Our Company meets the criteria to adopt Ind AS in the first phase (i.e., accounting periods beginning from April 1, 2018) with comparatives for the period ending on March 31, 2018. The conversion to IND-AS is underway.

There is not yet a significant body of established practice on which to draw informed judgments regarding the implementation and application of Ind AS. Additionally, Ind AS differs in certain respects from IFRS and therefore financial statements prepared under Ind AS



may be substantially different from financial statements prepared under IFRS and Indian GAAP. There can be no assurance that our Company's balance sheets, statements of profit and loss, cash flow statements or other financial statements will not be presented differently under Ind AS than under Indian GAAP, as the same is under preparation at present and we have not conducted a review to identify or determine the extent of any such differences. When our Company adopts Ind AS reporting, it may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. There can be no assurance that the adoption of Ind AS by our Company will not adversely affect our business prospects, financial condition and results of operations.

10. Our Company is involved in certain legal proceedings, any adverse developments related to which could materially and adversely affect our business, reputation and cash flows.

There are outstanding legal proceedings involving our Company which are incidental to our business and operations. These proceedings are pending at different levels of adjudication before various courts, tribunals and appellate tribunals. We cannot assure you that these proceedings will be decided in our favour or that no further liability will arise out of these proceedings. A summary of the outstanding criminal proceedings, tax proceedings, actions taken by statutory and regulatory authorities and other 'material' litigation as per the Materiality Policy, if any, involving our Company is set out below:

Litigation involving our Company

(`crore)

| S. No. | Nature of litigation | Number of cases | Approximate amount involved |
|---------------------------------------|--------------------------------------------------------------|-----------------|-----------------------------|
| <i>Litigation against our Company</i> | | | |
| 1. | Criminal | Nil | Nil |
| 2. | Tax | 1 | 0.91 |
| 3. | Actions taken by statutory and regulatory authorities | Nil | Nil |
| 4. | Other 'material' litigation as per the Materiality Policy | 1 | - |
| 5. | Appeal filed by Nagpur Improvement Trust against the Company | 1 | 0.34 |
| <i>Litigation by our Company</i> | | | |
| 1. | Criminal | 1 | 0.06 |
| 2. | Other 'material' litigation as per the Materiality Policy | Nil | Nil |

The amounts claimed in the abovementioned proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities. Further, such legal proceedings could divert management time and attention and consume financial resources.

11. Our risk management measures may not be fully effective in mitigating our risks in all market environments or against all types of risks, which may adversely affect our business and financial performance.

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data. Our hedging strategies and other risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods



of managing risks are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets or other matters. This information may not in all cases be accurate, complete, current, or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a number of transactions and events. Although we have established stringent policies and procedures, they may not be fully effective.

Although we have established policies and procedures, they may not be fully effective to accomplish our objectives. Our future success will depend, in part, on our ability to respond to evolving NBFC sector standards and practices on a cost-effective and timely basis. The development and implementation of standards and practices entails significant technical and business risks. There can be no assurance that we will successfully adapt to evolving market standards.

12. Our ability to raise foreign currency borrowings may be constrained by Indian law.

One of the sources of our funds is external commercial borrowings. As of March 31, 2018, we had Rs.12,070.79 crore in external commercial borrowings denominated in U.S. Dollars and Japanese Yen. As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required regulatory approvals for borrowings in foreign currencies will be granted to us without onerous conditions, if at all. Limitations on raising foreign debt may have an adverse effect on our business, financial condition and results of operations.

We are subject to the Master Direction on External Commercial Borrowings, Trade Credit, Borrowing and Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers, 2016 (“**ECB Direction**”) issued by the RBI, which governs all forms of borrowing from non-resident entities other than by the issue of non-convertible debentures, affecting our ability to freely raise foreign currency borrowings. For instance, under the ECB Direction, we are restricted to borrowing from certain ‘recognised lenders’ that are defined therein. The borrowings that we avail are subject to restrictions such as prescriptions on permissible end uses, minimum maturity period specifications and hedging and security requirements. We are also subject to caps on the maximum amount we may raise, beyond which we shall be required to obtain the approval of the RBI for any additional borrowing. Such provisions may affect our ability to borrow effectively and on favourable terms.

13. If we are unable to manage our growth effectively, our business and financial results could be adversely affected.

Our business has grown since we began operations in 1986. Our total assets increased from Rs. 70,963.56 crore as of March 31, 2013 to `Rs.1,62,332.13 crore as of March 31, 2018. We intend to continue to grow our business, which could place significant demands on our financial and other internal risk controls. It may also exert pressure on the adequacy of our capitalization, making management of asset quality increasingly important.

Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors, including the regulatory environment and policy initiatives in India, lack of



liquidity in the market, developments in the international markets affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition. If we are unable to maintain the quality of our assets, obtain adequate financing or financing on terms satisfactory to us and in a timely manner, our ability to grow or support our business and to respond to business challenges could be limited and our business prospects, financial condition and results of operations would be materially and adversely affected.

14. Our Company is subject to supervision and regulation by the RBI, as an NBFC-ND-SI, and other regulatory authorities and changes in the RBI's regulations and other regulations, and the regulation governing our Company or the industry in which our Company operates could adversely affect our business.

Our Company is regulated principally by the RBI and is subject to the RBI's guidelines on the regulation of the NBFC-ND-SIs, which includes, among other things, matters related to capital adequacy, exposure and other prudential norms. Our Company being a government company was exempt from capital adequacy and prudential norms till May 31, 2018. However, RBI has since withdrawn the exemption granted to Govt. owned NBFCs from May 31, 2018. As a result, the Company has to follow the prudential norms except its exposure to Ministry of Railways, Govt. of India and adoption of Fair Practice Code (FPC) for which exemption was obtained from RBI. The Company's profitability and its Capital Adequacy Ratio etc. will be adversely affected as a result of the mandatory application of prudential norms. Further, there can be no assurance that RBI will not withdraw the existing exemptions including the Company's exposure to Indian Railways and adoption of FPC which may adversely affect our business, financial condition and results of operations.

However, we are subject to reporting obligations to the RBI. The RBI also regulates the credit flow by banks to NBFC-ND-SIs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to the NBFC-ND-SIs. The RBI's regulation of NBFC-ND-SIs may change in the future which may require us to restructure our activities, incur additional costs or could otherwise adversely affect our business and financial performance. For instance, the RBI has introduced the Master Direction – Non-Banking Financial Company – Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, which are applicable to an NBFC-ND-SI. In order to provide enhanced control, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented.

There can be no assurance that the RBI and/or the GoI will not implement further regulations or policies, including legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, or otherwise take action, that may have an adverse impact on NBFC-ND-SIs. Any change in the rules applicable to us as an NBFC-ND-SI may adversely affect our business, financial condition and results of operations.

15. The success of our business operations is dependent on our senior management team and Key Management Personnel as well as our ability to attract, train and retain employees.

As of the date of this PPOL, our Company has 24 employees. Besides the Managing Director and the Director – Finance, the officers in the executive rank comprise two General Manager, one Additional General Manager and one Deputy General Manager. The continued success of our business operations is attributable to our senior management team and Key Management Personnel. We believe that the experience of our senior management team has enabled us to



experience consistent growth and profitability as well as maintain a robust liquidity and capital position. Our ability to sustain our growth depends upon our ability to attract and retain key personnel, developing managerial experience to address emerging business and operating challenges. Considering the small size of our management team, our ability to identify, recruit and retain our employees is critical.

We may be unable to attract and retain appropriate managerial personnel. We may also face attrition of our existing workforce. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. Any inability to attract and retain talented employees, or the resignation or loss of Key Management Personnel, or retain our existing personnel, may have an adverse impact on our business and future financial performance.

16. We may fail to obtain certain regulatory approvals in the ordinary course of our business in a timely manner or at all, or to comply with the terms and conditions of our existing regulatory approvals and licenses which may have a material adverse effect on the continuity of our business and may impede our effective operations in the future.

NBFCs in India are subject to strict regulation and supervision by the RBI. We require certain regulatory approvals, sanctions, licenses, registrations and permissions for operating and expanding our business. In particular, we require approval from RBI for our funding activities and are also required to obtain a loan registration numbers from the RBI in relation to our external commercial borrowings. We may not receive or be able to renew such approvals in the time frames anticipated by us, or at all, which could adversely affect our business. If we do not receive, renew or maintain the regulatory approvals required to operate our business it may have a material adverse effect on the continuity of our business and may impede our effective operations in the future. Further, the approvals that we have obtained stipulate certain conditions requiring our compliance. If we fail to obtain any of these approvals or licences, or renewals thereof, in a timely manner, or at all, our business may be adversely affected.

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

There may be future changes in the regulatory system or in the enforcement of the laws and regulations including policies or regulations or legal interpretations of existing regulations, relating to or affecting interest rates, taxation, or exchange controls, that could have an adverse effect on non-deposit taking NBFCs. In addition, we are required to make various filings with the RBI, the ROC and other relevant authorities pursuant to the provisions of RBI regulations, the Companies Act and other regulations. If we fail to comply with these requirements, or a regulator claims we have not complied with such requirements, we may be subject to penalties. Moreover, these laws and regulations can be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses in complying with such laws and regulations, which could materially and adversely affect our business. In addition, any historical or future failure to comply with the



terms and conditions of our existing regulatory or statutory approvals may cause us to lose or become unable to renew such approvals.

17. Our indebtedness and the conditions and restrictions imposed by our financing arrangements could restrict our ability to obtain additional financing, raise capital, conduct our business and operations in the manner we desire.

As of March 31, 2018, our long-term borrowings were Rs.1,29,985.78 crore and short term borrowings were Rs.4966.79 crore. We will continue to incur additional indebtedness in the future. Our indebtedness could have several important consequences, including but not limited to the following:

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

Some of the financing arrangements entered into by us include conditions and covenants that require our Company to obtain lender's consents prior to carrying out certain activities and entering into certain transactions. We are required to obtain our lender's consent in case the equity shareholding of the Government of India falls below 51% in our Company. In the event that such consents or waivers are not granted to us in a timely manner or at all, and if we do not repay any such loans from lenders from which we have been unable to obtain required consents by such time, we would be in breach of relevant financing covenants in the event we undertake the Issue.

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

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



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

Changes in currency exchange rates influence our results of operations. A significant portion of our borrowings are denominated in currencies other than Indian Rupees, most significantly the U.S. Dollar and Japanese Yen. Significant fluctuations in currency exchange rates between the Indian Rupee and these currencies and inter-se such currencies may increase the cost of our borrowings and in turn result in an increased cost to the MoR. Although we selectively enter into hedging transactions to minimize our currency exchange risks, there can be no assurance that such measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian rupee against the U.S. dollar, Japanese Yen or other relevant foreign currencies.

19. We have experienced negative cash flows in relation to our operating activities and investment activities in recent years/ periods. If we do not generate sufficient amount of cash flows from operations or experience negative cash flows in the future, our results of operations, our liquidity and our ability to service our indebtedness and fund our operations would be adversely affected.

The following table sets forth certain information relating to our cash flows for the periods indicated. We may in the future experience negative operating cash flows.

| | Fiscal | | |
|--------------------------------------|------------------|-------------------|--------------|
| | 2016 | 2017 | 2018 |
| Net cash flow from operations | (16,363.13) | (19,455.18) | (27,936.16) |
| Cash flow from investment activities | 1.94 | 1.79 | 1.68 |
| Cash flow from financing activities | 17,567.33 | 18,249.70 | 28,026.79 |
| Net cash flow during the year | 1,206.141 | (1,203.69) | 92.31 |

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans.

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

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

Our Company does not have access to certain filings pertaining to certain historical legal and secretarial information. These include, requisite filings required to be made with regulatory authorities for the following transactions: (i) the issuance of 499,992 equity shares of our



Company on January 7, 1987; (ii) the issuance of 300,000 equity shares of our Company on August 4, 1987; (iii) the issuance of 200,000 equity shares of our Company on September 30, 1987; (iv) the issuance of 600,000 equity shares of our Company on March 27, 1989; and (v) the issuance of 720,000 equity shares of our Company on October 30, 1989.

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

21. We face competition from financial and other institutions in raising funds from the market and may not be able to raise funds on terms beneficial to us.

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

22. We have certain contingent liabilities and commitments, which may adversely affect our financial condition.


The following table sets forth certain information relating to our contingent liabilities and commitments not provided for:

| | As of March 31, 2016 | As of March 31, 2017 | As of March 31, 2018 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
| Contingent Liabilities | | | |
| Claims not acknowledged as debts (Claims by Bond Holders in the Consumer Civil Courts) | 0.16 | 0.09 | 0.09 |
| Claims not acknowledged as debts (relating to service matters pending in Hon'ble Delhi High Court) | Amount not quantifiable | Amount not quantifiable | Amount not quantifiable |
| Demand raised by Income Tax Authorities for which appeals pending at various appellate levels. Cumulative amount paid under protest by the Company till March 31, 2018 is ` 0.75 crore. | 400.45 | 155.71 | 0.91 |
| Sales Tax | Nil | Nil | Nil |
| Commitments | | | |
| Stamp duty liability in relation to the registration of the registered office | 1.22 | 1.22 | 0.91 |
| Tangible assets | Nil | Nil | Nil |
| Intangible assets | Nil | Nil | Nil |

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



23. *We may not be able to adequately protect our intellectual property rights.*

Our ability to compete effectively depends in part upon protection of our intellectual property rights. We have made applications for registration of our logo“” and our slogan “Future on track”, which are currently pending approval from the Registrar of Trade Marks, New Delhi. Our application for our logo has received objections. Although all the clarifications sought by the registration authority have been provided by us, there can be no assurance that our trademark application will be accepted. Further, there are no assurances that we will be able to register these marks. In the event we are not able to obtain registrations due to opposition by third parties or if any injunctive or other adverse order is issued against us in respect of any of the registration of our logo or slogan, we may not be able to avail legal protections under the trade marks or prevent unauthorised use of such trademarks by third parties, and in case the logo or slogan is used or claimed by a third party, our Company’s ability to use such logo or slogan may be restricted or lost, which may adversely affect our goodwill or business. There can be no assurance that we will be able to effectively protect our trademarks from infringement or recover damages for any such infringement through legal proceedings.

24. *We have entered into certain transactions with related parties in the past and any such transactions or any future related party transactions may potentially involve conflicts of interest, which may adversely affect our business, prospects, financial condition, and results of operation.*

We have entered into certain transactions with related parties, including our Directors and may continue to do so in future. In Fiscal 2018, 2017, 2016 and 2015, the total amount of such related party transactions was Rs.1.82 Cr., Rs.0.96 Cr, Rs.1.30 Cr. and Rs.1.22 Cr., respectively. While we believe that all such transactions are in compliance with applicable laws and are on arms-length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties, or that we will be able to maintain existing terms in cases where the terms are more favourable than if the transaction had been conducted on arm’s length basis. It is likely that we will enter into other related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our business prospects, financial condition and results of operations, including because of potential conflicts of interest or otherwise.

25. *We have not registered the title documents to our registered and corporate office premises and accordingly the title to our office premises may be imperfect.*

We have entered into agreements to sale dated April 11, 2002 and November 21, 2002 in respect of the premises where our registered and corporate office is located. Pursuant to the terms of the agreements to sale we took possession of our registered office. However, execution of the sale deed in respect of such premises is pending and is subject to the permission of the government. Accordingly, we presently do not hold title to such premises.

In case the sale deed is not executed and we are required to vacate the premises, we cannot assure whether we will be able to purchase/lease alternative premises on terms favourable to us, which could disrupt our business operations.



26. Our statutory auditors have made certain remarks in the Companies (Auditor's) Report Order, 2003 ("CARO") report relating to our historical audited financial statements which may affect our future financial results.

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

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

27. Insurance obtained by us may not adequately protect us against all losses and could adversely affect our business prospects, financial condition and results of operations.

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

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

While we are currently exempt from RBI regulations, we may, in future be subject to periodic inspections by the RBI to verify correctness or completeness of any statement, information or particulars furnished to the RBI for the purpose of obtaining any information or particulars which our Company has failed to furnish on being called upon to do so. While, as on the date of this PPOL, the RBI has not made any observations against our Company; there can be no assurance that the RBI will not make observations in the future. If we are unable to resolve such deficiencies to the satisfaction of the RBI, our ability to conduct our business may be adversely affected. Imposition of any penalty or adverse findings by the RBI during the ongoing or any future inspections may have an adverse impact on our business prospects, financial condition and results of operations

29. We utilize the services of certain third parties for our operations. Any deficiency or interruption in their services could adversely affect our business and reputation.

We engage third party service providers from time to time for services including internal auditing, accounting functions, housekeeping, security and secretarial services. Our ability to control the manner in which services are provided by third party service providers is limited and we may be held liable on account of any deficiency of services on the part of such service



providers. We cannot assure you that we will be successful in continuing to receive uninterrupted and quality services from our third party service providers. Any disruption or inefficiency in the services provided by our third party service providers could affect our business and reputation.

30. System failures or inadequacy and security breaches in computer systems may adversely affect our business.

In the course of our business operations, we collect, process, store, use and otherwise have access to a large volume of information. Our computer networks and IT infrastructure may be vulnerable to computer hackers, computer viruses, worms, malicious applications and other security problems resulting from unauthorized access to, or improper use of, such networks and IT infrastructure by our employees, third-party service providers or even independent third parties. Although our security systems have anti-virus software, such malicious attacks or malware related disruptions may jeopardize the security of information stored in and transmitted through our IT infrastructure and computer systems. We may therefore be required to incur significant expenses to protect against the threat of such security breaches and/or to alleviate problems caused by such breaches. Unauthorized access and malware sabotage techniques and systems change frequently and generally are not recognized until launched against a target. We may be unable to anticipate these techniques or implement adequate preventative measures. Even if we anticipate these attacks, we may not be able to prevent or counteract such attacks or control the impact of such attacks in a timely manner or at all.

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

31. We may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose us to additional liability and harm our business or reputation.

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

32. Our business and our industry are dependent on the policies and support of the Indian Government and the MoR and the continued growth of the Indian railway sector, which makes us susceptible to changes to such policies and a slowdown in the growth of Indian railways.

We are a Government enterprise operating in a sensitive and regulated industry. Our business is dependent, directly and indirectly, on the policies and support of the Government, in many



significant ways, including with respect to the cost of our capital, the financial strength of the MoR, the management and growth of our business and our overall profitability.

The MoR is also significantly impacted by the policies and support of the Government. Furthermore, the growth of our business is dependent upon the continued growth of the Indian railway sector and the Indian economy, which are significantly impacted by the policies of the Government.

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

33. We face competition from financial and other institutions in raising funds from the market and may not be able to raise funds on terms beneficial to us.

We face competition from financial and other institutions aiming to raise funds from the market. In the event that the terms and conditions of the debt instruments offered by such institutions is more attractive than those offered by us, we may not be able to raise debt from the market to the extent and on terms and conditions beneficial to us.

34. We are subject to restrictive covenants under our credit facilities that could limit our flexibility in managing our business.

There are restrictive covenants in the agreements we have entered into with certain banks and financial institutions in relation to our borrowings and the consents received from our lenders in relation to the Issue.

These restrictive covenants require us to maintain certain financial ratios, obtaining insurance for our assets and seek the prior permission of these banks/financial institutions for various activities, including, amongst others, selling, leasing, transferring or otherwise disposing of any part of our assets, effecting any scheme of amalgamation or reconstitution, implementing a new scheme of expansion or taking up an allied line of business etc. Further certain of such agreements contain cross default provisions as per which we may be held to be in breach of such agreements if we breach the terms of other loan agreements. Further certain of our lenders have the right to recall the loans advanced at any time at their discretion.

We cannot assure that we will be able to comply with all such conditions at all times. Accordingly, such restrictive covenants in our loan and bond documents may restrict our operations or ability to expand and thereby may adversely affect our business.

35. If we are unable to manage our growth effectively, our business and financial results could be adversely affected.



Our business has grown since we began operations in 1986. Our total assets increased from Rs.60,075.93 crore as of March 31, 2012 to 1,62,332.13 crore as of March 31, 2018. We intend to continue to grow our business, which could place significant demands on our financial and other internal risk controls. It may also exert pressure on the adequacy of our capitalization, making management of asset quality increasingly important.

Our asset growth will be primarily funded by the issuance of new debt. We may have difficulty in obtaining funding on attractive terms. Adverse developments in the Indian credit markets, such as the recent increase in interest rates, may significantly increase our debt service costs and the overall cost of our funds. Any inability to manage our growth effectively on favorable terms could have a material adverse effect on our business and financial performance.

EXTERNAL RISK FACTORS

Risks Relating to India and Other External Risk Factors

- 36. Public companies in India, including us, are required to compute Income Tax under the Income Computation and Disclosure Standards (the “ICDS”). The transition to ICDS in India is very recent and we may be negatively affected by such transition.***

The Ministry of Finance has issued a notification dated March 31, 2015 notifying ICDS which creates a new framework for the computation of taxable income. Subsequently, the Ministry of Finance, through a press release dated July 6, 2016, deferred the applicability of ICDS from April 1, 2015 to April 1, 2016 and is applicable from Fiscal 2017 onwards and will have impact on computation of taxable income for Fiscal 2017 onwards. ICDS deviates in several respects from concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

- 37. Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP, Ind AS and IFRS, which may be material to investors’ assessments of our financial condition.***

We have not attempted to quantify the impact of Ind AS or IFRS on the financial data included in this Private Placement Offer Letter, nor do we provide a reconciliation of our financial statements to those of Ind AS or IFRS. Ind AS and IFRS differ in significant respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements, which included in this Private Placement Offer Letter will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Private Placement Offer should accordingly be limited.

