



INDIAN RAILWAY FINANCE CORPORATION LIMITED

(A Government of India Enterprise)

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New Delhi-110 003

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DISCLOSURE DOCUMENT ISSUED IN CONFORMITY WITH 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

PRIVATE PLACEMENT OF TAX FREE SECURED REDEEMABLE NON-CONVERTIBLE BONDS OF FACE VALUE OF RS. 10,00,000/- EACH IN THE NATURE OF DEBENTURES HAVING TAX BENEFITS UNDER SECTION 10 (15) (iv) (h) OF THE INCOME TAX ACT, 1961, AS AMENDED, (SERIES 85) (COLLECTIVELY REFERRED TO AS THE "BONDS") FOR AN AMOUNT AGGREGATING TO RS. 20 CRORE WITH AN OPTION TO RETAIN OVER SUBSCRIPTION OF UPTO RS. 480.00 CRORE BY INDIAN RAILWAY FINANCE CORPORATION LTD. ("IRFC" OR THE "ISSUER" OR THE "COMPANY") THROUGH BOOK BUILDING ROUTE

TRUSTEES FOR THE BONDHOLDERS



SBICAP Trustee Company Limited

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Mumbai-400020
Tel. 022-43025555
Fax : 022-43025500
E-mail:corporate@sbicaptrustee.com

REGISTRAR TO THE ISSUE



Karvy Computershare Private Limited

Unit IRFC Bonds,
Plot No. 17 to 24
Vittal Rao Nagar,
Madhapur
Hyderabad PIN 500 081
Tel: 040-23420815 - 825
Fax: 040-23420814
E-mail:einward.ris@karvy.com

LISTING

The Bonds are proposed to be listed on Wholesale Debt Market ("WDM") segment of NSE and BSE Limited

ARRANGERS TO THE ISSUE

(in alphabetic order)

1.	SBI CAP	6.	
2.	AXIS BANK	7.	
3.	SPA CAPITAL	8.	
4.		9.	
5.			

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I. DISCLAIMER

1. DISCLAIMER OF THE ISSUER

This Disclosure Document is neither a Prospectus nor a Statement in Lieu of Prospectus and is prepared in accordance with 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. This Disclosure Document does not constitute an offer to public in general to subscribe for or otherwise acquire the Bonds to be issued by Indian Railway Finance Corporation Ltd. (the "Issuer"/ the "Company"/ "IRFC"). This Disclosure Document is for the exclusive use of the addressee 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 Disclosure Document, no offer document or prospectus has been prepared in connection with the