- 38. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

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



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

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

We may face the risk of loss or damage to our properties due to natural disasters, such as snow storms, typhoons and flooding. Acts of war, political unrest, epidemics and terrorist attacks may also cause damage or disruption to us, our employees and our facilities, any of which could materially and adversely affect our sales, costs, overall operating results and financial condition. The potential for war or terrorist attacks may also cause uncertainty and cause our business to suffer in ways that we cannot predict. In addition, certain Asian countries, including Hong Kong, China, Singapore and Thailand, have encountered epidemics such as severe acute respiratory syndrome, or SARS and incidents of avian influenza, or H5N1 bird flu. Past occurrences of epidemics have caused different degrees of damage to the national and local economies in India. A recurrence of an outbreak of SARS, avian influenza or any other similar epidemic could cause a slowdown in the levels of economic activity generally, which may adversely affect our business, financial condition and results of operations. In the event any loss exceeds our insurance coverage or is not covered by our insurance policies, we will bear the shortfall. In such an event, our business, financial condition and results of operations could be adversely affected.

40. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects, results of operations and, financial condition.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, prospects, results of operations and financial condition, to the extent that we are unable to



suitably respond to and comply with any such changes in applicable law and policy. For example:

- the General Anti Avoidance Rules (“GAAR”) became effective from assessment year commencing April 1, 2018. The tax consequences of the GAAR provisions being applied to an arrangement may result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us; and
- the Goods and Services Tax (“GST”) in India was introduced on July 1, 2017. GST is a unified and comprehensive indirect tax which subsumes the multiple indirect taxes levied by the central and state governments. India has adopted a dual model of GST. Therefore, under the GST regime, a tax called the Central Goods and Services Tax (“CGST”) along with State Goods and Services Tax (“SGST”) or Union Territory Goods and Services Tax (“UTGST”) would be simultaneously levied on all intra-state supplies of goods and/or services at the rates specified in this regard. Further, Integrated Goods and Services Tax (“IGST”) would be levied on all supplies of goods and/or services made in the course of inter-State trade or commerce. In this regard, the CGST Act, 2017, the IGST Act, 2017, the UTGST Act, 2017 and Goods and Services Tax (Compensation to States) Act, 2017 have received the assent of the President of India on April 12, 2017 and were notified and implemented on July 1, 2017. Further, majority of the states have passed their respective SGST legislations. Since the implementation of this rationalized tax structure is still at a nascent stage, this may create uncertainty, and any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

We have not determined the impact of such legislation on our business. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and group structure may result in us being deemed to be in contravention of such laws and/or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, financial condition, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

41. Difficulties faced by other financial institutions or the Indian financial sector generally could cause our business to suffer.

We are exposed to the risks consequent to being part of the Indian financial sector. This sector in turn may be affected by financial difficulties and other problems faced by Indian financial institutions. Certain Indian financial institutions have experienced difficulties during recent years. Any major difficulty or instability experienced by the Indian financial sector could



create adverse market perception, which, in turn, could adversely affect our business and financial performance.

42. Any anticipated measures undertaken by the Government of India or any regulatory authority such as the demonetization measures may adversely affect our business, financial condition and results of operations.

On November 8, 2016, the Indian government announced phasing out of large-denomination currency notes (Rs. 500 and Rs. 1,000, representing 86% of the total currency in circulation) as legal tender. They were immediately replaced with new Rs. 500 and Rs. 2,000 currency notes. This measure was undertaken to curb corruption, tax evasion, and counterfeiting. The withdrawal from circulation started immediately and ended on December 30, 2016. Unexpected demonetization weighed on growth in the third quarter of fiscal 2017. Any such anticipated measures undertaken by the Government of India or any regulatory authority may adversely affect our business, financial condition and results of operations.

43. Investors may not be able to enforce a judgment of a foreign court against us.

We are incorporated under the laws of India and all of our Directors and key management personnel reside in India. The majority of our assets, and the assets of certain of our Directors, key management personnel and other senior management, are also located in India. Where investors wish to enforce foreign judgments in India, they may face difficulties in enforcing such judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. In order to be enforceable, a judgment obtained in a jurisdiction which India recognises as a reciprocating territory must meet certain requirements of the Civil Procedure Code, 1908 (the “CPC”). Further, the CPC only permits enforcement of monetary decrees not being in the nature of any amounts payable in respect of taxes or, other charges of a similar nature or in respect of a fine or other penalty. Judgments or decrees from jurisdictions not recognised as a reciprocating territory by India, whether or not predicated solely upon the general laws of the non-reciprocating territory, cannot be enforced or executed in India. Even if a party were to obtain a judgment in such a jurisdiction, it would be required to institute a fresh suit upon the judgment and would not be able to enforce such judgment by proceedings in execution. Further, the party which has obtained such judgment must institute the new proceedings within three years of obtaining the judgment. As a result, the investor may be unable to: (i) effect service of process outside of India upon us and such other persons or entities; or (ii) enforce in courts outside of India judgments obtained in such courts against us and such other persons or entities.

It cannot be assured that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to the execution of such foreign judgment.

44. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.

The Indian economy has had sustained periods of high inflation in the recent past which has contributed to an increase in interest rates. High fluctuation in inflation rates may make it



more difficult for us to accurately estimate or control our costs. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees or any other expenses. There can be no assurance that we will be able to pass on any additional expenses or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

45. There may be less information available in the Indian securities markets pertaining to our Company as compared to information available for companies in securities market of more developed countries.

There is a difference between the level of regulation, disclosure and monitoring of the Indian securities market and the activities of Investors, brokers and other participants and that of markets in the United States and other more developed economies. SEBI is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations and guidelines on disclosure requirements and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in more developed economies. As a result Investors may have access to less information about the business, results of operations and financial conditions of the Company, and those of the competitors that are listed on the BSE Limited and the National Stock Exchange of India Limited and other stock exchanges in India on an on-going basis than an Investor may find in the case of companies subject to reporting requirements of other more developed countries.

There is a lower level of regulation and monitoring of the Indian securities market and the activities of Investors, brokers and other participants than in certain Organisations for Economic Cooperation and Development (OECD) countries. SEBI received statutory powers in 1992 to assist it in carrying out our responsibilities for improving disclosure and other regulatory standards for the Indian securities market. Subsequently, SEBI has prescribed certain regulations and guidelines in relation to disclosure requirements and other matters relevant to the Indian securities markets. However, there may still be less publicly available information about Indian companies than is regularly made available by public companies in certain OECD countries.

46. Difficulties faced by other financial institutions or the Indian financial sector generally could cause our business to suffer.

We are exposed to the risks consequent to being part of the Indian financial sector. This sector in turn may be affected by financial difficulties and other problems faced by Indian financial institutions. Certain Indian financial institutions have experienced difficulties during recent years. Any major difficulty or instability experienced by the Indian financial sector could create adverse market perception, which in turn could adversely affect our business and financial performance.

47. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.

India has from time to time experienced social and civil unrest and hostilities within itself and with neighbouring countries. India has also experienced terrorist attacks in some parts of the country. These hostilities and tensions and/or the occurrence of terrorist attacks have the potential to cause political or economic instability in India and adversely affect our business and future financial performance. Further, India has also experienced social unrest in some



parts of the country. If such tensions occur in other parts of the country, leading to overall political and economic instability, it could have an adverse effect on our business, prospects, results of operations and financial condition. These acts may also result in a loss of business confidence, make travel and other services more difficult and ultimately adversely affect our business.

48. An outbreak of an infectious disease or any other serious public health concerns in Asia or elsewhere could have a material adverse effect on our business, financial condition and results of operations.

The outbreak of an infectious disease in Asia or elsewhere or any other serious public health concern such as swine influenza around the world could have a negative impact on economies, financial markets and business activities worldwide, which could have a material adverse effect on our business, financial condition and results of operations. Although, we have not been adversely affected by such outbreaks yet, but we can give no assurance that a future outbreak of an infectious disease among humans or animals (if any) or any other serious public health concern will not have a material adverse effect on our business, financial condition and results of operations.

RISKS RELATING TO THE BONDS

49. There is no guarantee that the Bonds issued pursuant to this Issue will be listed on NSE and BSE in a timely manner, or at all.

In accordance with Indian law and practice, permissions for listing and trading of the Bonds issued pursuant to this Issue will not be granted until the relevant stock exchanges as well as SEBI approve of the listing, which will be available only after an updated document is accordingly filed with the relevant authorities at the time of such listing. Approval for listing and trading will require all relevant documents authorising the issuing of Bonds to be submitted. There could be a failure or delay in listing the Bonds on the NSE and/or BSE. If permission to deal in and for an official quotation of the Bonds is not granted by the Stock Exchanges, the Bonds will remain unlisted.

50. There has been only a limited trading in the Bonds of such nature and the same may not develop in future, therefore the price of the Bonds may be volatile.

There has been only a limited trading in bonds of such nature in the past. Although the Bonds shall be listed on NSE and BSE, there can be no assurance that a public market for these Bonds would be available on a sustained basis. The liquidity and market prices of the Bonds can be expected to vary with changes in market and economic conditions, our financial condition and prospects and other factors that generally influence market price of Bonds. Such fluctuations may significantly affect the liquidity and market price of the Bonds, which may trade at a discount to the price at which the Bonds are being issued.

Further, the price of our Bonds may fluctuate after this Issue due to a wide variety of factors, including:

- Changes in the prevailing interest rate;
- Volatility in the Indian and global securities markets;
- Our operational performance, financial results and our ability to expand our business;
- Developments in India's economic liberalization and deregulation policies;
- Changes in India's laws and regulations impacting our business;



- Changes in securities analysts' recommendations or the failure to meet the expectations of securities analysts;
- The entrance of new competitors and their positions in the market; and
- Announcements by our Company of its financial results.

We cannot assure that an active trading market for our Bonds will be sustained after this Issue, or that the price at which our Bonds are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue.

51. Foreign Investors, including Eligible NRIs, FIIs and Eligible QFIs subscribing to the Bonds are subject to risks in connection with (i) exchange control regulations, and, (ii) fluctuations in foreign exchange rates.

The Bonds will be denominated in Indian rupees and the payment of interest and redemption amount shall be made in Indian rupees. Various statutory and regulatory requirements and restrictions apply in connection with the Bonds held by Eligible NRIs, FIIs and Eligible QFIs (“**Exchange Control Regulations**”). Amounts payable to Eligible NRIs, FIIs and Eligible QFIs holding the Bonds, on redemption of the Bonds and/or the interest paid/payable in connection with such Bonds or the amount payable on enforcement of security would accordingly be subject to prevailing Exchange Control Regulations in case of applicants who have invested on repatriation basis.

Any change in the Exchange Control Regulations may adversely affect the ability of such Eligible NRIs, FIIs and Eligible QFIs to convert such amounts into other currencies, in a timely manner or at all. Further, fluctuations in the exchange rates between the Indian rupee and other currencies could adversely affect the amounts realized by Eligible NRIs, FIIs and Eligible QFIs on redemption or payment of interest on the Bonds by us. Additionally, our Bonds are quoted in Indian rupees in India and Investors may be subject to potential losses arising out of exchange rate risk on the Indian rupee and risks associated with the conversion of Indian rupee proceeds into foreign currency. Investors are subject to currency fluctuation risk and convertibility risk since the Bonds are quoted in Indian rupees on the Indian stock exchanges on which they are listed. Returns on the Bonds will also be paid in Indian rupees. The volatility of the Indian rupee against the U.S. dollar and other currencies subjects Investors who convert funds into Indian rupees to purchase our bonds to currency fluctuation risks.

52. Investor may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the Bonds.

Our ability to pay interest accrued on the Bonds and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors, including our financial condition, profitability and the general economic conditions in India and the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the Bonds and/or the interest accrued thereon in a timely manner, or at all.

53. Changes in prevailing interest rates may affect the price of the Bonds.

All securities where a fixed rate of interest is offered, such as the Bonds, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e., when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing



coupon rate, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the trading price of the Bonds.

54. Any downgrading in our domestic and international credit rating of our Bonds may affect the trading price of our Bonds.

CRISIL Ltd. (“CRISIL”) has accorded “CRISIL AAA” Stable” vide its letter Ref No.INRAVIC/207776/LTB/05102018 dated October 05, 2018 ICRA Ltd. (“ICRA”) vide its letter No. D/RAT/2018-19/II/ dated October 12, 2018 has also assigned a credit rating of “[ICRA] AAA” with a Stable Outlook for the entire borrowing programme of Rs.54,940.00 crore for FY 2018-19. Further, the Company has received “CARE AAA” from Credit Analysis & Research Ltd. (“CARE”) which was intimated to the Company vide CARE’s letter Ref. No. CARE/DRO/RL/2018-19/2553 dated October 17, 2018.

Further, international rating agencies like Japan Credit Rating Agency Limited has affirmed its BBB+ (Stable Outlook) rating on the long term senior debts and the Japanese Yen bonds issued by the Company. Standard & Poor’s, Moody’s and Fitch have assigned BBB- (Stable Outlook), Baa2 (Positive) and BBB- (Stable Outlook) rating respectively to the foreign currency borrowings of the Company.

These ratings may be suspended, withdrawn or revised at any time. Any revision or downgrading in the credit rating may lower the trading price of the Bonds and may also affect our ability to raise further debt. For the rationale for these ratings by domestic Credit Rating Agencies, refer to the Annexure.

55. Payments made on the Bonds will be subordinate to certain tax and other liabilities as laid down by law.

The Bonds will be subordinate to certain liabilities preferred by law such as to claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of our transactions. In particular, in the event of bankruptcy, liquidation or winding-up, our assets will be available to pay obligations on the Bonds only after all of the liabilities that rank senior to these Bonds have been paid. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining, after paying the aforesaid senior ranking claims, to pay amounts due on the Bonds. Further, there is no restriction on the amount of debt securities that we may issue that may rank above the Bonds. The issue of any such debt securities may reduce the amount recoverable by Investors in the Bonds on our bankruptcy, winding-up or liquidation.

56. Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Bonds are legal investments for it, (ii) the Bonds can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of bonds.

57. The Bonds are subject to the risk of change in law.

The terms and conditions of the Bonds are based on Indian law in effect as of the date of issue of the relevant Bonds. No assurance can be given as to the impact of any possible judicial



decision or change to Indian law or administrative practice after the date of issue of the relevant Bonds and any such change could materially and adversely impact the value of any Bonds affected by it.

58. No debenture redemption reserve will be created for the Bonds issued under this issue since as per companies Act 2013 (Share Capital & Debentures) Rule For NBFC's registered with the RBI under section 45-1A of the RBI (Amendment) Act, 1997, no DRR is required in the case of privately placed debenture.

According to the Companies (Share Capital and Debentures) Rules, 2014, or NBFCs registered with the RBI under Section 45-1A of the RBI (Amendment) Act, 1997, the adequacy of the DRR will be 25% of the value of debentures issued through public issue as per present SEBI (Issue & Listing of Debt Securities) Regulation 2008, and no DRR is required in Case of privately placed debentures. Therefore creation of DRR is not envisaged against the Bonds being issued under the terms of this Private Placement Offer Letter.



VII. BRIEF SUMMARY OF BUSINESS/ ACTIVITIES OF ISSUER AND ITS LINE OF BUSINESS

1. OVERVIEW

The Company was incorporated on December 12, 1986 under the Companies Act as a public limited company and received its certificate for commencement of business on December 23, 1986. The GoI, Ministry of Railways, incorporated the Company as a financial arm of Indian Railways, for the purpose of raising a part of the resources necessary for meeting the developmental needs of the Indian Railways. The President of India along with nominees is holding 100% of the Company's equity share capital.

The Ministry of Corporate Affairs, through its notification dated October 8, 1993 published in the Official Gazette of India, classified the Company as a Public Financial Institution under Section 4(A) of the Companies Act (now as defined under sub-section 72 of Section 2 of the Companies Act, 2013).

The Company was registered with the RBI under Section 45-IA of RBI Act as a non-banking financial company without accepting public deposits *vide* certificate of registration dated February 16, 1998. The Company was later classified under the category "Infrastructure Finance Company" by the RBI through a fresh certificate of registration dated November 22, 2010.

The Company's registered and corporate office is situated at UG Floor, East Tower, NBCC Place, Pragati Vihar, Lodhi Road, New Delhi-110 003, India.

Due to the Company's status as a Government company, it is exempt from provisions of the RBI Act relating to the maintenance of liquid assets, the creation of reserve funds and prudential norms.

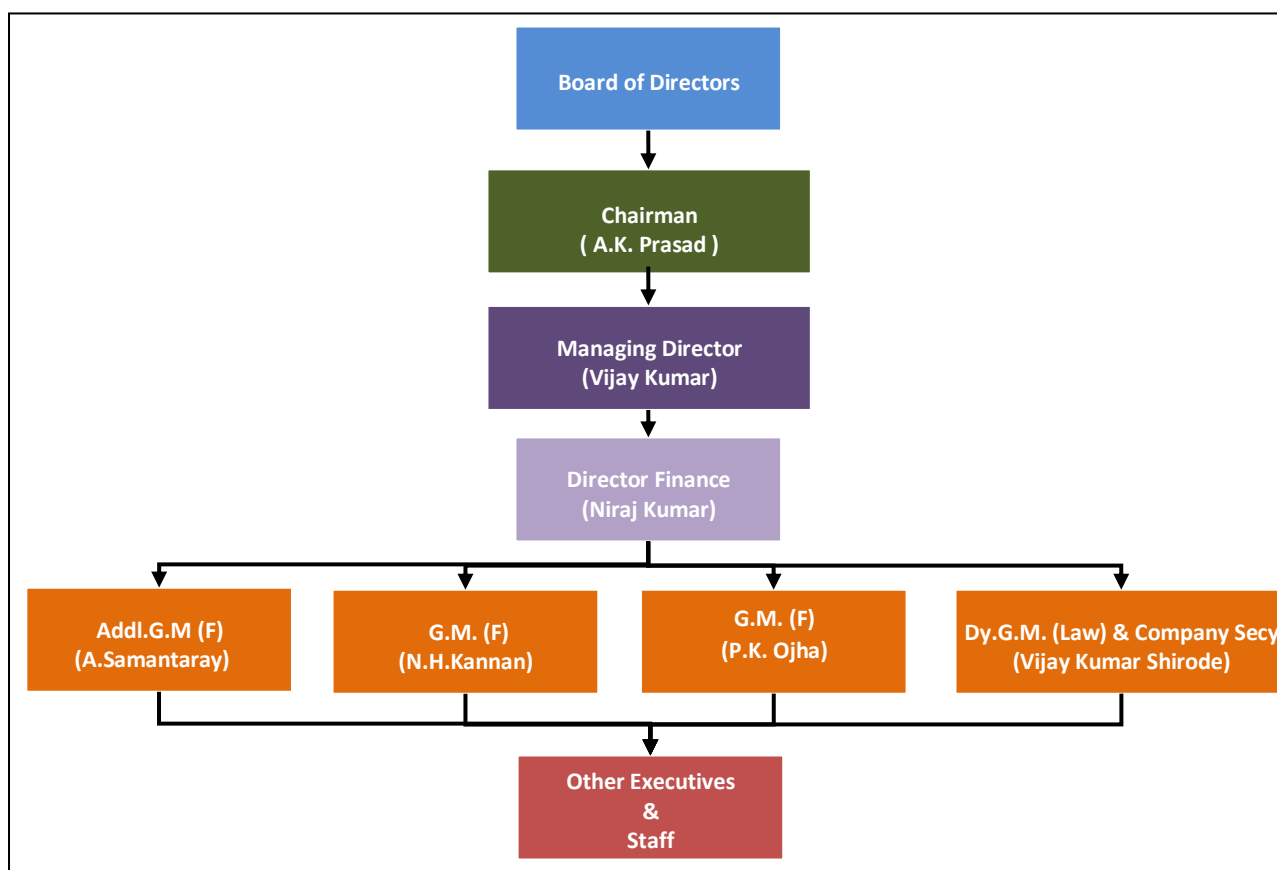
The primary objective of the Company is to act as a financing arm for the Indian Railways. The development of the Company's business is dependent on the MOR's strategy concerning the growth of the Indian Railways. (The MOR is responsible for the acquisition of rolling stock and for the improvement, expansion and maintenance of the railway infrastructure. The Company is responsible mainly for raising the finance necessary for the acquisition of rolling stock ordered by the MOR). The Company's principal business therefore is borrowing funds from the commercial markets to finance the acquisition of new rolling stock which is then leased to the Indian Railways. For the first time during FY 2011-12, the Company was assigned the additional task of financing select capacity enhancement works of Indian Railways including doubling, electrification etc. to the tune of Rs.2,078.49 crore. However, for the FY 2012-13, FY 2013-14 and FY 2014-15, no amount has been mandated by MOR for funding such capacity enhancement works of Indian Railways.

For the year 2015-16, the Company has been assigned the additional task of funding Railway Projects through Institutional Finance from LIC. The target of borrowing through this route has been pegged at Rs.1.50 lakh crore over the next five years with effect from the FY 2015-16. By the end of FY 2017-18, the disbursement by the Company for funding of Railway Projects has remained at Rs.16,200 crore.

At the beginning of each Fiscal Year, the MOR notifies the Company of its financing requirements which are to be met through market borrowings. The Company then undertakes to provide finance to the Indian Railways subject to market conditions. At the end of each year, a lease agreement is drawn in relation to the rolling stock acquired by the MOR from IRFC funds during the previous year. The Lease is for a period of 30 years comprising primary lease period of 15 years followed by a secondary lease period of another 15 years. Lease rentals represent the Company's capital recovery plus the cost plus a net interest margin. The full recovery of principal and interest takes place during the primary lease period. The Company charges a thin margin of only 50 bps over its cost of incremental borrowings which has been brought down to 30 bps for FY 2017-18. A part of the funds so raised are also utilised for funding bankable projects (i.e. such projects or proposals that have sufficient collateral, future cash flows and high probability of success) approved by the MOR and which are executed by Rail Vikas Nigam Limited ("**RVNL**"). Similar to core lease transactions, the interest charged by the Company is on a cost plus margin basis. In addition, the Company has also granted loans to Railway PSUs like Railtel Corporation of India Limited ("**RailTel**"). To the end of March, 2018, IRFC has funded rolling stock assets worth Rs.1,69,989 crore. Further, it has disbursed funds to the tune of Rs.6905 crore to various railway entities.



2. CORPORATE STRUCTURE



3. KEY OPERATIONAL & FINANCIAL PARAMETERS OF THE ISSUER

(Rs. in crore)

| Sr. No. | Particulars | Year ended 31.03.2018 (Audited) | Year ended 31.03.2017 (Audited) | Year ended 31.03.2016 (Audited) | Year ended 31.03.2015 (Audited) | Year ended 31.03.2014 (Audited) |
|---------|-----------------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| 1 | Net worth | 13565.21 | 12009.60 | 11525.35 | 8681.61 | 7562.04 |
| 2 | Total Debt of which: | 134952.57 | 106394.86 | 87503.19 | 71269.63 | 69917.35 |
| a. | Non-Current Maturities of Long Term Borrowing | 114854.13 | 96710.27 | 75892.07 | 61784.14 | 65042.43 |
| b. | Short Term Borrowing | 4966.79 | 5769.35 | 5675.72 | 200.00 | 829.00 |
| c. | Current Maturities of Long Term Borrowing | 15131.65 | 3915.24 | 5935.40 | 9285.49 | 4045.92 |
| 3 | Net Fixed Assets | 11.30 | 11.51 | 11.76 | 12.01 | 12.61 |
| 4 | Non-Current Assets | 148225.94 | 118562.46 | 97906.16 | 80715.38 | 75919.60 |
| 5 | Cash and Cash Equivalents | 99.82 | 7.52 | 1211.21 | 5.07 | 2021.96 |
| 6 | Current Investments | 1.21 | 1.33 | 1.46 | 1.59 | 1.75 |
| 7 | Current Assets | 14106.19 | 11087.18 | 10494.23 | 6931.61 | 8010.42 |
| 8 | Current Liabilities | 25471.08 | 12797.48 | 14823.72 | 12217.82 | 7109.82 |
| 9 | Assets Under Management | - | - | - | - | - |
| 10 | Off Balance Sheet Assets | - | - | - | - | - |
| 11 | Interest Income* | 11017.93 | 9045.97 | 7505.14 | 6937.33 | 6184.67 |
| 12 | Interest Expense** | 8358.19 | 6875.65 | 5443.09 | 4984.06 | 4451.78 |



| Sr. No. | Particulars | Year ended 31.03.2018 (Audited) | Year ended 31.03.2017 (Audited) | Year ended 31.03.2016 (Audited) | Year ended 31.03.2015 (Audited) | Year ended 31.03.2014 (Audited) |
|---------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| 13 | Provisioning & Write-offs | - | - | - | - | - |
| 14 | Profit After Taxation ("PAT") | 2007.31 | 933.81 | 848.69 | 758.30 | 700.69 |
| 15 | Gross NPA to Gross Advances (%) | Nil | Nil | Nil | Nil | nil |
| 16 | Net NPA to Net Advances (%) | Nil | Nil | Nil | Nil | Nil |
| 17 | Tier I Capital Adequacy Ratio (%) | 214.75% | 355.88% | 332.22% | 292.40% | 260.66% |
| 18 | Tier II Capital Adequacy Ratio (%) | - | - | - | - | - |

* Includes lease income

** Including amortization of lease rentals paid in advance

4. GROSS OF THE ISSUER

Gross Debt Equity Ratio of the Company#

| | |
|--------------------------------------------|--------------|
| Before the issue of debt securities | 10.73 |
| After the issue of debt securities | 10.95 |

Any change in shareholders fund and debt has not been considered after March 31, 2018 except for Rs.3000 crore towards Bonds issue pertaining to 129th, Rs.2845.40 crore towards Bonds issue pertaining to 130th, Rs.2236.50 crore towards Bonds issue pertaining to 131st and Rs.2500 crore towards Bonds issue pertaining to 132nd Secured taxable private placement series.

5. PROJECT COST AND MEANS OF FINANCING, IN CASE OF FUNDING OF NEW PROJECTS

The funds being raised by the Issuer through present issue of Bonds are not meant for financing any particular project. The funds shall be used for meeting the requirement for identified railway projects which shall be part of annual budget estimates. The funds shall be invested in railway projects as contained in MOR's annual works, machinery, and rolling stock programme as contained in annual budget estimates presented before Parliament.

6. SUBSIDIARIES OF THE ISSUER

The Company does not have any subsidiary.



VIII. BRIEF HISTORY OF ISSUER SINCE INCORPORATION, DETAILS OF ACTIVITIES INCLUDING ANY REORGANIZATION, RECONSTRUCTION OR AMALGAMATION, CHANGES IN CAPITAL STRUCTURE, (AUTHORIZED, ISSUED AND SUBSCRIBED) AND BORROWINGS

1. BRIEF HISTORY OF THE ISSUER

Indian Railway Finance Corporation Limited, a wholly GOI owned Public Financial Institution was incorporated on 12th December, 1986 by the Ministry of Railways, for the purpose of raising the necessary resources for meeting the developmental needs of the Indian Railways (the "Indian Railways"). IRFC began its operations after obtaining the certificate of Commencement of Business on 23rd December, 1986. IRFC was initially set up with an Authorised Capital of Rs. 200 cr. which was increased to Rs.500 cr. in 1989-90 and was further enhanced to Rs.1,000 Crore during the year 2007-08. During the year 2009-10, the Authorised Capital was again increased to Rs.2000 cr. and further to Rs. 5000 cr. in 2011-12 and to Rs. 15000 crores in 2015-16. Similarly, the paid-up share capital has gone up from Rs.100 cr. in 1986-88 to Rs.160 cr. during 1988-89, Rs.232 cr. in the year 1989-90, Rs.500 crore in the year 2007-08, Rs.800 crore in 2008-09, Rs.1091 crore in 2009-10, Rs.1602 Crore in 2010-11, Rs.2102 Crore in FY 2011-12, Rs.2352 Crore in FY 2012-13, 3352 Crore in FY 2013-14, Rs.3583.96 Crore in FY 2014-15, Rs.4526.46 Crore in FY 2015-16 and Rs.6526.46 crore FY 2016-17. It continues to remain at Rs.6526.46 Crore in FY 2017-18.

The shares of the Company are not listed in any of the stock/shares markets since it is fully owned by the Government of India. The balance sheet size of IRFC has increased consistently over the years from Rs. 33,283.17 crore in 2008-09 to Rs.1,29,649.63 crore in 2016-17 and further to Rs.1,62,332.13 Crore for the year ending March 31, 2018.

IRFC's registered office is at UG Floor, East Tower, NBCC Place, Pragati Vihar, Lodhi Road, New Delhi 110 003. Its registration number with Registrar of Companies, NCT of Delhi & Haryana is 26363. (New CIN allotted by Ministry of Company Affairs under MCA – 21 is U65910DL1986GOI 026363)

IRFC is registered as a Non- Banking Finance Company fully owned by the Government under section 45 IA – with the RBI, IRFC does not need to comply with the Reserve Bank of India's regulatory requirements on asset classification, income recognition, provisioning, and prudential exposure norms, which restrict a non-banking finance Company's maximum exposure to a sector or an entity.

IRFC was ranked among top ten central Public Sector Undertakings for its performance during 2001-02, 2002-03, 2003-04 and 2004-05 by the Department of Public Enterprises and has also been given an award by President of India and Prime Minister of India for these years. Out of 21 years, upto 2016-17, the Company has been rated "Excellent" for 19 years by the Department of Public Enterprises on the basis of achievement of performance targets set out in the MOU with the Ministry of Railways.

Looking at the financials and Balance Sheet strength of the Company among other things, CRISIL, ICRA and CARE have accorded stand-alone rating of "CRISIL AAA/Stable" (pronounced as "CRISIL Triple A with stable outlook"), "[ICRA] AAA" (pronounced as "ICRA triple A") and "CARE AAA" (pronounced as "triple A") respectively to IRFC. Standard and Poor's, Moody's and Fitch Ratings the well-known international credit rating agencies have accorded IRFC rating of BBB- (Stable), Baa2 (Positive Outlook) and BBB- (Stable) respectively on long term foreign currency rating. Japanese Credit Rating Agency Limited have also assigned rating of BBB + (Stable) to the Company. The ratings assigned by the above International Credit Rating Agencies are at par with the rating assigned to the Government of India.

Since its inception, IRFC has been earning profits every year and has paid dividend of Rs. 3157.66 Crore till date. The paid up capital is Rs.6,526.46 Crore as on date.



2. BACKGROUND

Soon after India attained independence in 1947, Five Year Plans were implemented with the intention of establishing planned development in the Indian economy. Under the initial Five Year Plans the Government funded Indian Railways centrally through the Ministry of Finance. In 1986, following a change in Government policy, IRFC was established with the sole purpose of acting as a financial intermediary between the financial market and the Ministry of Railways (MOR) to enable the Ministry of Railways to access funds raised in the market, an activity which the Ministry of Railways could not have entered into itself as under Government policy, the Government departments other than the Ministry of Finance cannot raise money directly in the financial market. IRFC is, therefore, a dedicated funding arm of the MOR, Government of India. It has a monopoly in the business of raising funds for the Ministry of Railways since they rely solely on IRFC for external funding of its rolling stock assets.

3. OBJECTS AND PRESENT BUSINESS

The primary objective of IRFC is to act as a financing arm for the Indian Railways. The development of IRFC's business is dependent on the Ministry of Railways' strategy concerning the growth of Indian Railways. Its principal business is borrowing from the commercial markets to finance the acquisitions of the rolling stock assets which is then in turn leased to Indian Railways. The Ministry of Railways is responsible for the acquisition of rolling stock assets and for the improvement, expansion and maintenance of the railway rolling stock. IRFC is responsible only for raising the finance necessary for the acquisition of rolling stock assets ordered by the Ministry of Railways. Besides, the Company has been assigned the task of funding Railway Projects through Institutional Finance (EBR-IF) route.

At the beginning of each fiscal year, Ministry of Railways (MOR) notifies IRFC of its financing needs to be met through market borrowings. IRFC then undertakes to provide finance to Indian Railways subject to market conditions. At the end of each year, a lease agreement is drawn up to cover the capital value of the infrastructure assets acquired by MOR during the previous year. Lease rentals represent IRFC's cost plus a margin. Part of the funds so raised shall also be utilized for funding bankable projects approved by MOR and to be executed by RVNL. Debt servicing will be done from revenues generated by MOR from the projects. (As in the core lease transactions, Debt servicing will be on cost plus margin basis.)

4. PROFITABILITY AND NET INTEREST MARGINS

Lease income from rolling stock leased to MOR represents 95.70% of IRFC's total income, the balance comes from interest on loans and deposits and amortization of Gain on Account of Securitisation. This level of revenue concentration is expected to continue, as IRFC is likely to remain focused on financing Indian Railways. Furthermore, the regulatory restrictions on IRFC's investments limit the potential for any significant change in investment income.

Profit before tax for the year 2017-18 is Rs.2545.15 Crore as against Rs.2133.27 Crore for the previous year, up by 19.31%. The increase in the profit growth is attributed to low establishment, overhead and administrative expenses. However, Profit after tax has registered an impressive growth 114.59 % from Rs.933.81 Crore in FY 2016-17 to Rs.2007.31 Crore in FY 2017-18 on account of the exemption from the creation of deferred tax liability with effect from FY 2017-18.

The Company has achieved the target of funding set by the Ministry of Railways for 2017-18 and transferred a sum of Rs.40,000 crore. The story of IRFC's excellence is unambiguously encapsulated by the progressive reduction in the cost to the Railways from almost 14.97% in 1996-97 to 8.05% in 2017-18.

IRFC's cost-plus based lease agreement with Ministry of Railways assures a moderate net interest margin. The margin on the incremental assets leased to MOR for the last five years is as follows:-

| Period | Lease pricing (IRR to the Railways) | Average cost of funds to IRFC | Margin |
|---------|-------------------------------------|-------------------------------|--------|
| 2011-12 | 9.35% | 8.85% | 0.50% |



| | | | |
|---------|-------|-------|-------|
| 2012-13 | 8.62% | 8.12% | 0.50% |
| 2013-14 | 8.39% | 7.89% | 0.50% |
| 2014-15 | 8.96% | 8.46% | 0.50% |
| 2015-16 | 8.12% | 7.62% | 0.50% |
| 2016-17 | 7.65% | 7.15% | 0.50% |
| 2017-18 | 8.05% | 7.75% | 0.30% |

5. NON PERFORMING LOANS

IRFC had no non-performing loans as at March 31, 2018. There is no precedent of Indian Railways delaying payments to IRFC. All assets leased to India Railways are standard assets. Moreover, as a result of restrictions placed by the Department of Public Sector Enterprises on investments and IRFC's own conservative guidelines, IRFC's investment portfolio is likely to remain limited in size. Therefore, overall prospects for IRFC's asset quality will be even more closely tied to its relationship with Indian Railways.

6. PERFORMANCE DURING FINANCIAL YEAR 2017-2018

IRFC clocked a year to year revenue growth of 21.80% from Rs.9047.66 crore for the year 2016-17 to Rs.11,020.23 crore for the year 2017-18. The main reasons attributed to the growth in revenue are incremental leasing of rolling stock assets and additional funding of Railway Projects.. On the other hand, the total expenditure has registered a growth of 22.57% from Rs.6914.39 Crore in FY 2016-17 to Rs.8475.08 Crore in FY 2017-18 due to higher interest outgo on additional borrowings, issue expenses pertaining to fresh borrowings and the expenses on CSR.

Profit before tax for the year 2017-18 is Rs.2545.15 Crore as against Rs.2133.27 Crore for the previous year, up by 19.31 %. The increase in the profit growth is attributed to low establishment, overhead and administrative expenses. However, Profit after tax has registered an impressive growth of 114.59 % from Rs. 933.81 Crore in FY 2016-17 to Rs.2007.31 Crore in FY 2017-18 on account of exemption from the provision of deferred tax liability with effect from FY 2017-18.

7. CAPITAL STRUCTURE

(as on March 31, 2018)

| Particulars | | Amount (Rs. in crore) |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| (A) | Authorised Capital | |
| | 1500,00,00,000 Equity Shares of Rs. 10 each | 15000.00 |
| (B) | Issued, Subscribed & Paid up | |
| | 6,52,64,60,000 Equity Shares of Rs.10 each | 6526.46 |
| (C) | Reserves and Surplus | |
| (D) | Loan Funds | |
| (i) | Secured Loans in India | 1,01,714.99 |
| (ii) | Unsecured Loans in India | 21,166.79 |
| (iii) | Secured Loans outside India | 78.60 |
| (iv) | Unsecured Loans outside India | 11,992.19 |
| (E) | Present Issue: Aggregating to Rs.3000 Crore.(Secured, Taxable Redeemable, Non-Convertible Railway Bonds in the nature of Debentures) | 3,000.00 |
| (F) | Paid-up capital After the Issue Share Application Money | 6526.46 |
| (G) | Securities Premium Account Before the Issue After the Issue | 4.21 |



8. KEY MILESTONES

| Year | Event |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1986 | <ul style="list-style-type: none"> • Incorporation of our Company. |
| 1987 | <ul style="list-style-type: none"> • Commencement of fund raising from the domestic capital market; and • Financing the procurement of rolling stock assets by Indian Railways. |
| 1988 | <ul style="list-style-type: none"> • Raised loan from Export Import Bank of Japan on behalf of the Ministry of Finance. |
| 1991 | <ul style="list-style-type: none"> • Company declared maiden dividend to the Gol. |
| 1993 | <ul style="list-style-type: none"> • Declared as a Public Financial Institution under Section 4A of the Companies Act. |
| 1996 | <ul style="list-style-type: none"> • Maiden issue of floating rate notes of USD 70 million in the offshore market; • Public issue of deep discount bonds; and • First MoU entered with the Gol through MoR in relation to operational targets. |
| 1998 | <ul style="list-style-type: none"> • Registered as a NBFC; • Rated excellent by the DPE for overall performance in respect of the MoU entered with the Gol through MoR for the year 1997-98; • Raised term loans from Corporation Bank and Indian Overseas Bank for a tenure of 15 years; and • Maiden issue of secured, redeemable, non-cumulative, taxable bonds to Life Insurance Corporation of India for tenure of 15 years. |
| 1999 | <ul style="list-style-type: none"> • Maiden issue of secured, redeemable, non cumulative, taxable bonds in Separately Transferable Redeemable Principal Parts (STRPP). |
| 2003 | <ul style="list-style-type: none"> • Ranked among the top ten central public sector undertakings for overall performance with respect to the MoU entered with the Gol acting through MoR for the year 2001-02; and • Raised USD 75 million through syndicated foreign currency loan. |
| 2004 | <ul style="list-style-type: none"> • Issue of Yen denominated bonds on a private placement basis in the Japanese capital market. |
| 2005 | <ul style="list-style-type: none"> • Issue of Euro-Yen bonds in the offshore market; and • Maiden issue of floating rate bonds in the domestic capital market. |
| 2007 | <ul style="list-style-type: none"> • Issue of samurai bonds in the Japanese capital market; and • Issue of bonds on private placement bonds in the US capital market. |
| 2008 | <ul style="list-style-type: none"> • Categorized as Asset Finance Company (NBFC-ND-AFC) by RBI. |
| 2010 | <ul style="list-style-type: none"> • Maiden issuance of secured, redeemable, non cumulative, taxable bonds for a tenure of 25 years; and • Categorized as Infrastructure Finance Company (NBFC-IFC) by RBI. |
| 2011 | <ul style="list-style-type: none"> • Issue of Euro-Dollar bonds in the offshore market; and • Raised foreign currency term loan from American Family Life Assurance Company of Columbus for tenure 15 year. |
| 2012 | <ul style="list-style-type: none"> • First central public sector undertaking to raise funds through public issue of tax – free bonds at differential coupon rate. • Our Company entered into a memorandum of understanding dated July 27, 2012 with MoR with respect to the financing of railway infrastructure projects by our Company. The MoU sets out the understanding between the parties as regards the leasing by our Company to the MoR of the infrastructure assets like railway tracks etc. owned by our Company. |
| 2013 | <ul style="list-style-type: none"> • Cumulative funding to the rail sector crossed ` 1,00,000 crore mark during Fiscal 2013. • The Company status has been upgraded from Schedule 'B' to Schedule 'A' in January 2013. |
| 2014 | <ul style="list-style-type: none"> • Highest single year External Commercial Borrowings of USD 900 Million |
| 2015 | <ul style="list-style-type: none"> • Cumulative funding to the rail sector crossed Rs.1,25,000 Crore mark in Fiscal 2015 • Issued for the first time bonds worth Rs.2625 Crore with tenor as low as 2 years with |



| Year | Event |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Call /put option after about 1 year & 3 months through private placement route |
| 2016 | <ul style="list-style-type: none"> Cumulative funding to the rail sector crossed Rs.1,50,000 Crore mark in Fiscal 2016 Highest single year mobilization of Rs.9,500 Crore through tax free bonds Issued Commercial Paper for the first time to the tune of Rs.3020 Crore at a discount rate of 7.38% p.a. for 34 days |
| 2017 | <ul style="list-style-type: none"> Cumulative funding to the rail sector crossed Rs.1,75,000 Crore mark in Fiscal 2017 |
| 2018 | <ul style="list-style-type: none"> Cumulative funding to the rail sector crossed Rs.2,15,000 Crore mark in Fiscal 2018 Maiden Issuance of Green Reg-S Bonds of USD 500 Million in offshore market Syndicated Foreign Currency Loan denominated in JPY with bullet tenor of 10 yrs. Conferred the Mini Ratna CPSE Status |

9. CAPITAL STRUCTURE

(as on 31-03-2018)
(Rs. In crore)

| | Aggregate value |
|-----------------------------------------------------|-----------------|
| Authorised share capital | |
| 1500,00,00,000 Equity Shares of ` 10 each | 15,000.00 |
| Issued, subscribed and paid up share capital | |
| 652,64,60,000 Equity Shares of ` 10 each | 6526.46 |
| Securities premium account* | 4.21 |

* Securities Premium Account represents the premium on private placement of Tax free bonds 81st to 85th Series issued during FY 2012-13, 89th to 90th 93rd A & 94th A Series issued during FY 2013-14 and 99th, 100th and 106th Series issued during FY 2015-16

10. EQUITY SHARE CAPITAL HISTORY OF THE ISSUER FOR LAST FIVE YEARS

| Date of Allotment | Number of Equity Shares | Face Value (Rs.) | Issue price per share (Rs.) | Nature of Consideration (cash, bonus, other than cash) | Nature of Allotment | Cumulative no. of Equity Shares | Cumulative Share Capital (Rs.) |
|-------------------|-------------------------|------------------|-----------------------------|--------------------------------------------------------|---------------------|---------------------------------|--------------------------------|
| June 2, 2009 | 30,00,00,000 | 10 | 10 | Cash | Further allotment | 80,00,00,000 | 8,000,000,000 |
| January 27, 2010 | 29,10,00,000 | 10 | 10 | Cash | Further allotment | 109,10,00,000 | 10,910,000,000 |
| December 21, 2010 | 51,10,00,000 | 10 | 10 | Cash | Further allotment | 160,20,00,000 | 16,020,000,000 |
| March 3, 2012 | 50,00,00,000 | 10 | 10 | Cash | Further allotment | 210,20,00,000 | 21,020,000,000 |
| May 4, 2012 | 25,00,00,000 | 10 | 10 | Cash | Further allotment | 235,20,00,000 | 23,520,000,000 |
| May 13, 2013 | 60,00,00,000 | 10 | 10 | Cash | Further allotment | 295,20,00,000 | 29,520,000,000 |
| February 12, 2014 | 40,00,00,000 | 10 | 10 | Cash | Further allotment | 335,20,00,000 | 33,520,000,000 |
| April 24, 2014 | 23,19,60,000 | 10 | 10 | Cash | Further allotment | 358,39,60,000 | 3583,96,00,000 |
| May 11, 2015 | 54,25,00,000 | 10 | 10 | Cash | Further allotment | 412,64,60,000 | 41,26,46,00,000 |
| Feb 16, 2016 | 40,00,00,000 | 10 | 10 | Cash | Further allotment | 452,64,60,000 | 45,26,46,00,000 |
| May 11, 2016 | 200,00,00,000 | 10 | 10 | Cash | Further allotment | 652,64,60,000 | 65,26,46,00,000 |

***NOTE: SPLITTING OF FACE VALUE OF SHARE FROM RS.1000/- TO RS.10/- WAS APPROVED BY THE SHAREHOLDERS IN THEIR MEETING HELD ON 12TH SEPTEMBER, 2017. ACCORDINGLY, THE NUMBER OF ISSUED, SUBSCRIBED AND PAID UP EQUITY SHARES IS 652,64,60,000 OF RS.10/- EACH.**



11. CHANGES IN THE AUTHORISED CAPITAL OF THE ISSUER FOR LAST FIVE YEARS AS ON MARCH 31, 2018:

| Sr. No. | Date of Shareholders resolution | AGM/ EGM | Alteration |
|---------|---------------------------------|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | August 28, 2009 | AGM | The authorised capital of our Company was increased from ` 100,000 lakhs comprising of 100 lakhs Equity Shares of ` 1,000 each to ` 2,00,000 lakhs comprising of 200 lakhs Equity Shares of ` 1,000 each. |
| 2. | June 22, 2011 | EGM | The authorised capital of our Company was increased from ` 2,00,000lakhs comprising of 200 lakhs Equity Shares of ` 1,000 each to ` 5,00,000 lakhs comprising of 500 lakhs Equity Shares of ` 1,000 each. |
| 2. | September 16, 2015 | AGM | The authorised capital of our Company was increased from Rs. 5,00,000 lakhs comprising of 500 lakhs Equity Shares of Rs. 1,000 each to Rs.15,00,000 lakhs comprising of 1500 lakhs Equity Shares ofRs. 1,000 each. |

NOTE: SPLITTING OF FACE VALUE OF SHARE FROM RS.1000/- TO RS.10/- WAS APPROVED BY THE SHAREHOLDERS IN THEIR MEETING HELD ON 12TH SEPTEMBER, 2017. ACCORDINGLY, THE NUMBER OF ISSUED, SUBSCRIBED AND PAID UP EQUITY SHARES IS 652,64,60,000 OF RS.10/- EACH.

12. DETAILS OF ANY ACQUISITION OR AMALGAMATION IN THE LAST 1 YEAR

None

13. DETAILS OF ANY REORGANIZATION OR RECONSTRUCTION IN THE LAST 1 YEAR

| Type of Event | Date of Announcement | Date of Completion | Details |
|---------------|----------------------|--------------------|---------|
| None | None | None | None |

14. SHAREHOLDING PATTERN OF THE ISSUER (as on 31-03-2018)

| Sr. No. | Category | No. of Shareholders | Total No. of Shares | No. of Shares in demat form | Total Shareholding as a %age of Total No. of Shares |
|---------|------------------------------------------------------------------------------|----------------------------------------------------|----------------------|-----------------------------|-----------------------------------------------------|
| A | Shareholding of Promoter & Promoter Group | | | | |
| (1) | Indian | | | | |
| (a) | Individuals/ Hindu Undivided Family | -- | -- | -- | -- |
| (b) | Central Government/ State Government(s) | 13 (President of India along with his nominees) | 652,64,60,000 | -- | 100% |
| (c) | Bodies Corporate | -- | -- | -- | -- |
| (d) | Financial Institutions/ Banks | -- | -- | -- | -- |
| | Sub-Total (A)(1) | 13 | 652,64,60,000 | -- | 100% |
| (2) | Foreign | | | | |
| (a) | Individuals (Non- Resident Individuals/ Foreign Individuals) | -- | -- | -- | -- |
| (b) | Bodies Corporate | -- | -- | -- | -- |
| (c) | Institutions | -- | -- | -- | -- |
| | Sub-Total (A)(2) | -- | -- | -- | -- |
| | Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2) | -- | -- | -- | -- |
| B | Public Shareholding | | | | |



| Sr. No. | Category | No. of Shareholders | Total No. of Shares | No. of Shares in demat form | Total Shareholding as a %age of Total No. of Shares |
|---------|----------------------------------------------------------------------------------------|---------------------|----------------------|-----------------------------|-----------------------------------------------------|
| (1) | Institutions | | | | |
| (a) | Mutual Funds/ UTI | -- | -- | -- | -- |
| (b) | Financial Institutions/ Banks | -- | -- | -- | -- |
| (c) | Foreign Institutional Investors | -- | -- | -- | -- |
| | Sub-Total (B)(1) | -- | -- | -- | -- |
| (2) | Non-Institutions | | | | |
| (a) | Bodies Corporate | -- | -- | -- | -- |
| (b) | Individuals | -- | -- | -- | -- |
| (i) | Individual shareholders holding nominal share capital up to Rs. 1 lakh | -- | -- | -- | -- |
| (ii) | Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | -- | -- | -- | -- |
| (c) | Others | -- | -- | -- | -- |
| (i) | Non Resident Individual | -- | -- | -- | -- |
| (ii) | Trust & Foundations | -- | -- | -- | -- |
| (iii) | Any Other | -- | -- | -- | -- |
| | Sub-Total(B)(2) | -- | -- | -- | -- |
| | Total Public Shareholding (B)= (B)(1)+(B)(2) | -- | -- | -- | -- |
| | TOTAL(A)+(B) | -- | -- | -- | -- |
| C | Shares held by Custodians and against which Depository IRFC Ltd.eipts have been issued | -- | -- | -- | -- |
| | GRAND TOTAL (A)+(B)+(C) | 13 | 652,64,60,000 | -- | 100% |

Note: The promoters have not pledged or encumbered by their shareholding in the Issuer Company.

NOTE: SPLITTING OF FACE VALUE OF SHARE FROM RS.1000/- TO RS.10/- WAS APPROVED BY THE SHAREHOLDERS IN THEIR MEETING HELD ON 12TH SEPTEMBER, 2017. ACCORDINGLY, THE NUMBER OF ISSUED, SUBSCRIBED AND PAID UP EQUITY SHARES IS 652,64,60,000 OF RS.10/- EACH.

15. TOP 13 EQUITY SHAREHOLDERS OF THE ISSUER (as on 31.03.2018)

| Sr. No. | Name | No. of Equity Shares of face value of 10 each | % to the total Equity Share Capital of the company |
|--------------|----------------------|-----------------------------------------------|----------------------------------------------------|
| 1. | President of India | 652,64,58,800 | 99.99* |
| 2. | Shri Ashwani Lohani | 100 | 0.00** |
| 3. | Shri B. N. Mohapatra | 100 | 0.00** |
| 4. | Shri A K Prasad | 100 | 0.00** |
| 5. | Shri R.K. Verma | 100 | 0.00** |
| 6. | Shri M. K. Gupta | 100 | 0.00** |
| 7. | Shri Mohd. Jamshed | 100 | 0.00** |
| 8. | Shri Ravindra Gupta | 100 | 0.00** |
| 9. | Ms. Nalini Kak | 100 | 0.00** |
| 10. | Shri Ved Pal | 100 | 0.00** |
| 11. | Shri H R Meena | 100 | 0.00** |
| 12. | Shri Raman Lal Gupta | 100 | 0.00** |
| 13. | Shri V K Agarwal | 100 | 0.00** |
| Total | | 652,64,60,000 | 100.00 |

* These shares are held by the President of India

** Negligible



NOTE: SPLITTING OF FACE VALUE OF SHARE FROM RS.1000/- TO RS.10/- WAS APPROVED BY THE SHAREHOLDERS IN THEIR MEETING HELD ON 12TH SEPTEMBER, 2017. ACCORDINGLY, THE NUMBER OF ISSUED, SUBSCRIBED AND PAID UP EQUITY SHARES IS 652,64,60,000 OF RS.10/- EACH.

16. PROMOTER HOLDING IN THE ISSUER

(as on 31.03.2018)

| Sr. No. | Name of Shareholder | Total No. of Equity Shares held | No. of Equity Shares held in demat form | Total shareholding as a %age of Total No. of Equity Shares | No of Equity Shares Pledged | % of Equity Shares pledged with respect to shares owned |
|---------|--------------------------------------------|---------------------------------|-----------------------------------------|------------------------------------------------------------|-----------------------------|---------------------------------------------------------|
| 1. | President of India along with his nominees | 6,52,64,60,000 | -- | 100% | -- | -- |

NOTE: SPLITTING OF FACE VALUE OF SHARE FROM RS.1000/- TO RS.10/- WAS APPROVED BY THE SHAREHOLDERS IN THEIR MEETING HELD ON 12TH SEPTEMBER, 2017. ACCORDINGLY, THE NUMBER OF ISSUED, SUBSCRIBED AND PAID UP EQUITY SHARES IS 652,64,60,000 OF RS.10/- EACH.

17. BORROWINGS OF THE ISSUER

(as on 31.03.2018)

A. SECURED LOAN FACILITIES

A.1 Secured Rupee Term Loans from domestic banks:

(in Rs. Crore)

| S. No. | Name of Lender(s) | Repayment Schedule | Final Maturity Date | Amount Sanctioned | Principal Amount Outstanding (as of March 31, 2018) |
|--------|---------------------|----------------------------------------------------------------------------------|---------------------|-------------------|-----------------------------------------------------|
| 1. | STATE BANK OF INDIA | Repayable at the end of 13 Months from the date of availment i.e. March 21, 2018 | APRIL 21, 2019 | 3,000.00 | 3,000.00 |
| 2. | CANARA BANK | Repayable at the end of 13 Months from the date of availment i.e. March 27, 2018 | APRIL 27, 2019 | 1,200.00 | 1,200.00 |
| | | | | | 4,200.00 |

* secured by way of pari-passu first charge over the rolling stock assets of the Company

A.2 Secured Rupee Term Loan from National Small Savings Fund (NSSF):

(in Rs. Crore)

| S. No. | Name of Lender(s) | Repayment Schedule | Final Maturity Date | Amount Sanctioned | Principal Amount Outstanding (as of March 31, 2018) |
|--------|------------------------------------|---------------------------------------------------------------------------------|---------------------|-------------------|-----------------------------------------------------|
| 1. | National Small Savings Fund (NSSF) | Repayable at the end of 10 years from the date of availment i.e. March 28, 2018 | March 28, 2028 | 10,000.00 | 10,000.00 |
| | | | | | 10,000.00 |

* secured by way of pari-passu first charge over the rolling stock assets of the Company

**A.3 Secured Foreign Currency Term Loans:***(in Rs. Crore)*

| Sr. No. | Name of Lender(s) | Repayment Schedule | Final Maturity Date | Amount Sanctioned | Principal Amount Outstanding (as of March 31, 2018) |
|--------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------|-----------------------------------------------------|
| 1. | Bank of India | Repayable in 40 equal half yearly installments commencing from April 30, 2002 after a moratorium period of 4 years from the date of availment i.e. March 31, 1998 | October 30, 2021 | USD 60 Million | 78.60 |
| Total | | | | | 78.60 |

Foreign currency term loans have been availed for acquisition of rolling stock assets, which has been secured by way of pari-passu first charge over the present and future rolling stock assets / lease receivables of the Company.

B. UNSECURED LOAN FACILITIES**B.1 Unsecured Short Term Rupee Loans from Domestic Banks**

| Sr. No. | Name of Lender(s) | Repayment Schedule | Final Maturity Date | Amount Sanctioned (In Rs. Crore) | Amount Outstanding (as of March 31, 2018) (in Rs. Crore) |
|---------|---------------------------|-------------------------------------------|---------------------|----------------------------------|----------------------------------------------------------|
| 1. | Jammu & Kashmir Bank Ltd. | Repayable on 1 st April, 2018 | April 1, 2018 | 600.00 | 600.00 |
| 2. | Bank of Baroda | Repayable on 5 th April, 2018 | April 5, 2018 | 2000.00 | 495.00 |
| | | Repayable on 6 th April, 2018 | April 6, 2018 | | 493.50 |
| | | Repayable on 11 th April, 2018 | April 11, 2018 | | 11.50 |
| | | Repayable on 28 th April, 2018 | April 28, 2018 | | 1000.00 |
| 3. | Vijaya Bank | Repayable on 5 th April, 2018 | April 13, 2018 | 70.80 | 70.80 |
| 4. | Allahabad Bank | Repayable on 20 th April, 2018 | April 20, 2018 | 1298.40 | 275.50 |
| | | Repayable on 26 th April, 2018 | April 26, 2018 | | 10.20 |
| | | Repayable on 27 th April, 2018 | April 27, 2018 | | 40.20 |
| | | Repayable on 28 th April, 2018 | April 28, 2018 | | 800.00 |
| | | Repayable on 2 nd May, 2018 | May 2, 2018 | | 172.50 |
| Total | | | | | 3969.20 |

B.2 Unsecured Short Term Working Capital Demand Loan from domestic banks:



| S. No. | Name of Lender(s) | Repayment Schedule | Final Maturity Date | Amount Sanctioned | Principal Amount Outstanding (as of March 31, 2018) |
|--------------|-------------------|--------------------|---------------------|-------------------|-----------------------------------------------------|
| | | NIL | | | |
| Total | | | | | |

B.3 Unsecured Foreign Currency Term Loans

| Sr. No. | Name of Lender(s) | Repayment Schedule | Final Maturity Date | Amount Sanctioned | Amount Outstanding (as of March 31, 2018) (in Rs. Crore) |
|--------------|----------------------------------------------------|--------------------------------------------------------------------------------------------|---------------------|-------------------|----------------------------------------------------------|
| 1. | American Family Life Assurance Company of Columbus | Repayable at the end of 15 years from the date of availment i.e. March 10, 2011 | March 10, 2026 | JPY 12 Billion | 955.62 |
| 2. | American Family Life Assurance Company of Columbus | Repayable at the end of 15 years from the date of availment i.e. March 30, 2011 | March 30, 2026 | JPY 3 Billion | 242.59 |
| 3. | Syndicated Foreign Currency Loan | Repayable at the end of 5 years and 1 day from the date of availment i.e. December 2, 2013 | December 3, 2018 | USD 400 million | 2620.00 |
| 4 | Syndicated JPY Loan | Repayable at the end of 10 years i.e. March 28, 2028 | March 28, 2028 | JPY 26.23 billion | 1623.97 |
| Total | | | | | 5442.19 |

B.4 Foreign currency bonds issued in the Offshore market

| Sr. No. | Series of Bonds | Deemed date of allotment | Coupon rate and maturity and redemption | Credit Ratings | Amount Raised | Redemption Amount Outstanding (as of March 31, 2018) (in Rs. Crore) |
|---------|-----------------|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|---------------------------------------------------------------------|
| 1. | Green Bonds | December 13, 2017 | <p><i>Coupon Rate:</i> 3.835% per annum payable semi annually.</p> <p><i>Maturity and Redemption:</i> Redeemable at par at the end of ten years from the deemed date of allotment i.e. on 13 December, 2027.</p> | <p>Standard and Poor's: BBB- (negative outlook)</p> <p>Fitch: BBB- (negative outlook)</p> <p>Moody's: Baa2 (stable outlook)</p> | USD 500 Million | 3275.00 |



| Sr. No. | Series of Bonds | Deemed date of allotment | Coupon rate and maturity and redemption | Credit Ratings | Amount Raised | Redemption Amount Outstanding (as of March 31, 2018) (in Rs. Crore) |
|--------------|------------------------------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|---------------------------------------------------------------------|
| 2. | Reg-S Bonds 3 rd Series | February 26, 2014 | <p><i>Coupon Rate:</i> 3.917% per annum payable semi annually.</p> <p><i>Maturity and Redemption:</i> Redeemable at par at the end of five years from the deemed date of allotment i.e. on February 26, 2019.</p> | <p>Standard and Poor's: BBB- (negative outlook)</p> <p>Fitch: BBB- (Stable outlook)</p> <p>Moody's: Baa3 (stable outlook)</p> | USD 500 Million | 3275.00 |
| Total | | | | | | 6550.00 |

C. NON-CONVERTIBLE BONDS/ DEBENTURES (Outstanding as on March 31, 2018)

| Debenture Series | Coupon | Amount (Rs. In cr.) | Date of Allotment | Redemption Date / Schedule | Credit Rating | Secured/ Unsecured | Security |
|------------------------------------------------------|--------|---------------------|-------------------|----------------------------|-----------------------------|--------------------|----------------------------------------------------------------|
| 45 th 'OO' - 6.39% Taxable Non-Cum. Bonds | 6.39% | 7.00 | 13.05.2003 | 13.05.2018 | [ICRA] LAAA "CRISIL AAA" | Secured | pari-passu first charge over the rolling stocks of the Company |
| 46 th 'O' - 6.25% Taxable Non-Cum. Bonds | 6.25% | 13.00 | 12.08.2003 | 12.08.2018 | [ICRA] LAAA "CRISIL AAA" | -do- | -do- |
| 46 th 'EE' - 6.20% Taxable Non-Cum. Bonds | 6.20% | 25.00 | 12.08.2003 | 12.08.2018 | [ICRA] LAAA "CRISIL AAA" | -do- | -do- |
| 47 th 'O' - 5.99% Taxable Non-Cum. Bonds | 5.99% | 10.00 | 26.03.2004 | 26.03.2019 | [ICRA] LAAA "CRISIL AAA" | -do- | -do- |
| 48 th 'II' - 6.85% Taxable Non-Cum. Bonds | 6.85% | 50.00 | 17.09.2004 | 17.09.2018 | [ICRA] LAAA "CRISIL AAA" | -do- | -do- |
| 48 th 'JJ' - 6.85% Taxable Non-Cum. Bonds | 6.85% | 50.00 | 17.09.2004 | 17.09.2019 | [ICRA] LAAA "CRISIL AAA" | -do- | -do- |
| 49 th 'M' Series-Floating Rate Bonds | 9.26% | 10.00 | 22.06.2005 | 22.06.2018 | [ICRA] LAAA "CRISIL AAA" | -do- | -do- |
| 49 th 'N' Series-Floating Rate Bonds | 8.13% | 10.00 | 22.06.2005 | 22.06.2019 | [ICRA] LAAA "CRISIL AAA" | -do- | -do- |
| 49 th 'O' Series-Floating Rate Bonds | 8.18% | 10.00 | 22.06.2005 | 22.06.2020 | [ICRA] LAAA "CRISIL AAA" | -do- | -do- |



| Debenture Series | Coupon | Amount (Rs. In cr.) | Date of Allotment | Redemption Date / Schedule | Credit Rating | Secured/ Unsecured | Security |
|-------------------------------------------------|--------|---------------------|-------------------|----------------------------|--------------------------------------------|--------------------|----------|
| 51st Series 7.74% Taxable Bonds | 7.74% | 450.00 | 22.12.2005 | 22.12.2020 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 52nd B Series 8.64% Taxable Bonds | 8.64% | 700.00 | 17.05.2006 | 17.05.2021 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 53 rd 'B' Series 8.68% Taxable Bonds | 8.68% | 225.00 | 29.11.2006 | 29.11.2021 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 53 rd 'C' Series 8.75% Taxable Bonds | 8.75% | 410.00 | 29.11.2006 | 29.11.2026 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 54th A Series 9.95% Taxable Bonds | 9.95% | 150.00 | 07.06.2007 | 07.06.2022 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 54th B Series 10.04% Taxable Bonds | 10.04% | 320.00 | 07.06.2007 | 07.06.2027 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 55th K Series 9.86% Taxable Bonds | 9.86% | 33.00 | 07.06.2007 | 07.06.2018 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 55th L Series 9.86% Taxable Bonds | 9.86% | 33.00 | 07.06.2007 | 07.06.2019 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 55th M Series 9.86% Taxable Bonds | 9.86% | 33.00 | 07.06.2007 | 07.06.2020 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 55th N Series 9.86% Taxable Bonds | 9.86% | 33.00 | 07.06.2007 | 07.06.2021 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 55th O Series 9.86% Taxable Bonds | 9.86% | 33.00 | 07.06.2007 | 07.06.2022 | [ICRA] LAAA "CRISIL "AAA" | -do- | -do- |



| Debenture Series | Coupon | Amount (Rs. In cr.) | Date of Allotment | Redemption Date / Schedule | Credit Rating | Secured/ Unsecured | Security |
|-------------------------------------------------|--------|---------------------|-------------------|---------------------------------------------------------------------------------|--------------------------------------------|--------------------|----------|
| | | | | | CARE "AAA" | | |
| 57th Series 9.66% Taxable Bonds | 9.66% | 1000.00 | 28.09.2007 | Redeemable in 5 equal yearly installment starting from 28.09.2018 to 28.09.2022 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 58th A Series 9.66% Taxable Bonds | 9.20% | 500.00 | 29.10.2007 | 29.10.2022 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 60 th Series 9.43% Taxable Bonds | 9.43% | 604.00 | 23.05.2008 | 23.05.2018 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 61 st Series 10.60% Taxable Bonds | 10.60% | 855.00 | 11.09.2008 | 11.09.2018 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 61 st A Series 10.70% Taxable Bonds | 10.70% | 615.00 | 11.09.2008 | 11.09.2023 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 62 nd A Series 8.45% Taxable Bonds | 8.45% | 500.00 | 26.12.2008 | 26.12.2018 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 62 nd B Series 8.50% Taxable Bonds | 8.50% | 285.00 | 26.12.2008 | 26.12.2023 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 63 rd A Series 8.55% Taxable Bonds | 8.55% | 1705.00 | 15.01.2009 | 15.01.2019 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 63 rd B Series 8.65% Taxable Bonds | 8.65% | 315.00 | 15.01.2009 | 15.01.2024 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 65 th AA Series 8.19 % Taxable Bonds | 8.19% | 560.00 | 27.04.2009 | 27.04.2019 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 65 th 'I' Series | 8.20% | 60.00 | 27.04.2009 | 27.04.2018 | [ICRA] | -do- | -do- |



| Debenture Series | Coupon | Amount (Rs. In cr.) | Date of Allotment | Redemption Date / Schedule | Credit Rating | Secured/ Unsecured | Security |
|-------------------------------------------------|--------|---------------------|-------------------|----------------------------|-----------------------------------------------------|--------------------|----------|
| 8.20% Taxable Bonds | | | | | LAAA "CRISIL "AAA" CARE "AAA" | | |
| 65 th 'J' Series 8.20% Taxable Bonds | 8.20% | 60.00 | 27.04.2009 | 27.04.2019 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 65 th 'K' Series 8.20% Taxable Bonds | 8.20% | 60.00 | 27.04.2009 | 27.04.2020 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 65 th 'L' Series 8.20% Taxable Bonds | 8.20% | 60.00 | 27.04.2009 | 27.04.2021 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 65 th 'M' Series 8.20% Taxable Bonds | 8.20% | 60.00 | 27.04.2009 | 27.04.2022 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 65 th 'N' Series 8.20% Taxable Bonds | 8.20% | 60.00 | 27.04.2009 | 27.04.2023 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 65 th 'O' Series 8.20% Taxable Bonds | 8.20% | 60.00 | 27.04.2009 | 27.04.2024 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 66 th Series 8.60% Taxable Bonds | 8.60% | 500.00 | 11.06.2009 | 11.06.2019 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 67 th Series 8.55% Taxable Bonds | 8.55% | 175.00 | 03.02.2010 | 03.02.2020 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 67 th 'A' Series 8.65% Taxable Bonds | 8.65% | 200.00 | 03.02.2010 | 03.02.2025 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 67 th 'B' Series 8.80% Taxable Bonds | 8.80% | 385.00 | 03.02.2010 | 03.02.2030 | [ICRA] LAAA "CRISIL "AAA" | -do- | -do- |



| Debenture Series | Coupon | Amount (Rs. In cr.) | Date of Allotment | Redemption Date / Schedule | Credit Rating | Secured/ Unsecured | Security |
|--------------------------------------------------|--------|---------------------|-------------------|----------------------------|--------------------------------------------|--------------------|----------|
| | | | | | CARE "AAA" | | |
| 68 th 'B' Series 6.70% Tax free Bonds | 6.70% | 927.21 | 08.03.2010 | 08.03.2020 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 69 th Series 8.95% Taxable Bonds | 8.95% | 600.00 | 10.03.2010 | 10.03.2025 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 70 th 'AA' Series 8.79% Taxable Bonds | 8.79% | 1410.00 | 04.05.2010 | 04.05.2030 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 70 th 'A' Series 8.72% Taxable Bonds | 8.72% | 15.00 | 04.05.2010 | 04.05.2031 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 70 th 'B' Series 8.72% Taxable Bonds | 8.72% | 15.00 | 04.05.2010 | 04.05.2032 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 70 th 'C' Series 8.72% Taxable Bonds | 8.72% | 15.00 | 04.05.2010 | 04.05.2033 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 70 th 'D' Series 8.72% Taxable Bonds | 8.72% | 15.00 | 04.05.2010 | 04.05.2034 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 70 th 'E' Series 8.72% Taxable Bonds | 8.72% | 15.00 | 04.05.2010 | 04.05.2035 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 71 st 'A' Series 8.83% Taxable Bonds | 8.83% | 220.00 | 14.05.2010 | 14.05.2031 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 71 st 'B' Series 8.83% Taxable Bonds | 8.83% | 220.00 | 14.05.2010 | 14.05.2032 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 71 st 'C' Series 8.83% | 8.83% | 220.00 | 14.05.2010 | 14.05.2033 | [ICRA] LAAA | -do- | -do- |



| Debenture Series | Coupon | Amount (Rs. In cr.) | Date of Allotment | Redemption Date / Schedule | Credit Rating | Secured/ Unsecured | Security |
|--------------------------------------------------|--------|---------------------|-------------------|----------------------------|-----------------------------------------------------|--------------------|----------|
| Taxable Bonds | | | | | "CRISIL "AAA" CARE "AAA" | | |
| 71 st 'D' Series 8.83% Taxable Bonds | 8.83% | 220.00 | 14.05.2010 | 14.05.2034 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 71 st 'E' Series 8.83% Taxable Bonds | 8.83% | 220.00 | 14.05.2010 | 14.05.2035 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 72 nd Series 8.50% Taxable Bonds | 8.50% | 800.00 | 22.06.2010 | 22.06.2020 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 73 rd Series 'B' 6.72 % Taxable Bonds | 6.72% | 835.91 | 20.12.2010 | 20.12.2020 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 74 th Series 9.09% Taxable Bonds | 9.09% | 1076.00 | 29.03.2011 | 29.03.2026 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 75 th Series 9.09% Taxable Bonds | 9.09% | 150.00 | 31.03.2011 | 31.03.2026 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 76 th Series Taxable Bonds | 9.27% | 390.00 | 10.05.2011 | 10.05.2021 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 76 th "A" Series Taxable Bonds | 9.33% | 255.00 | 10.05.2011 | 10.05.2026 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 76 th "B" Series Taxable Bonds | 9.47% | 995.00 | 10.05.2011 | 10.05.2031 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 77 th Series Taxable Bonds | 9.57% | 1245.00 | 31.05.2011 | 31.05.2021 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |



| Debenture Series | Coupon | Amount (Rs. In cr.) | Date of Allotment | Redemption Date / Schedule | Credit Rating | Secured/ Unsecured | Security |
|--------------------------------------------|-----------------|---------------------|-------------------|----------------------------|--------------------------------------------|--------------------|----------|
| 78 th Series Taxable Bonds | 9.41% | 1500.00 | 28.07.2011 | 28.07.2021 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 79 th Series Taxable Bonds | 7.55% | 539.60 | 08.11.2011 | 08.11.2021 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 79 th "A" Series Taxable Bonds | 7.77% | 191.51 | 08.11.2011 | 08.11.2026 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 80 th Series Taxable Bonds | 8.00% 8.15%/ | 3173.2381 | 23.02.2012 | 23.02.2022 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 80 th "A" Series Tax Free Bonds | 8.10% /8.30% | 3095.6519 | 23.02.2012 | 23.02.2027 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 81 st Series Tax Free Bonds | 7.21% | 256.00 | 26.11.2012 | 26.11.2022 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 81 st A Series Tax Free Bonds | 7.38% | 66.70 | 26.11.2012 | 26.11.2027 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 82 nd Series Tax Free Bonds | 7.22% | 41.00 | 30.11.2012 | 30.11.2022 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 82 nd A Series Tax Free Bonds | 7.38% | 30.00 | 30.11.2012 | 30.11.2027 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 83 rd Series Tax Free Bonds | 7.22% | 30.00 | 06.12.2012 | 06.12.2022 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 83 rd A Series Tax Free Bonds | 7.39% | 95.00 | 06.12.2012 | 06.12.2027 | [ICRA] LAAA "CRISIL "AAA" | -do- | -do- |



| Debenture Series | Coupon | Amount (Rs. In cr.) | Date of Allotment | Redemption Date / Schedule | Credit Rating | Secured/ Unsecured | Security |
|------------------------------------------|----------------|---------------------|-------------------|----------------------------|--------------------------------------------|--------------------|----------|
| | | | | | CARE "AAA" | | |
| 84 th Series Tax Free Bonds | 7.22% | 499.90 | 7.12.2012 | 7.12.2022 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 85 th Series Tax Free Bonds | 7.19% | 95.00 | 14.12.2012 | 14.12.2022 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 86 th Series Tax Free Bonds | 7.18 % /7.68% | 2814.68 | 19.02.2013 | 19.02.2023 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 86 th A Series Tax Free Bonds | 7.34 % /7.84% | 2558.71 | 19.02.2013 | 19.02.2028 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 87 th Series Tax Free Bonds | 6.88 % /7.38% | 165.17 | 25.03.2013 | 25.03.2023 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 87 th A Series Tax Free Bonds | 7.04 % / 7.54% | 263.88 | 25.03.2013 | 25.03.2028 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 88 th Series Taxable Bonds | 8.83% | 1100.00 | 25.03.2013 | 25.03.2023 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 89 th Series Tax free Bonds | 8.35% | 487.00 | 21.11.2013 | 21.11.2023 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 89 th A Series Tax free Bonds | 8.48% | 738.00 | 21.11.2013 | 21.11.2028 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 90 th Series Tax free Bonds | 8.35% | 57.00 | 27.11.2013 | 27.11.2023 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 90 th A Series Tax free | 8.48% | 55.00 | 27.11.2013 | 27.11.2028 | [ICRA] LAAA | -do- | -do- |



| Debenture Series | Coupon | Amount (Rs. In cr.) | Date of Allotment | Redemption Date / Schedule | Credit Rating | Secured/ Unsecured | Security |
|---------------------------------------------------|--------|---------------------|-------------------|----------------------------|-----------------------------------------------------|--------------------|----------|
| Bonds | | | | | "CRISIL "AAA" CARE "AAA" | | |
| 91 st Series Tax free Bonds | 8.23% | 1778.321 | 18.02.2014 | 18.02.2024 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 91 st A Series Tax free Bonds | 8.48% | 526.2546 | 18.02.2014 | 18.02.2024 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 92 nd Series Tax free Bonds | 8.40% | 1090.1868 | 18.02.2014 | 18.02.2024 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 92 nd A Series Tax free Bonds | 8.65% | 688.3591 | 18.02.2014 | 18.02.2029 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 93 rd A Series Tax free Bonds | 8.55% | 1650.00 | 10.02.2014 | 10.02.2029 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 94 th A Series Tax free Bonds | 8.55% | 13.00 | 10.02.2014 | 10.02.2029 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 95 th Series Tax free Bonds | 8.19% | 231.152 | 26.03.2014 | 26.03.2024 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 95 th A Series Tax free Bonds | 8.44% | 129.7384 | 26.03.2014 | 26.03.2024 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 96 th Series Tax free Bonds | 8.63% | 947.9132 | 26.03.2014 | 26.03.2029 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 96 th A Series Tax free Bonds | 8.88% | 436.4141 | 26.03.2014 | 26.03.2029 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |



| Debenture Series | Coupon | Amount (Rs. In cr.) | Date of Allotment | Redemption Date / Schedule | Credit Rating | Secured/ Unsecured | Security |
|---------------------------------------------|--------|---------------------|-------------------|----------------------------|--------------------------------------------|--------------------|----------------------------------------------------------------------|
| 99 th Series Tax free Bonds | 7.19% | 1139.00 | 31.07.2015 | 31.07.2025 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 100 th Series Tax free Bonds | 7.15% | 329.00 | 21.08.2015 | 21.08.2025 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 101 st Series Taxable Bonds | 7.87% | 2000.00 | 27.10.2015 | 27.10.2045 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | Unsecured | -- |
| 102 nd Series Tax free Bonds | 7.07% | 367.4739 | 21.12.2015 | 21.12.2025 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | Secured | pari-passu first charge over the rolling stock assets of the Company |
| 102 nd "A" Series Tax free Bonds | 7.32% | 368.9486 | 21.12.2015 | 21.12.2025 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | Secured | -do- |
| 103 rd Series Tax free Bonds | 7.28% | 2057.3103 | 21.12.2015 | 21.12.2030 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 103 rd "A" Tax free Bonds | 7.53% | 1074.2172 | 21.12.2015 | 21.12.2030 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 104 th Series Tax free Bonds | 7.25% | 294.4158 | 21.12.2015 | 21.12.2035 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 104 th "A" Series Tax free Bonds | 7.50% | 369.6342 | 21.12.2015 | 21.12.2035 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 105 th Series Taxable Bonds | 8.33% | 1500.00 | 26.02.2016 | 26.03.2019 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 106 th Series Taxable Bonds | 7.04% | 1050.00 | 03.03.2016 | 03.03.2026 | [ICRA] LAAA "CRISIL "AAA" | -do- | -do- |



| Debenture Series | Coupon | Amount (Rs. In cr.) | Date of Allotment | Redemption Date / Schedule | Credit Rating | Secured/ Unsecured | Security |
|---------------------------------------------|--------|---------------------|-------------------|----------------------------|--------------------------------------------|--------------------|----------------------------------------------------------------------|
| | | | | | CARE "AAA" | | |
| 107 th Series Tax free Bonds | 7.04% | 48.5972 | 22.03.2016 | 22.03.2026 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 107 th "A" Series Tax free Bonds | 7.29% | 190.7138 | 22.03.2016 | 22.03.2026 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 108 th Series Tax free Bonds | 7.35% | 1016.3760 | 22.03.2016 | 22.03.2031 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 108 th "A" Series Tax free Bonds | 7.64% | 1194.3130 | 22.03.2016 | 22.03.2031 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | -do- | -do- |
| 109 th Series Taxable Bonds | 8.02% | 5000.00 | 30.03.2016 | 30.03.2046 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | Unsecured | -- |
| 110 th Series Taxable Bonds | 7.80% | 3000.00 | 22.06.2016 | 22.06.2046 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | Unsecured | -- |
| 111 th Series Taxable Bonds | 7.65% | 1000.00 | 30.06.2016 | 30.07.2019 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | Secured | pari-passu first charge over the rolling stock assets of the Company |
| 112 th Series Taxable Bonds | 6.92% | 1500.00 | 10.10.2016 | 10.11.2019 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | Secured | -do- |
| 113 th Series Taxable Bonds | 7.24% | 650.00 | 08.11.2016 | 08.11.2021 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | Secured | -do- |
| 114 th Series Taxable Bonds | 6.70% | 2000.00 | 24.11.2016 | 24.11.2021 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | Secured | -do- |
| 115 th Series Taxable | 6.73% | 800.00 | 23.01.2017 | 23.03.2020 | [ICRA] LAAA | Secured | -do- |



| Debenture Series | Coupon | Amount (Rs. In cr.) | Date of Allotment | Redemption Date / Schedule | Credit Rating | Secured/ Unsecured | Security |
|----------------------------------------|--------|---------------------|-------------------|----------------------------|-----------------------------------------------------|--------------------|----------|
| Bonds | | | | | "CRISIL "AAA" CARE "AAA" | | |
| 116 th Series Taxable Bonds | 7.00% | 2165.00 | 10.03.2017 | 10.09.2018 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | Secured | -do- |
| 117 th Series Taxable Bonds | 7.15% | 1480.00 | 16.03.2017 | 16.09.2018 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | Secured | -do- |
| 118 th Series Taxable Bonds | 7.83% | 2950.00 | 21.03.2017 | 21.03.2027 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | Secured | -do- |
| 119 th Series Taxable Bonds | 7.20% | 2375.00 | 31.03.2017 | 31.05.2020 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | Secured | -do- |
| 120 th Series Taxable Bonds | 7.49% | 2200.00 | 30.05.2017 | 30.05.2027 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | Secured | -do- |
| 121 st Series Taxable Bonds | 7.27% | 2050.00 | 15.06.2017 | 15.06.2027 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | Secured | -do- |
| 122 nd Series Taxable Bonds | 6.77% | 4100.00 | 27.06.2017 | 27.06.2047 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | Unsecured | -do- |
| 123 rd Series Taxable Bonds | 7.33% | 1745.00 | 28.08.2017 | 28.08.2027 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | Secured | -do- |
| 124 th Series Taxable Bonds | 7.54% | 935.00 | 31.10.2017 | 31.10.2027 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | Secured | -do- |
| 125 th Series Taxable Bonds | 7.41% | 2100.00 | 22.12.2017 | 22.12.2047 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | Unsecured | -do- |



| Debenture Series | Coupon | Amount (Rs. In cr.) | Date of Allotment | Redemption Date / Schedule | Credit Rating | Secured/ Unsecured | Security |
|----------------------------------------|--------|---------------------|-------------------|----------------------------|--------------------------------------------|--------------------|----------|
| 126 th Series Taxable Bonds | 7.63% | 3000.00 | 25.01.2018 | 25.01.2023 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | Secured | -do- |
| 127 th Series Taxable Bonds | 7.65% | 2500.00 | 15.02.2018 | 15.03.2021 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | Secured | -do- |
| 128 th Series Taxable Bonds | 7.72% | 2600.00 | 07.03.2018 | 07.06.2019 | [ICRA] LAAA "CRISIL "AAA" CARE "AAA" | Secured | -do- |

* Our company has received a premium of ` 3,42,700 on series 81 and 81st A, ` 71,000 on series 82 and 82nd A, ` 1,25,000 on Series 83 and 83th A, ` 4,99,900 on Series 84, ` 95,000 on Series 85, ` 27,96,000 on series 89 and 89th A, ` 1,22,000 on Series 90 and 90th A, ` 16,50,000/- on series 93rd A, ` 13,000 on series 94th A, ` 68,73,000 on series 99th, ` 4,21,000 on Series 100th. and Rs.2,91,00,000/- on Series 106

D- 54EC Capital Gain Bonds (Outstanding as on March 31, 2018)

| Debenture Series | Coupon | Amount (Rs. In cr.) | Date of Allotment | Redemption Date / Schedule | Credit Rating | Secured/ Unsecured | Security |
|----------------------------|--------|---------------------|-------------------|----------------------------|-------------------------------------------|--------------------|----------------------------------------------------------------------|
| 54EC Nov, 2027 Bond Series | 5.25% | 0.98 | 30-11-17 | 30-11-20 | ICRA] LAAA "CRISIL "AAA" CARE "AAA" | Secured | pari-passu first charge over the rolling stock assets of the Company |
| 54EC Dec, 2027 Bond Series | 5.25% | 8.27 | 31-12-17 | 31-12-20 | ICRA] LAAA "CRISIL "AAA" CARE "AAA" | Secured | -Do- |
| 54EC Jan, 2028 Bond Series | 5.25% | 10.47 | 31-1-18 | 31-1-21 | ICRA] LAAA "CRISIL "AAA" CARE "AAA" | Secured | -Do- |
| 54EC Feb, 2028 Bond Series | 5.25% | 24.90 | 28-2-18 | 28-2-21 | ICRA] LAAA "CRISIL "AAA" CARE "AAA" | Secured | -Do- |



| | | | | | | | |
|----------------------------|-------|-------|---------|---------|-------------------------------------------------|---------|------|
| 54EC Mar, 2028 Bond Series | 5.25% | 92.88 | 31-3-18 | 31-3-21 | ICRA] LAAA "CRISIL "AAA" CARE "AAA" | Secured | -Do- |
|----------------------------|-------|-------|---------|---------|-------------------------------------------------|---------|------|

18. TOP 20 BONDHOLDERS(as on 30th September, 2018)

| Sr. No. | Name of bondholder | Total amount of bonds held (Rs. in crore) |
|---------|----------------------------------------------------|-------------------------------------------|
| 1 | LIFE INSURANCE CORPORATION OF INDIA | 21213.70 |
| 2 | STATE BANK OF INDIA | 6904.76 |
| 3 | NPS TRUST- A/C LIC PENSION FUND SCHEME C - TIER I | 2983.70 |
| 4 | PUNJAB NATIONAL BANK | 2614.08 |
| 5 | CBT EPF-08-C-DM | 2433.90 |
| 6 | IDFC CREDIT RISK FUND | 1395.00 |
| 7 | SBI DEBT FUND SERIES C 23 1100 DAYS | 1319.10 |
| 8 | HDFC STANDARD LIFE INSURANCE COMPANY LIMITED | 1308.00 |
| 9 | COAL MINES PROVIDENT FUND ORGANISATION | 1218.20 |
| 10 | HDFC TRUSTEE CO. LTD. A/C HDFC FMP 1183D APRIL 201 | 1116.70 |
| 11 | DSP BLACKROCK FMP - SERIES 238 - 36M | 1010.60 |
| 12 | ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED | 1007.20 |
| 13 | IDFC BANK LIMITED | 921.75 |
| 14 | ITC LIMITED | 921.73 |
| 15 | RELIANCE CAPITAL TRUSTEE CO LTD - A/C RELIANCE FIX | 838.30 |
| 16 | SBI LIFE INSURANCE CO.LTD | 818.90 |
| 17 | MAHANADI COALFIELDS LIMITED | 808.65 |
| 18 | MAX LIFE INSURANCE COMPANY LIMITED | 774.95 |
| 19 | ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C | 745.00 |
| 20 | OIL AND NATURAL GAS CORPORATION LIMITED EMPLOYEES | 678.90 |
| | Total | 51033.12 |

19. AMOUNT OF CORPORATE GUARANTEES ISSUED BY THE ISSUER IN FAVOUR OF VARIOUS COUNTER PARTIES INCLUDING ITS SUBSIDIARIES, JOINT VENTURE ENTITIES, GROUP COMPANIES ETC.

The Issuer has not issued any corporate guarantee in favour of any counterparty including its subsidiaries, joint venture entities, group companies etc.

20. COMMERCIAL PAPER ISSUED BY THE ISSUER

The Company had issued commercial paper 5th Tranche with a face value of Rs. 200000 Lakhs with a tenor of 51 days at a discount rate of 6.33% per annum on March 3, 2017, 6th Tranche with a face value of Rs. 200000 Lakhs with a tenor of 157 days at a discount rate of 6.48% per annum on April 21, 2017, 7th tranche commercial paper with a face value of Rs. 187500 Lakhs with a tenor of 121 days at a discount rate of 6.50% per annum on May 23, 2017, 8th tranche commercial paper with a face value of Rs. 295000 Lakhs with a tenor of 60 days at a discount rate of 6.11% per annum on 13th October, 2017, 9th tranche for Rs.300000 Lakhs at discounted rate of 6.35% per annum on 20.12.2017 for 77 days, 10th tranche for Rs.100000 Lakhs at a discounted rate of 7.40% per annum on 26.02.2018 for 44 days. 10th tranche of commercial paper with Face value of Rs.1000 Crore is outstanding as on 31st March, 2018.



21. OTHER BORROWINGS (INCLUDING HYBRID DEBT LIKE FOREIGN CURRENCY CONVERTIBLE BONDS (“FCCBs”), OPTIONALLY CONVERTIBLE BONDS/ DEBENTURES/ PREFERENCE SHARES) (as on 31.03.2018)

The Issuer has not issued any debt like Foreign Currency Convertible Bonds, Optionally convertible Bonds / Debentures / Preference Shares etc. till the date of the Private Placement Offer Letter.

22. SERVICING BEHAVIOR ON EXISTING DEBT SECURITIES, DEFAULT(S) AND/OR DELAY(S) IN PAYMENTS OF INTEREST AND PRINCIPAL OF ANY KIND OF TERM LOANS, DEBT SECURITIES AND OTHER FINANCIAL INDEBTEDNESS INCLUDING CORPORATE GUARANTEE ISSUED BY THE ISSUER, IN THE PAST 5 YEARS

- a. The main constituents of the Issuer's borrowings are generally in the form of bonds, debentures, loans from banks and financial institutions, external commercial borrowings etc.
- b. The Issuer has been servicing all its principal and interest liabilities on time and there has been no instance of delay or default since inception.
- c. The Issuer has neither defaulted in repayment/ redemption of any of its borrowings nor affected any kind of roll over against any of its borrowings in the past.

23. OUTSTANDING BORROWINGS/ DEBT SECURITIES ISSUED FOR CONSIDERATION OTHER THAN CASH, WHETHER IN WHOLE OR PART, AT A PREMIUM OR DISCOUNT, OR IN PURSUANCE OF AN OPTION

The Issuer confirms that other than and to the extent mentioned elsewhere in this Private Placement Offer Letter, it has not issued any debt securities or agreed to issue any debt securities or availed any borrowings for a consideration other than cash, whether in whole or in part, at a premium or discount or in pursuance of an option since inception.

24. CONSOLIDATED AND STANDALONE FINANCIAL INFORMATION OF THE ISSUER

a. Statement of Profit & Loss

i. Standalone

(Rs. in crore)

| Particulars | | Year ended 31.03.2018 (audited) | Year ended 31.03.2017 (audited) | Year ended 31.03.2016 (audited) |
|-------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| I. | Revenue from operations | 11018.51 | 9046.77 | 7506.24 |
| II. | Other income | 1.72 | 0.89 | 1.07 |
| III. | Exchange Rate Variation | 0.00 | 0.00 | 0.00 |
| IV. | Total Revenue (I+II) | 11020.23 | 9047.66 | 7507.31 |
| V. | Expenses: | | | |
| | Employee benefits expense | 5.44 | 3.00 | 4.09 |
| | Finance costs | 8436.85 | 6888.08 | 5518.83 |
| | Exchange Rate Variation | 0.17 | 0.99 | 0.12 |
| | Depreciation and amortization expense | 0.35 | 0.35 | 0.35 |
| | CSR Expenses | 23.78 | 16.77 | 30.24 |
| | Other expenses | 8.49 | 5.20 | 3.77 |
| | Total Expenses | 8475.08 | 6914.39 | 5557.40 |
| VI. | Profit before exceptional and | 2545.15 | 2133.27 | 1949.91 |



| | | | | |
|-------|---------------------------------------------------------|----------------|----------------|----------------|
| | extraordinary items and tax (III-IV) | | | |
| VII. | Exceptional items | - | - | - |
| VIII. | Profit before extraordinary items and tax (V-VI) | 2545.15 | 2133.27 | 1949.91 |
| IX. | Extraordinary Items | - | - | - |
| X. | Profit before tax (VII-VIII) | 2545.15 | 2133.27 | 1949.91 |
| XI. | Tax expense: | | | |
| | (1) Current tax | 543.42 | 455.23 | 416.13 |
| | (2) Tax For Earlier Years | (5.58) | 0.31 | - |
| | (3) Deferred tax | - | 743.92 | 685.09 |
| | (4) Deferred Tax For Earlier Years | - | | |
| | | 537.84 | 1199.46 | 1101.22 |
| XII. | Profit (Loss) for the period (IX-X) | 2007.31 | 933.81 | 848.69 |

b. Statement of Balance Sheet

i. Standalone

(Rs. in crore)

| Particulars | As at 31.03.18 | As at 31.03.17 | As at 31.03.16 |
|------------------------------------------------------|------------------|------------------|------------------|
| I. EQUITY AND LIABILITIES | | | |
| i. Share Capital | 6526.46 | 6526.46 | 4526.46 |
| iii. Reserves and Surplus | 7038.75 | 5483.14 | 4998.89 |
| | 13565.21 | 12009.6 | 9525.35 |
| (2) Share Application Money Pending Allotment | 0.00 | 0.00 | 2000.00 |
| (3) Non-Current Liabilities | | | |
| (a) Long Term Borrowings | 114854.13 | 96710.27 | 75892.07 |
| (b) Deferred Tax Liabilities (Net) | 6389.92 | 6389.92 | 5646.00 |
| (c) Other Long Term Liabilities | 2050.29 | 1741.20 | 512.01 |
| (d) Long Term Provisions | 1.51 | 1.16 | 1.24 |
| | 123295.85 | 104842.55 | 82051.32 |
| (4) Current Liabilities | | | |
| (a) Short-Term Borrowings | 4966.79 | 5769.35 | 5675.72 |
| (b) Other Current Liabilities | 20283.98 | 6979.59 | 8911.87 |
| (c) Short Term Provisions | 220.30 | 48.54 | 236.13 |
| | 25471.07 | 12797.48 | 14823.72 |
| Total | 162332.13 | 129649.63 | 108400.39 |
| II. ASSETS | | | |
| (5) Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 11.27 | 11.50 | 11.74 |
| (ii) Intangible Assets | 0.03 | 0.01 | 0.02 |
| (b) Non-Current Investments | 5.33 | 6.54 | 7.87 |
| (c) Long Term Loans and Advances | 144230.94 | 116627.04 | 96999.35 |
| (d) Other Non-Current Assets | 3978.37 | 1917.36 | 887.18 |
| | 148225.94 | 118562.45 | 97906.16 |
| (6) Current Assets | | | |
| (a) Current Investments | 1.21 | 1.33 | 1.46 |
| (b) Cash and Cash Equivalents | 99.82 | 7.52 | 1211.21 |
| (c) Short Term Loans and Advances | 3328.10 | 2899.07 | 1689.21 |
| (d) Other Current Assets | 10677.06 | 8179.26 | 7592.35 |



| Particulars | As at 31.03.18 | As at 31.03.17 | As at 31.03.16 |
|--------------|------------------|------------------|------------------|
| | 14106.19 | 11087.18 | 10494.23 |
| Total | 162332.13 | 129649.63 | 108400.39 |

c. Cash Flow Statement

i. Standalone

(Rs. in crore)

| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 | Year ended 31.03.2016 |
|----------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| A. Cash Flow from Operating activities:: | | | |
| Profit Before Tax:: | 2545.15 | 2133.27 | 1949.92 |
| Adjustments for:: | | | |
| 1-Depreciation /Amortisation | 0.35 | 0.35 | 0.35 |
| 2-(Profit) / Loss on sale of fixed assets(Net) | 0.01 | 0.02 | 0.01 |
| 3-Lease Rentals advance amortised | 0.00 | 0.00 | 34.64 |
| 4-Exchange Rate Variation | 0.17 | 0.99 | 0.12 |
| 5-Amortisation of Interest Restructuring Advance | 0.00 | 0.00 | 0.01 |
| 6-Amortisation of Gain on asset securitization | (0.58) | (0.81) | (1.09) |
| 7-Provision for Interest Payable to Income Tax Authorities | 1.28 | 0.15 | 0.00 |
| 8-Dividend Received | (0.49) | (0.45) | (0.45) |
| 9-Amortisation of Forward Premium on Currency Forward Contracts | 213.89 | 197.36 | 16.35 |
| 10-Discout on Commercial Papers | 202.01 | 111.35 | 26.56 |
| | 2961.79 | 2442.23 | 2026.42 |
| Adjustments for- | | | |
| 1-Assets given on financial lease during the period | (18669.86) | (14280.84) | (16078.71) |
| 2-Capital recovery on assets given on financial lease | 7404.40 | 6568.00 | 5775.59 |
| 3-Receipt on account of Long term loans during the period | 218.58 | 181.91 | 173.24 |
| 6-Term Loans disbursed during the year | (3292.50) | (37.13) | (255.90) |
| 7-Loans & Advances (Net of Adv. Tax & ERV) | (14787.15) | (13680.08) | (7769.09) |
| 8-Cash and Cash Equivalents (Fixed Deposits with maturity of more than 3 months) | 0.00 | 0.00 | 0.00 |
| 9-Other Non Current Assets | (2204.11) | (1092.41) | (130.43) |
| 10-Other Current Assets | (1452.32) | 13.25 | (7.90) |
| 11-Other Non-Current Liabilities | 1784.82 | 924.28 | 69.72 |
| 11-Current Liabilities | 653.04 | 47.58 | 285.18 |
| 12 Provisions | 0.35 | (0.12) | (1.23) |
| 13-Direct Taxes Paid | (553.19) | (446.69) | (464.39) |
| | (30897.94) | (21897.42) | (18403.92) |
| Net Cash flow from Operations | (27936.15) | (19455.18) | (16377.50) |
| B. Cash Flow from Investment Activities: | | | |
| 1-Purchase of Fixed Assets | (0.15) | (0.14) | (0.12) |
| 2-Proceeds from sale of Fixed Assets | 0.01 | 0.01 | 0.01 |



| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 | Year ended 31.03.2016 |
|-------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| 3-Receipt on account of investment in PTCs | 1.33 | 1.91 | 1.60 |
| 4-Dividend Received | 0.49 | 0.49 | 0.45 |
| | 1.68 | 1.78 | 1.94 |
| C. Cash flow from Financing activities:: | | | |
| 1-Dividend & Dividend Tax Paid during the period | (281.06) | (667.81) | (182.40) |
| 2-Share Capital Raised during the period | 0.00 | 0.00 | 400.00 |
| 3-Share Application Money received during the period | 0.00 | 0.00 | 2000.00 |
| 4-Funds raised through Bonds | 21367.49 | 17920.00 | 19203.64 |
| 5-Bonds Redeemed during the period | (1927.56) | (3725.62) | (481.98) |
| 6-Term Loans raised during the period | 39163.15 | 25829.86 | 10750.10 |
| 7-Term Loans repaid during the period | (28176.11) | (21580.27) | (13353.54) |
| 8-Commercial Paper issued | 10653.38 | 7709.97 | 5959.31 |
| 9-Commercial Paper redeemed | (15625.00) | (5020.00) | (3020.00) |
| 10-Funds raised through External Commercial Borrowings | 4835.05 | 0.00 | 2672.19 |
| 11-Repayment of External Commercial Borrowings | (1977.32) | (7224.01) | (6336.30) |
| 12-Payment towards Currency Forward Contracts | (5.24) | (12.41) | (29.32) |
| | 28026.78 | 18249.70 | 17581.70 |
| Net Cash Flow During the year(A+B+C) | 92.31 | (1203.69) | 1206.14 |
| Opening Balance of Cash & Cash Equivalents:: | | | |
| Balance in the Current Accounts | 7.50 | 11.20 | 5.06 |
| Balance in the Term Deposit A/cs (Original maturity of three months or less) | 0 | 1200.00 | 0.00 |
| Balance in Franking Machine | 0 | 0.0 | 0.0 |
| Balance in RBI-PLA | 0.01 | 0.01 | 0.01 |
| | | | 5.07 |
| Closing Balance of Cash & Cash Equivalents | 99.82 | 7.52 | 1211.21 |
| Add Term Deposits with maturity of more than three months | 0 | 0 | 0 |
| Closing Balance of Cash & Cash Equivalents as per Statement of Asset & Liability | 99.82 | 7.52 | 1211.21 |

d. Other Financial Parameters

| Particulars | FY 2017-18 | FY 2016-17 | FY 2015-16 |
|-----------------------------------|------------|------------|------------|
| Dividend declared (as %age on FV) | 5.74% | 5.72% | 7.5% |
| Interest Coverge Ratio (times) | 1.30 | 1.31 | 1.36 |

**e. Auditors' Qualifications**

| Financial Year | Auditors' Qualifications |
|----------------|--------------------------|
| 2017-18 | NIL |
| 2016-17 | NIL |
| 2015-16 | Nil |
| 2014-15 | NIL |
| 2013-14 | NIL |

25. MATERIAL EVENT, DEVELOPMENT OR CHANGE AT THE TIME OF ISSUE

The Issuer hereby confirms that there has been no material event, development or change having implications on the financials/ credit quality of the Issuer (e.g. any material regulatory proceedings against the Issuer/ promoters of the Issuer, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of Issue which may affect the Issue or the investor's decision to invest/ continue to invest in the debt securities of the Issuer.



IX SUMMARY TERM SHEET

DETAILS OF THE INSTRUMENT

| | |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issuer | Indian Railway Finance Corporation Limited ("IRFC" or the "Issuer" or the "Company") |
| Type of Instrument | Secured, Redeemable, Non-Convertible, Taxable Bonds in the nature of Debentures ("Bonds") |
| Nature of Instrument | Secured |
| Seniority | Secured Debt |
| Mode of Issue | Private Placement |
| Eligible Investors | <p>Qualified Institutional Buyers ("QIBs")</p> <ol style="list-style-type: none"> 1) Mutual Funds; 2) Public Financial Institutions specified in Section 2(72) of the Companies Act 2013; 3) Scheduled Commercial Banks; 4) State Industrial Development Corporations; Insurance Companies registered with the Insurance Regulatory and Development Authority; 6) Provident Funds and Pension Funds with minimum corpus of Rs.25.00 crore; 7) National Investment Funds set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; 8) Insurance funds set up and managed by army, navy or air force of the Union of India; 9) Alternative Investment Funds, subject to investment conditions applicable to them under the Securities Exchange Board of India (Alternative Investment Funds) Regulations, 2012 10) Foreign Portfolio Investors ("FPI"), Foreign Institutional Investors ("FII") and sub-accounts (other than a sub account which is a foreign corporate or foreign individual), Qualified Foreign Investors ("QFIs"), not being an individual, registered with SEBI and who is not a resident of USA and is not be subject to any taxation laws of the USA <p>Non- QIBs</p> <ol style="list-style-type: none"> 1) Companies and Bodies Corporate authorized to invest in bonds/debentures; 2) Co-operative Banks and Regional Rural Banks authorized to invest in bonds/debentures; 3) Gratuity Funds and Superannuation Funds; 4) Provident Funds and Pension Funds with corpus of less than Rs.25.00 crore; 5) Societies authorized to invest in bonds/ debentures; 6) Trusts authorized to invest in bonds/ debentures; 7) Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures; 8) Hindu Undivided Families through Karta; 9) Limited Liability Partnership; 10) Partnership firms formed under applicable laws in India in the name of the partners; 11) Resident Individual Investors |
| Non-Eligible classes of Investors | <ol style="list-style-type: none"> 1) Minors without Guardian name (A guardian may apply on behalf of a Minor. However, Applications by Minors must be made through Application Forms that contains the names of both the Minor Applicant and the guardian); 2) Non-Resident Investors being an individual including NRIs, QFIs(Individual) and FPIs (Individual); 3) Indian Venture Capital Funds; 4) Foreign Venture Capital Investors; 5) Overseas Corporate Bodies; 6) Persons ineligible to contract under applicable statutory/ regulatory requirements |
| Listing | The bonds are proposed to be listed on the Wholesale Debt Market (WDM) Segment of NSE and BSE. |
| Credit Ratings | CARE AAA by CARE, CRISIL AAA/Stable by CRISIL, and "[ICRA] AAA" by ICRA |
| Base Issue Size | Rs.500.00 crore |
| Option to retain over subscription | Rs.2500.00 crore |
| Aggregate Issue Size | Rs.3000.00 crore |
| Objects of Issue | The funds shall be used for meeting the funding requirement of Indian Railways. The proceeds of the bond issue(s) will be used for acquisition of Rolling Stock (Railway |



| | |
|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Assets) to be leased out to Indian Railways / funding Bankable Railway Projects of RVNL approved by MOR and as contained in the annual budget estimates presented before Parliament |
| Form of Issuance | Demat only |
| Trading Mode | Demat Only |
| Settlement Mode | Payment of Interest and repayment of principal shall be made by way of cheque(s) / Pay Orders / interest/ redemption warrant(s)/ demand draft(s)/ credit through direct credit/ NECS/ RTGS/ NEFT mechanism or any other electronic mode offered by the Banks to those bondholders whose names appear on the list of beneficial owners given by the depository to IRFC. These names would be as per the depository's record on the record date fixed by IRFC for the purpose of payment of Interest and payment of Redemption Amount |
| Bond Series | 133 rd Secured taxable private placement series |
| Security Name | N.A. |
| Face Value | Rs.10,00,000 per bond |
| Premium on issue | N.A. |
| Discount on issue | Nil |
| Premium / Discount on redemption | Nil |
| Issue Price | Rs.10,00,000 per bond |
| Redemption Amount | Redeemable at face value of Bonds |
| Minimum Application | 10 Bonds and in Multiples of 1 Bonds thereafter |
| Tenor | 10 Years |
| Put option date | NA |
| Put option Price | NA |
| Call option date | NA |
| Call option Price | NA |
| Put notification Time | NA |
| Call notification Time | NA |
| Redemption/ Maturity | At par at the end of 10 Years |
| Redemption Date | 13 th March 2029 |
| Coupon Rate | 8.35 %per annum |
| Coupon Type | Fixed |
| Step up /Step down coupon rate | N.A. |
| Coupon Payment frequency | Annual |
| Coupon Payment dates | First Interest Payment on October 15, 2019, after that on 15th October each year and Final Interest payment will be made on March 13, 2029 along with final redemption of Bonds. |
| Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.) | None |
| Day count basis | Interest shall be computed on an "actual/actual basis". Where the interest period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis |
| Interest on application money | Interest will be paid to the applicants on the application money for the Bonds at coupon rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) for the period starting from and including the date of realization of application money in Issuer's Bank Account upto one day prior to the Deemed Date of Allotment. Such interest on Application Money shall be paid by the Issuer to the relevant applicants within 15 days from the Deemed Date of Allotment |
| Deemed Date of Allotment | 13 th March, 2019 |



| | |
|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Minimum subscription of debt security | As the current issue of Bonds is being made on private placement basis, the requirement of minimum subscription shall not be applicable and therefore the Company shall not be liable to refund the issue subscription(s)/ proceed(s) in the event of the total issue collection falling short of issue size or certain percentage of issue size. |
| Issue Time Table: | |
| Issue Opening Date* | 11 th March, 2019 |
| Issue Closing Date* | 11 th March, 2019 |
| Pay-in-dates* | 13 th March, 2019 |
| Deemed Date of Allotment* | 13 th March, 2019 |
| Settlement Cycle | T+2 days (T being the bidding date) |
| Type of Bidding | Close Bidding |
| Manner of Allotment | Uniform Yield |
| No. of Applications | As per the applicable rules |
| Record Date | 15 days prior to each Coupon Payment Date / Redemption Date |
| Business Day | A Business Day shall be a day on which money market is functioning in Mumbai. |
| Effect of Holidays | If any Coupon Payment Date falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day. If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment. In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date. |
| Depository | NSDL & CDSL |
| Security | The Bonds issued by the Company shall be secured by creating first pari-passu charge on the movable assets of the Company comprising of rolling stock assets such as wagons, coaches, locomotives etc. |
| Settlement Mode of the Instrument | Through NCL |
| Mode of Subscription | Successful Bidders should ensure to do the funds pay-in from their same bank account which is updated by them in the NSE-EBP Platform while placing the bids. The pay-in should be made in the NSE's Clearing Account as displayed in NSE (EBP) platform. |
| Reissuance and consolidation | The Issuer shall have the right to reissuance or consolidate the bonds under the present series in accordance with the applicable law |
| Transaction Documents | The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue: Letter appointing Trustees to the Bondholders; Debenture Trusteeship Agreement; Debenture Deed of Hypothecation; Rating Agreement with CRISIL / CARE / ICRA; Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Bonds in dematerialized form; Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form; Letter appointing Registrar and MoU entered into between the Issuer and the Registrar; Application made to NSE/BSE for seeking its in-principle approval for listing of Bonds; Listing Agreement with NSE/BSE; Letters appointing Arrangers to the Issue. |
| Conditions precedent to subscription of Bonds | The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following: Rating letters from the aforesaid rating agencies; Letter from the Trustees conveying their consent to act as Trustees for the Bondholders; |
| Conditions subsequent to | The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Private Placement Offer |



| | |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| subscription of Bonds | <p>Letter:</p> <p>Ensuring that the payment made for subscription to the Bonds is from the bank account of the person/ entity subscribing to the Bonds and keep record of the bank accounts from where payments for subscriptions have been received;</p> <p>Maintaining a complete record of private placement offers in Form PAS-5 and filing the such record along with Private Placement Offer Letter in Form PAS-4 with the Registrar of Companies, National Capital Territory of Delhi & Haryana with fee as provided in Companies (Registration Offices and Fees) Rules, 2014 and with Securities and Exchange Board of India, within a period of thirty days of circulation of the Private Placement Offer Letter;</p> <p>Filing a return of allotment of Bonds with complete list of all Bondholders in Form PAS-3 under section 42 of the Companies Act, 2013, with the Registrar of Companies, National Capital Territory of Delhi & Haryana within fifteen days of the Deemed Date of Allotment along with fee as provided in the Companies (Registration Offices and Fees) Rules, 2014;</p> <p>Credit of Demat Account(s) of the allottee(s) by number of bonds allotted within two working days from the deemed date of allotment.</p> <p>Making listing application to NSE and BSE within 15 days from the deemed date of allotment of bonds and seeking listing permission within 15 days from the deemed date of allotment of bonds.</p> <p>Executing the Debenture / Bond Trust cum Hypothecation Deed in favour of the Trustee within 60 days from the deemed date of allotment of the bonds and submit with NSE and BSE within five working days of the execution of the same for uploading on their website.</p> <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Private Placement Offer Letter.</p> |
| Trustees | SBI Caps Trustee Company Limited |
| Events of Default | <p>If the Issuer commits a default in making payment of any installment of interest or repayment of principal amount of the Bonds on the respective due date(s), the same shall constitute an "Event of Default" by the Issuer.</p> <p>Besides, it would also constitute an "Event of Default" by the Issuer, if the Issuer does not perform or does not comply with one or more of its material obligations in relation to the Bonds issued in pursuance of terms and conditions stated in this Private Placement Offer Letter, Debenture Trusteeship Agreement and Debenture Trust Deed, which in opinion of the Trustees is incapable of remedy.</p> |
| Remedies | Upon the occurrence of any of the Events of Default, the Trustees shall on instructions from majority Bondholder(s), declare the amounts outstanding to be due and payable forthwith. |
| Cross Default | Not Applicable |
| Role and Responsibilities of Trustees | <p>The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustees. The Trustee shall carry out its duties and perform its functions as required to discharge its obligations under the terms of the Companies Act, 2013, SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trusteeship Agreement, the Trust Deed, Private Placement Offer Letter and all other related transaction documents, with due care, diligence and loyalty.</p> <p>The Trustees shall ensure disclosure of all material events on an ongoing basis.</p> |
| Governing Law and Jurisdiction | The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of district courts of Delhi |
| Additional Covenants | <p>Security Creation: In the event of delay in execution of Debenture Trust Deed and / or other Security Document(s), the Issuer shall refund the subscription at the Coupon rate or shall pay penal interest of 2% p.a. over the coupon rate till such conditions are complied with, at the option of the bond holders.</p> <p>Default In Payment: In case of default in payment of interest and/ or principal redemption on the due dates, the Company shall pay additional interest at the rate of 2.00% p.a. over the Coupon Rate for the defaulting period i.e. the period commencing</p> |



| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>from and including the date on which such amount becomes due and upto but excluding the date on which such amount is actually paid.</p> <p>Allotment of Bonds: The Company shall allot the Bonds within sixty days from the date of receipt of the application money for such Bonds and if the Company is not able to allot the Bonds within such period, it shall repay the application money to the subscribers within fifteen days from the date of completion of sixty days and if the Company fails to repay the application money within the aforesaid period, it shall be liable to repay such money with interest at the rate of 12% p.a. from the expiry of the sixtieth day.</p> <p>Delay in Listing: The Issuer shall complete all the formalities and seek listing permission within 15 days from the deemed date of allotment.</p> <p>Refusal for Listing: If listing permission is refused before the expiry of 15 days from the deemed date of allotment, the issuer shall forthwith repay all monies received from the applicants in pursuance of the Private Placement Offer Letter.</p> |
| <p>*IRFC reserves its sole & absolute right to modify (pre-pone/postpone) the issue Opening/Closing/Pay-in date(s) and deemed date allotment without giving any reasons or prior notice.</p> | |

ILLUSTRATION OF BOND CASH FLOWS 133RD SERIES:

| | |
|----------------------------------------------------|--------------------------------------------|
| Name of Issuer | Indian Railway Finance Corporation Limited |
| Face Value of Bonds | Rs.10 lakh per Bond |
| Deemed Date of Allotment | 13 th March, 2019 |
| Put & Call Option | NA |
| Redemption Date | 13 th March, 2029 |
| Coupon Rate | 8.35 % per annum |
| Frequency of Interest Payment with specified Dates | Annual |
| Day Count Convention | Actual / Actual |

| Particulars | Original Coupon Payment Date & Redemption Date | Modified Coupon Payment Date & Redemption Date | No. of Days | Amount payable per Bond (in Rs.) |
|-------------------------|------------------------------------------------|------------------------------------------------|-------------|----------------------------------|
| Allotment Date | Wednesday, 13 March, 2019 | Wednesday, 13 March, 2019 | 0 | -1000000 |
| 1st Coupon | Tuesday, 15 October, 2019 | Tuesday, 15 October, 2019 | 216 | 49414 |
| 2nd Coupon | Thursday, 15 October, 2020 | Thursday, 15 October, 2020 | 366 | 83500 |
| 3rd Coupon | Friday, 15 October, 2021 | Friday, 15 October, 2021 | 365 | 83500 |
| 4th Coupon | Saturday, 15 October, 2022 | Monday, 17 October, 2022 | 365 | 83500 |
| 5th Coupon | Sunday, 15 October, 2023 | Monday, 16 October, 2023 | 365 | 83500 |
| 6th Coupon | Tuesday, 15 October, 2024 | Tuesday, 15 October, 2024 | 366 | 83500 |
| 7th Coupon | Wednesday, 15 October, 2025 | Wednesday, 15 October, 2025 | 365 | 83500 |
| 8th Coupon | Thursday, 15 October, 2026 | Thursday, 15 October, 2026 | 365 | 83500 |
| 9th Coupon | Friday, 15 October, 2027 | Friday, 15 October, 2027 | 365 | 83500 |
| 10th Coupon | Sunday, 15 October, 2028 | Monday, 16 October, 2028 | 366 | 83500 |
| Last Coupon & Principal | Tuesday, 13 March, 2029 | Tuesday, 13 March, 2029 | 149 | 34086 |
| | Tuesday, 13 March, 2029 | Tuesday, 13 March, 2029 | | 1000000 |



X. TERMS OF OFFER (DETAILS OF DEBT SECURITIES PROPOSED TO BE ISSUED, MODE OF ISSUANCE, ISSUE SIZE, UTILIZATION OF ISSUE PROCEEDS, REDEMPTION AMOUNT, PERIOD OF MATURITY, FACE VALUE, ISSUE PRICE, EFFECTIVE YIELD FOR INVESTORS)

PRIVATE PLACEMENT OF TAXABLE SECURED REDEEMABLE NON-CONVERTIBLE BONDS OF FACE VALUE OF RS. 10 LAKHS/- EACH IN THE NATURE OF DEBENTURES (SERIES 133 (COLLECTIVELY REFERRED TO AS THE “BONDS”) FOR CASH AT PAR FOR AN AMOUNT OF BASE ISSUE SIZE OF RS.500 CRORE WITH GREEN SHOE OPTION OF RS.2500 CRORE AGGREGATE ISSUE SIZE BEING RS.3000 CRORE BY INDIAN RAILWAY FINANCE CORPORATION LTD. (“IRFC” OR THE “ISSUER” OR THE “COMPANY”)

1. ISSUE SIZE

Indian Railway Finance Corporation Ltd. (“IRFC” or the “Issuer” or the “Company”) proposes to raise an amount with issue size of Rs.3000 Crore with base issue size of Rs.500.00 Crore and Green Shoe Option of Rs.2500 Crore through issue of Secured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures of face value of **Rs.10 lakhs per bond** (collectively referred to as the “Bonds”) (the “Issue”) through private placement.

2. ELIGIBILITY TO COME OUT WITH THE ISSUE

Indian Railway Finance Corporation Ltd. (“IRFC” or the “Issuer” or the “Company”), its Directors and authorised officers have not been prohibited from accessing the debt market under any order or directions passed by SEBI / any other Government Authority.

3. REGISTRATION AND GOVERNMENT APPROVALS

The Company can undertake the activities proposed by it in view of the present approvals and no further approval from any government authority (ies) is required by it to undertake the proposed activities save and except those approvals which may be required to be taken in the normal course of business from time to time.

4. AUTHORITY FOR THE ISSUE

The present issue of Bonds is being made pursuant to:

- a. resolutions passed by the Board of Directors of the Company on May 8 , 2018, and delegation provided there under;
- b. Special resolution passed by the shareholders of the Company under Section 42 of The Companies Act, 2013 and sub-rule 1 of rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 on September 27, 2018 and delegation provided thereunder.

5. OBJECTS OF THE ISSUE

The funds shall be used for meeting the funding requirement of Indian Railways. The proceeds of the bond issue(s) will be used for acquisition of Rolling Stock (Railway Assets) to be leased out to Indian Railways / funding Bankable Railway Projects of RVNL approved by MOR and as contained in the annual budget estimates presented before Parliament.

Our Company is a Public Sector Enterprise and as such, we do not have any identifiable group companies under the same management. Further, in accordance with the SEBI Debt Regulations, IRFC will not utilize the proceeds of the Issue for providing loans to or acquisition of shares of any person who is part of the same group or who is under the same management.

6. UTILISATION OF ISSUE PROCEEDS

The funds raised through this private placement towards financing the acquisition of Rolling Stocks which will be leased to MOR in line with the present business activities of IRFC. The main object



clause of our Memorandum of Association permits our Company to undertake its existing activities as well as the activities for which the funds are being raised through this issue.

Our Company is a Public Sector Enterprise and as such, we do not have any identifiable group companies under the same management. Further, in accordance with the SEBI Debt Regulations, IRFC will not utilize the proceeds of the Issue for providing loans to or acquisition of shares of any person who is part of the same group or who is under the same management.

7. MINIMUM SUBSCRIPTION

In terms of the SEBI Debt Regulations, the issuer may decide the amount of minimum subscription which it seeks to raise by issue of Bonds and disclose the same in the offer document. The Issuer has decided not to stipulate any minimum subscription for the present Issue and therefore the Issuer shall not be liable to refund the issue subscription(s)/ proceed(s) in the event of the total issue collection falling short of issue size or certain percentage of issue size.

8. UNDERWRITING

The present Issue of Bonds is not underwritten.

9. NATURE OF BONDS

The Bonds are to be issued in the form of Taxable Secured Redeemable Non-Convertible Bonds in the nature of Debentures (collectively referred to as the "Bonds").

10. FACE VALUE, ISSUE PRICE, EFFECTIVE YIELD FOR INVESTOR

Each Bond has a face value of Rs.10 lakhs and is issued as well as redeemable at par i.e. for Rs.10 lakhs. The Bonds shall be redeemable at par i.e. for Rs.10 lakhs per Bond. Since there is no discount or premium on either issue price or redemption value of the Bonds, the effective yield for the investors shall be the same as the coupon rate on the Bonds.

11. SECURITY

The Bonds, interest and charges, remuneration of Bond Trustees, other costs and amount payable in respect of the Bonds will be fully secured by pari-passu charge on the rolling stock assets of the Company in favour of Bond Trustees. The value of security shall at all times be equal to the outstanding value of Bonds being issued including interest accrued but not paid, if any, on such Bonds. The Bonds will constitute senior and un-subordinated obligations of the Company and shall rank pari-passu inter se and (subject to any obligations under mandatory provisions of law, if any prevailing from time to time) shall also, as regards payment of principal and payment of interest by the Company from out of its own funds, rank pari-passu with all other existing senior and un-subordinated borrowings of the Company.

The Issuer undertakes that it shall secure permission/ consent from the earlier creditor(s), if required, to create pari-passu charge over the specified assets and execute the necessary documents for creation of the charge, including the Trust Deed, within timeframe prescribed in the relevant regulations/act/rules etc and submit with NSE & BSE within five working days of execution of the same for uploading on its website. The creation of such security shall be sufficient compliance of the Issuer's obligation to create security.

As per the RBI circular dated July 02, 2013 in case the security is not created at the time of the Issue of the Bonds or the security created is not sufficient then the amount collected shall be placed in an escrow account until the full security is created for the Bonds.



12. TERMS OF PAYMENT

The full face value of the Bonds applied for is to be paid along with the Application Form. Investor(s) need to send in the Application Form RTGS details for the full value of Bonds applied for.

| Face Value per Bond | Minimum Application for | Amount Payable on Application per Bond |
|---------------------|-------------------------|----------------------------------------|
| 10 lakhs | 10 Bonds | 10 lakhs |

13. DEEMED DATE OF ALLOTMENT

All benefits under the Bonds including payment of interest will accrue to the Bondholders from and including March 13, 2019, which shall be the Deemed Date of Allotment. All benefits relating to the Bonds will be available to the investors from the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment. The Issuer reserves the right to keep multiple allotment date(s)/ deemed date(s) of allotment at its sole and absolute discretion without any notice. In case if the issue closing date/ pay in dates is/are changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre-poned/ postponed) by the Issuer at its sole and absolute discretion.

14. LETTER(S) OF ALLOTMENT/ BOND CERTIFICATE(S)/ REFUND ORDER(S)/ ISSUE OF LETTER(S) OF ALLOTMENT

The beneficiary account of the investor(s) with National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL)/ Depository Participant will be given initial credit within 2 working days from the Deemed Date of Allotment. The initial credit in the account will be akin to the Letter of Allotment. On completion of the all statutory formalities, such credit in the account will be akin to a Bond Certificate.

15. ISSUE OF BOND CERTIFICATE(S)

Subject to the completion of all statutory formalities within timeframe prescribed in the relevant regulations/act/rules etc, the initial credit akin to a Letter of Allotment in the Beneficiary Account of the investor would be replaced with the number of Bonds allotted in physical form.

16. DEPOSITORY ARRANGEMENTS

The Company has appointed Karvy Fintech Private Limited (Formerly Known as Karvy Computershare Private Limited), Unit – IRFC BONDS, Karvy Selenium Tower B, Plot No. 31 - 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 (Andhra Pradesh) [Tel No. (040) 67161667, 040-67161598 Fax No. 91-40-23420814, Email: mailmanager@karvy.com] as Registrars & Transfer Agent for the present bond issue. The Company has made necessary depository arrangements with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for issue and holding of Bonds in dematerialised form. In this context the Company has signed two tripartite agreements as under:

- Tripartite Agreement dated 23rd January, 2001 among IRFC, National Securities Depository Limited (NSDL) and the Registrar.
- Tripartite Agreement dated 8th May, 2003 among IRFC, Central Depository Services Limited (CDSL) and the Registrar

17. PROCEDURE FOR APPLYING FOR DEMAT FACILITY

- Applicant(s) should have/ open a Beneficiary Account with any Depository Participant of NSDL or CDSL.
- The applicant(s) must specify their beneficiary account number and depository participants ID in the relevant columns of the Application Form.



- c. If incomplete/incorrect beneficiary account details are given in the Application Form which does not match with the details in the depository system, the allotment of Bonds shall be held in abeyance till such time satisfactory/demat account details are provided by the applicant.
- d. The Bonds shall be directly credited to the Beneficiary Account as given in the Application Form and after due verification, allotment advice/refund order, if any, would be sent directly to the applicant by the Registrars to the Issue but the confirmation of the credit of the Bonds to the applicant's Depository Account will be provided to the applicant by the Depository Participant of the applicant.
- e. Interest or other benefits with respect to the Bonds would be paid to those bondholders whose names appear on the list of beneficial owners given by the depositories to the Issuer as on the Record Date. In case, the beneficial owner is not identified by the depository on the Record Date due to any reason whatsoever, the Issuer shall keep in abeyance the payment of interest or other benefits, till such time the beneficial owner is identified by the depository and intimated to the Issuer. On receiving such intimation, the Issuer shall pay the interest or other benefits to the beneficiaries identified, within a period of 15 days from the date of receiving such intimation.
- f. Applicants may please note that the Bonds shall be allotted and traded on the stock exchange(s) only in dematerialized form.

18. FICTITIOUS APPLICATIONS

Attention of applicants is specifically drawn to the provisions of sub section (1) of section 38 of the Companies Act, which is reproduced below:

"Any person who-

- (a) makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a Company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name" shall be liable for action under Section 447."*

19. MARKET LOT

The market lot will be one Bond ("Market Lot"). Since the Bonds are being issued only in dematerialized form, the odd lots will not arise either at the time of issuance or at the time of transfer of Bonds.

20. TRADING OF BONDS

The marketable lot for the purpose of trading of Bonds shall be 1 (one) Bond of face value of Rs.10 lakhs each. Trading of Bonds would be permitted in demat mode only in standard denomination of Rs.10 lakhs and such trades shall be cleared and settled in recognised stock exchange(s) subject to conditions specified by SEBI. In case of trading in Bonds which has been made over the counter, the trades shall be reported on a recognised stock exchange having a nation wide trading terminal or such other platform as may be specified by SEBI.

21. MODE OF TRANSFER OF BONDS

The Bonds shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/ CDSL/ Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Bonds held in electronic form. The seller



should give delivery instructions containing details of the buyer's DP account to his depository participant. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Issuer.

Transfer of Bonds to and from foreign investors, in case they seek to hold the Bonds and are eligible to do so, will be governed by the then prevailing guidelines of RBI. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with IRFC Ltd.

22. COMMON FORM OF TRANSFER

The Issuer undertakes that it shall use a common form/ procedure for transfer of Bonds issued under terms of this Private Placement Offer Letter or any other guideline in this regard.

23. INTEREST ON APPLICATION MONEY

Interest at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Bonds.

Such interest shall be paid for the period starting from and including the date of realization of application money in Issuer's Bank Account upto one day prior to the Deemed Date of Allotment. The interest on application money will be computed as per Actual/ Actual day count convention. Such interest would be paid on all valid applications, including the refunds. Where the entire subscription amount has been refunded, the interest on application money will be paid along with the Refund Orders. Where an applicant is allotted lesser number of Bonds than applied for, the excess amount paid on application will be refunded to the applicant along with the interest on refunded money.

The interest cheque(s)/ demand draft(s) for interest on application money (along with Refund Orders, in case of refund of application money, if any) shall be dispatched by the Issuer within 15 days from the Deemed Date of Allotment and the relative interest warrant(s) along with the Refund Order(s), as the case may be, will be dispatched by registered post to the sole/ first applicant, at the sole risk of the applicant.

24. INTEREST ON THE BONDS

The Bonds shall carry interest at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) from, and including, the Deemed Date of Allotment up to, but excluding the Redemption Date, payable on the "Coupon Payment Dates", on the outstanding principal amount of Bonds till Redemption Date, to the holders of Bonds (the "Holders" and each, a "Holder") as of the relevant record Date. Interest on Bonds will cease from the Redemption Date in all events.

If any Coupon Payment Date falls on a day which is not a business day ('Business Day' being a day on which Money Market are open for business in the city of Mumbai), payment of interest will be made on next business day without liability for making payment of interest for the delayed period.

25. COMPUTATION OF INTEREST

Interest for each of the interest periods shall be computed as per Actual/ Actual day count convention on the face value amount of Bonds outstanding at the Coupon Rate rounded off to the nearest Rupee. Where the interest period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis, on the face value amount of Bonds outstanding.

**26. RECORD DATE**

The 'Record Date' for the Bonds shall be 15 days prior to each Coupon Payment Date and Redemption Date. In case of redemption of Bonds, the trading in the Bonds shall remain suspended between the Record Date and the Redemption Date. Interest payment and principal repayment shall be made to the person whose name appears as beneficiary with the Depositories as on Record Date. In the event of the Issuer not receiving any notice of transfer at least 15 days before the respective Coupon Payment Date and at least 15 days prior to the Redemption Date, the transferees for the Bonds shall not have any claim against the Issuer in respect of interest so paid to the registered Bondholders.

27. DEDUCTION OF TAX AT SOURCE

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. Tax exemption certificate/ declaration of non-deduction of tax at source, if applicable, on interest on application money should be submitted along with the application form.

Interest payable subsequent to the Deemed Date of Allotment of Bonds will be treated as "Interest on Securities" as per Income Tax Rules. Bondholders desirous of claiming exemption from deduction of income tax at source on the interest payable on Bonds should submit tax exemption certificate/ document, under Section 193 of the Income Tax Act, 1961, if any, at the head office of IRFC Ltd., at least 45 days before the payment becoming due.

FII's will be subject to withholding tax as applicable under section 195 of the Income Tax Act, 1961.

Regarding deduction of tax at source and the requisite declaration forms to be submitted, prospective investors are advised to consult their own tax consultant(s).

28. PUT & CALL OPTION

NOT APPLICABLE.

29. REDEMPTION

The face value of the Bond will be redeemed at par, unless previously redeemed by the issuer, on the expiry of from the deemed date of allotment. The Bond will not carry any obligation, for interest or otherwise, after the date of redemption. The Bonds held in the Dematerialised Form shall be taken as discharged on payment of the redemption amount by IRFC on maturity to the registered Bondholders whose name appear in the Register of Bondholders on the Record date. Such payment will be a legal discharge of the liability of the Issuer towards the Bondholders.

In case if the redemption date falls on a day which is not a Business Day ("Business Day being a day on which Money Market are open for Business in the city of Mumbai), then the payment due shall be made on the previous Business Day but without liability for making payment of interest for the intervening period.

30. EVENTS OF DEFAULT & REMEDIES

If the Issuer commits a default in making payment of any installment of interest or repayment of principal amount of the Bonds on the respective due date(s), the same shall constitute an "Event of Default" by the Issuer.

Besides, it would also constitute an "Event of Default" by the Issuer, if the Issuer does not perform or does not comply with one or more of its material obligations in relation to the Bonds issued in pursuance of terms and conditions stated in this Private Placement Offer Letter, Debenture Trusteeship Agreement and Debenture Trust Deed, which in opinion of the Trustees is incapable of remedy.



Upon the occurrence of any of the Events of Default, the Trustees shall on instructions from majority Bondholder(s), declare the amounts outstanding to be due and payable forthwith.

31. ADDITIONAL COVENANTS

- a. **Listing:** The Issuer shall complete all the formalities and seek listing permission within 12 days from the Deemed Date of Allotment.
- b. **Refusal for Listing:** If listing permission is refused before the expiry of the 15 days from the Deemed Date of Allotment, the Issuer shall forthwith repay all monies received from the applicants in pursuance of the Private Placement Offer Letter.

32. SETTLEMENT/ PAYMENT ON REDEMPTION

Payment on redemption will be made by cheque(s)/ interest/ redemption warrant(s)/ demand draft(s)/ credit through direct credit ECS/ NECS/ EFT / RTGS /NEFT in the name of the Bondholder(s) whose name appears on the records of IRFC as on the Record Date. The Issuer's liability to Bondholder(s) towards all their rights including payment of interest or otherwise shall cease and stand extinguished from the due date of redemption in all events. Further, the Issuer will not be liable to pay interest, income or compensation of any kind from the date of such redemption of the Bonds.

The Bonds shall be taken as discharged on payment of the redemption amount by the Company. Such payment will be a legal discharge of the liability of the Company towards the Bondholders.

The liability of the Company shall stand discharged on posting of redemption warrants by Registered Post and / or remitting the redemption proceeds through ECS/ NECS/ EFT / RTGS /NEFT to the above said Beneficiaries. No claim, damages or penal interest in respect of delayed payment, etc. shall lie upon the Company in the event of non-receipt of the same by the addressee Bondholder.

33. EFFECT OF HOLIDAYS

If any Coupon Payment Date falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day.

If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.

In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date.

34. LIST OF BENEFICIAL OWNERS

The Issuer shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

35. SUCCESSION

In the event of the demise of the sole/first holder of the Bond(s) or the last survivor, in case of joint holders for the time being, the Issuer shall recognize the executor or administrator of the deceased Bondholder, or the holder of succession certificate or other legal representative as having title to the Bond(s). The Issuer shall not be bound to recognize such executor or administrator, unless such executor or administrator obtains probate, wherever it is necessary, or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter. The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or succession certificate or



other legal representation, in order to recognize such holder as being entitled to the Bond(s) standing in the name of the deceased Bondholder on production of sufficient documentary proof or indemnity.

Where a non-resident Indian becomes entitled to the Bond by way of succession, the following steps have to be complied:

Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the Bond was acquired by the NRI as part of the legacy left by the deceased holder.

Proof that the NRI is an Indian National or is of Indian origin.

Such holding by the NRI will be on a non-repatriation basis.

36. WHO CAN APPLY

The following categories of investors are eligible to apply for this Issue of Bonds. However, the prospective subscribers must make their own independent evaluation and judgement regarding their eligibility to invest in the Issue.

1. Qualified Institutional Buyers (“QIBs”)*

- (a) Mutual Funds;
- (b) Public Financial Institutions specified in Section 2(72) of the Companies Act 2013;
- (c) Scheduled Commercial Banks;
- (d) State Industrial Development Corporations;
- (e) Insurance Companies registered with the Insurance Regulatory and Development Authority;
- (f) Provident Funds and Pension Funds with minimum corpus of Rs.25.00 crore;
- (g) National Investment Funds set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
- (h) Insurance funds set up and managed by army, navy or air force of the Union of India.
- (i) Alternative Investment Funds, subject to investment conditions applicable to them under the Securities Exchange Board of India (Alternative Investment Funds) Regulations, 2012
- (j) Foreign Portfolio Investors (“FPI”), Foreign Institutional Investors (“FII”) and sub-accounts (other than a sub account which is a foreign corporate or foreign individual), Qualified Foreign Investors (“QFIs”), not being an individual, registered with SEBI and who is not a resident of USA and is not be subject to any taxation laws of the USA

2. Non- QIBs

- (a) Companies and Bodies Corporate authorized to invest in bonds/debentures;
- (b) Co-operative Banks and Regional Rural Banks authorized to invest in bonds/debentures;
- (c) Gratuity Funds and Superannuation Funds;
- (d) Provident Funds and Pension Funds with corpus of less than Rs.25.00 crore;
- (e) Societies authorized to invest in bonds/ debentures;
- (f) Trusts authorized to invest in bonds/ debentures;
- (g) Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures;
- (h) Hindu Undivided Families through Karta;



- (i) Limited liability partnership
- (j) Partnership firms formed under applicable laws in India in the name of the partners.
- (k) Resident Individual Investors

However, out of the aforesaid class of investors eligible to invest, this Private Placement Offer Letter is intended solely for the use of the person to whom it has been sent by the Issuer for the purpose of evaluating a possible investment opportunity by the recipient(s) in respect of the securities offered herein, and it is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective investor receiving this Information Memorandum from the Issuer).

3. **HNI's** (Resident Indian Individuals and HUF, and Category III FPIs being individuals and NRIs on repatriation as well as non-repatriation basis) (who is not a resident of USA and is not be subject to any taxation laws of the USA);
4. Participation by any of the above-mentioned Investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and/or regulatory provisions.
5. An NRI/FPI can apply for Bonds offered in the Issue subject to the conditions and restrictions contained in the FEMA (Borrowing or Lending in Rupees) Regulations, 2000, as amended from time to time and other applicable statutory and/or regulatory requirements.
6. Eligible NRI's, and FPI's should ensure that they are in compliance with applicable statutory and/or regulatory requirements in India and the other jurisdictions to which they are subject, before they apply for Bonds under the Issue, and that our Company and the Lead Managers shall not be liable for any consequences in connection with any non-compliances by such eligible NRIs, and FPIs.
7. An eligible FPI and NRI should not be (i) based in the United States of America ("USA"), and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA.

37. WHO ARE NOT ELIGIBLE TO APPLY FOR BONDS

This Issue is not being offered to the following categories of investors and any application from such investors will be deemed an invalid application and rejected:

- (a) Minors without Guardian name (A guardian may apply on behalf of a Minor. However, Applications by Minors must be made through Application Forms that contains the names of both the Minor Applicant and the guardian);
- (b) Non-Resident Investors except as specifically provided above including Non-Resident Indians/FPIs/QFIs/FIIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
- (c) Indian Venture Capital Funds;
- (d) Foreign Venture Capital Investors;
- (e) Overseas Corporate Bodies;
- (f) Persons ineligible to contract under applicable statutory/ regulatory requirements

38. DOCUMENTS TO BE PROVIDED BY INVESTORS

Investors need to submit the certified true copies of the following documents, along-with the Application Form, as applicable:



- Memorandum and Articles of Association/ Constitution/ Bye-laws/ Trust Deed;
- Board Resolution authorizing the investment and containing operating instructions;
- Power of Attorney/ relevant resolution/ authority to make application;
- Specimen signatures of the authorized signatories (ink signed), duly certified by an appropriate authority;
- Government Notification (in case of Primary Co-operative Bank and RRBs);
- Copy of Permanent Account Number Card ("PAN Card") issued by the Income Tax Department;
- Copy of a cancelled cheque for ECS payments;
- Necessary forms for claiming exemption from deduction of tax at source on interest on application money, wherever applicable.
- SEBI Registration Certificate (For Mutual Funds and FIIs).
- Recognition Certificate for Provident, Pension, Superannuation and Gratuity Funds.

39. HOW TO APPLY

This being a private placement Issue, the eligible investors who have been addressed through this communication directly only are eligible to apply. Applications for the Bonds must be in the prescribed form and completed in BLOCK LETTERS in English and as per the instructions contained therein.

Applications complete in all respects must be submitted before the last date indicated in the issue time table or such extended time as decided by the Issuer, at its registered office. The original Applications Forms (along with all necessary documents as detailed in this Private Placement Offer Letter), pay-in slip and other necessary documents should be sent to the Registered Office of the Issuer.

This being a private placement Issue, the eligible investors who have been addressed through this communication directly, only are eligible to apply. Applications for the Bonds must be in the prescribed form and completed in BLOCK LETTERS in English and as per the instructions contained therein.

Payment of the amounts subscribed shall be accepted through RTGS only, the details of which are given in the (TERM SHEET)

For further instructions about how to make an application for applying for the Bonds and procedure for remittance of application money, please refer to the Summary Term Sheet and the Application Form.

The Issuer assumes no responsibility for any applications/cheques/ demand drafts lost in mail. The entire amount of Rs.10 lakhs per Bond is payable on application.

Applications should be for the number of Bonds applied by the Applicant. Applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be filled in the Application Form. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/ redemption warrants.

The applicant or in the case of an application in joint names, each of the applicant, should mention his/her Permanent Account Number (PAN) allotted under the Income-Tax Act, 1961 or where the same has not been allotted, the GIR No. and the Income tax Circle/Ward/District. As per the provision of Section 139A (5A) of the Income Tax Act, PAN/GIR No. needs to be mentioned on the TDS certificates. Hence, the investor should mention his PAN/GIR No. In case neither the PAN nor the GIR Number has been allotted, the applicant shall mention "Applied for" and in case the applicant is not assessed to income tax, the applicant shall mention 'Not Applicable' (stating



reasons for non-applicability) in the appropriate box provided for the purpose. Application Forms without this information will be considered incomplete and are liable to be rejected.

Unless the Issuer specifically agrees in writing with or without such terms or conditions it deems fit, a separate single cheque/ demand draft must accompany each Application Form. Applicants are requested to write their names and Application Form serial number on the reverse of the instruments by which the payments are made.

All applicants are requested to tick the relevant column “Category of Investor” in the Application Form. Public/ Private/ Religious/ Charitable Trusts, Provident Funds and Other Superannuation Trusts and other investors requiring “approved security” status for making investments.

It is to be distinctly noted that in pursuance of clause (5) of Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014, remittance of Application Money for subscription to the Bonds shall be made only from the bank account of the person/ entity subscribing to the Bonds. In case of monies payable on subscription to the Bonds to be held by joint holders, the remittance of Application Money shall be made from the bank account of the person whose name appears first in the Application Form. In pursuance of the said provisions, the Applicants are required to submit a self-attested copy of their bank account statement reflecting debit for the application money. Such bank account statement must contain the name of Applicant, account number, name and branch of the bank.

For further instructions about how to make an application for applying for the Bonds and procedure for remittance of application money, please refer to the Summary Term Sheet and the Application Form.

40. FORCE MAJEURE

The Issuer reserves the right to withdraw the issue prior to the Issue Closing Date in the event of any unforeseen development adversely affecting the economic and regulatory environment.

41. APPLICATIONS UNDER POWER OF ATTORNEY

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories and the exemption certificate/ document, if any, must be lodged along with the submission of the completed Application Form. Further modifications/ additions in the power of attorney or authority should be notified to the Issuer or to the Registrars or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

42. APPLICATION BY MUTUAL FUNDS

In case of applications by Mutual Funds, a separate application must be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such applications will not be treated as multiple applications, provided that the application made by the Asset Management Company/ Trustees/ Custodian clearly indicate their intention as to the scheme for which the application has been made.

43. ACKNOWLEDGEMENTS

No separate receipts will be issued for the application money. However, the Bankers to the Issue IRFC receiving the duly completed Application Form will acknowledge receipt of the application by stamping and returning to the applicant the acknowledgement slip at the bottom of each Application Form.

44. BASIS OF ALLOCATION / ALLOTMENT

The Bonds will be issued at a fixed price to the Investor. The issuer reserves the right to reject any/all applications at its sole discretion, without assigning any reason whatsoever.

**45. RIGHT TO ACCEPT OR REJECT APPLICATIONS**

The Issuer reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. Interest on application money will be paid from the date of realization of the cheque(s)/ demand drafts(s) till one day prior to the date of refund. The application forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- (a) Number of bonds applied for is less than the minimum application size;
- (b) Applications exceeding the issue size;
- (c) Bank account details not given;
- (d) Details for issue of Bonds in electronic/ dematerialized form not given;
- (e) PAN/GIR and IT Circle/Ward/District not given;
- (f) In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;

In the event, if any Bond(s) applied for is/ are not allotted in full, the excess application monies of such Bonds will be refunded, as may be permitted.

46. PAN/GIR NUMBER

All applicants should mention their Permanent Account Number or the GIR Number allotted under Income Tax Act, 1971 and the Income Tax Circle/ Ward/ District. In case where neither the PAN nor the GIR Number has been allotted, the fact of such a non-allotment should be mentioned in the Application Form in the space provided.

47. SIGNATURES

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of a Bank or by a Magistrate/ Notary Public under his/her official seal.

48. NOMINATION FACILITY

As per Section 72 of the Companies Act, 2013, only individuals applying as sole applicant/Joint Applicant can nominate, in the prescribed manner, a person to whom his Bonds shall vest in the event of his death. Non-individuals including holders of Power of Attorney cannot nominate.

49. RIGHT OF BONDHOLDER(S)

Bondholder is not a shareholder. The Bondholders will not be entitled to any other rights and privilege of shareholders other than those available to them under statutory requirements. The Bond(s) shall not confer upon the holders the right to receive notice, or to attend and vote at the General Meeting of the Issuer. The principal amount and interest on the Bonds will be paid to the registered Bondholders only, and in case of Joint holders, to the one whose name stands first.

Besides the above, the Bonds shall be subject to the provisions of the Companies Act, the Articles of Association of the Issuer, the terms of this bond issue and the other terms and conditions as may be incorporated in the Debenture Trust Deed and other documents that may be executed in respect of these Bonds.

50. MODIFICATION OF RIGHTS

The rights, privileges, terms and conditions attached to the Bonds may be varied, modified or abrogated with the consent, in writing, of those holders of the Bonds who hold at least three fourth of the outstanding amount of the Bonds or with the sanction accorded pursuant to a resolution passed at a meeting of the Bondholders, provided that nothing in such consent or resolution shall



be operative against the Issuer where such consent or resolution modifies or varies the terms and conditions of the Bonds, if the same are not acceptable to the Issuer.

51. FUTURE BORROWINGS

The Issuer shall be entitled to borrow/ raise loans or avail of financial assistance in whatever form as also issue Bonds/ Debentures/ Notes/ other securities in any manner with ranking as pari-passu basis or otherwise and to change its capital structure, including issue of shares of any class or redemption or reduction of any class of paid up capital, on such terms and conditions as the Issuer may think appropriate, without the consent of, or intimation to, the Bondholder(s) or the Trustees in this connection.

52. BOND/ DEBENTURE REDEMPTION RESERVE (“DRR”)

As per the Companies (Share Capital and Debentures) Rules, 2014 dated 31.03.2014, DRR is not required to be created in the case of privately placed debentures issued by NBFCs registered with the RBI

53. NOTICES

All notices required to be given by the Issuer or by the Trustees to the Bondholders shall be deemed to have been given if sent by ordinary post/ courier to the original sole/ first allottees of the Bonds and/ or if published in one All India English daily newspaper and one regional language newspaper.

All notices required to be given by the Bondholder(s), including notices referred to under “Payment of Interest” and “Payment on Redemption” shall be sent by registered post or by hand delivery to the Issuer or to such persons at such address as may be notified by the Issuer from time to time.

54. JOINT-HOLDERS

Where two or more persons are holders of any Bond(s), they shall be deemed to hold the same as joint tenants with benefits of survivorship subject to provisions contained in the Companies Act.

55. DISPUTES & GOVERNING LAW

The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of courts of Delhi.

56. INVESTOR RELATIONS AND GRIEVANCE REDRESSAL

Arrangements have been made to redress investor grievances expeditiously as far as possible, the Issuer endeavours to resolve the investor's grievances within 30 days of its receipt. All grievances related to the issue quoting the Application Number (including prefix), number of Bonds applied for, amount paid on application and details of collection centre where the Application was submitted, may be addressed to the Compliance Officer at registered office of the Issuer. All investors are hereby informed that the Issuer has appointed a Compliance Officer who may be contracted in case of any pre-issue/ post-issue related problems such as non-credit of letter(s) of allotment/ bond certificate(s), non-receipt of refund order(s), interest warrant(s)/ cheque(s) etc. Contact details of the Compliance Officer are given elsewhere in this Private Placement Offer Letter.



XI CREDIT RATING FOR THE BONDS

CRISIL Ltd. (“**CRISIL**”) has accorded “**CRISIL AAA**” **Stable**” vide its letter Ref No.INRAFIC/207776/LTB/05102018 dated October 05, 2018 ICRA Ltd. (“**ICRA**”) vide its letter No. D/RAT/2018-19/II/02 vide their letter dated October 12, 2018 has also assigned a credit rating of “**[ICRA] AAA**” with a Stable Outlook for the entire borrowing programme of Rs.54,940.00 crore for FY 2018-19. Further, the Company has received “**CARE AAA**” from Credit Analysis & Research Ltd. (“**CARE**”) which was intimated to the Company vide CARE’s letter Ref. No. CARE/DRO/RL/2018-19/2553 dated October 17, 2018.

Further, CRISIL Ltd, ICRA and CARE Ltd vide their letters dated 25th February 2019 respectively have reaffirmed Credit rating. A copy of each rating letters received from the three above mentioned rating Agencies is enclosed elsewhere in this Private Placement Offer Letter.

Other than the credit ratings mentioned herein above, the Issuer has not sought any other credit rating from any other credit rating agency(ies) for the Bonds offered for subscription under the terms of this Private Placement Offer Letter.

The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the assigning rating agencies and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future. The rating agencies have the right to suspend, withdraw the rating at any time on the basis of new information etc.



XII TRUSTEES FOR THE BONDHOLDERS

SBICAP Trustee Company Ltd.

Apeejay House,
6th Floor,
West Wing,3
3 Dinshaw Wachha Road,
Churchgate,
Mumbai - 400020
Tel. 022-43025555
Fax: 022-22040465
E-mail: helpdesk@sbicaptrustee.com

A copy of letter no. 0161/2018-2019/CL-2287 dated September 12, 2018 from SBI Caps Trustee Company Ltd. conveying their consent to act as Trustees for the current issue of Bonds is enclosed elsewhere in this Private Placement Offer Letter.

The Issuer hereby undertakes that a Debenture/ Bond Trust Deed ("Trust Deed") shall be executed by it in favour of the Trustees within sixty days of allotment of the bonds for securing such Bonds. The Trust Deed shall contain such clauses as may be prescribed under section 71 of the Companies Act, 2013, Companies (Share Capital and Debentures) Rules, 2014 and those mentioned in Schedule IV of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993. Further, the Trust Deed shall not contain a clause which has the effect of (i) limiting or extinguishing the obligations and liabilities of the Trustees or the Issuer in relation to any rights or interests of the holder(s) of the Bonds, (ii) limiting or restricting or waiving the provisions of the Securities and Exchange Board of India Act, 1992 (15 of 1992); Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Securities and Exchange Board of India (Issue and Listing of Debt Securities)(Amendment)Regulations, 2012 and circulars, regulations or guidelines issued by SEBI and(iii) indemnifying the Trustees or the Issuer for loss or damage caused by their act of negligence or commission or omission.

The Bondholder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Bonds as the Trustees may in their absolute discretion deem necessary or require to be done in the interest of the holder(s) of the Bonds. Any payment made by the Issuer to the Trustees on behalf of the Bondholder(s) shall discharge the Issuer protanto the Bondholder(s). The Trustees shall protect the interest of the Bondholders in the event of default by the Issuer in regard to timely payment of interest and repayment of principal and shall take necessary action at the cost of the Issuer. No Bondholder shall be entitled to proceed directly against the Issuer unless the Trustees, having become so bound to proceed, fail to do so.

The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustees. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of Companies Act, 2013, Companies (Share Capital and Debentures) Rules, 2014, SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trusteeship Agreement, the Trust Deed, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.

The Trustees shall be vested with the requisite powers for protecting the interest of holder(s) of the Bonds including but not limited to the right to appoint a nominee director on the Board of the Issuer in consultation with institutional holders of such Bonds. The Trustees shall ensure disclosure of all material events on an ongoing basis and shall supervise the implementation of the conditions regarding Bond/ Debenture Redemption Reserve.



XIII STOCK EXCHANGES WHERE BONDS ARE PROPOSED TO BE LISTED

The secured, redeemable, non-convertible, non-cumulative bonds in the nature of debentures ("Bonds") Series 133 are proposed to be listed on the wholesale debt market segments of the NSE and BSE. The Issuer has obtained the in-principle approval of NSE and BSE for listing of the Bonds. The Issuer shall make an application to the NSE and BSE to list the Bonds to be issued and allotted under this Private Placement Offer Letter and complete all the formalities relating to listing of the Bonds within stipulated time (as per applicable law) from the date of closure of the Issue. If the permission to list and trade the Bonds is not granted by the stock exchanges, the Issuer shall forthwith repay, without interest, all such moneys received from the Applicant in pursuance of this Private Placement Offer Letter and Section 42 of the Companies Act, 2013. If default is made, the Issuer and every officer in default will liable to fine as prescribed in Section 42 of the Companies Act, 2013.

**XIV MATERIAL CONTRACTS & AGREEMENTS INVOLVING FINANCIAL OBLIGATIONS OF THE ISSUER**

By very nature of its business, the Issuer is involved in a large number of transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of the Issuer. However, the contracts referred to in Para A below (not being contracts entered into in the ordinary course of the business carried on by the Issuer) which are or may be deemed to be material have been entered into by the Issuer. Copies of these contracts together with the copies of documents referred to in Para B may be inspected at the Corporate Office of the Issuer between 10.00 a.m. and 2.00 p.m. on any working day until the issue closing date.

A. MATERIAL CONTRACTS

Copy of letter appointing Trustees to the Bondholders.

B. DOCUMENTS

- a. Board Resolution dated May 8, 2018 and Shareholders Resolutions dated September 27, 2018 authorizing issue of Bonds offered under terms of this Private Placement Offer Letter.
- b. Letter of consent from SBI Cap Trustee Company Limited for acting as Trustees for and on behalf of the holder(s) of the Bonds.



XV DECLARATION

The Company undertakes that this Private Placement Offer Letter contains full disclosures in conformity with Form PAS-4 prescribed under section 42 and rule 14(3) of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended by Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2018, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended, Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, as amended, Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014, circular dated March 24, 2015, as amended (to the extent applicable), circular no. DNBD(PD) CC No. 330 /03.10.001/2012-13 dated June 27, 2013 issued by the Reserve Bank of India on "Raising Money through Private Placement by NBFCs-Debentures etc.", circular no. DNBS(PD) CC No.349/03.10.001/2013-14 dated July 02, 2013 issued by the Reserve Bank of India on "Raising Money through Private Placement by NBFCs-Non-Convertible Debentures (NCDs) – Clarification" and and circular no. DNBR (PD) CC No.021/03.10.001/2014-15 dated February 20, 2015 issued by the Reserve Bank of India on "Raising Money through Private Placement of Non-Convertible Debentures (NCDs) by NBFCs"

The Company has complied with the provisions of the Companies Act, 2013 and the rules made there under. It is to be distinctly understood that compliance with the Companies Act, 2013 and the rules does not imply that payment of interest or repayment of Bonds, is guaranteed by the Government of India.

The Company undertakes that the monies received under the Issue shall be utilized only for the purposes and 'Objects of the Issue' indicated in the Private Placement Offer letter.

The Issuer accepts no responsibility for the statement made otherwise than in the Private Placement Offer Letter or in any other material issued by or at the instance of the Issuer and that any one placing reliance on any other source of information would be doing so at his own risk.

The Issuer also confirms that this Private Placement Offer Letter does not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading. The Private Placement Offer Letter also does not contain any false or misleading statement.

The undersigned has been authorized by the Board of Directors of the Company vide resolution dated May 8, 2018 to sign this Private Placement Offer Letter and declare that all the requirements of Companies Act, 2013 and the rules made there under in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this Private Placement Offer Letter and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the Promoter subscribing to the Memorandum of Association and Articles of Association of the Company.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this Private Placement Offer Letter.

A. Samantaray

(A. Samantaray)

Addl. General Manager (Finance)

Place: New Delhi

Date: 11-03-2019





XVI Annexure

- a. Copy of resolutions of the Board of Directors authorizing the present Issue of Bonds;
- b. Copy of special resolution passed by the shareholders of the Company under section 42 of the Companies Act, 2013 and sub-rule 1 of rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, in the general meeting held on September 27, 2018.
- c. Special resolution passed by the shareholders of the Company under section 180 (1) (c) of The Companies Act, 2013 and delegation provided to the Board of Directors of the Company for the borrowing powers that may be exercised by them, in the general meeting held on September 27, 2018.
- d. Copy of rating letters from CRISIL, ICRA and CARE;
- e. Copy of consent letter from SBI Caps Trustee Company Limited to act as Trustees for the Bondholders.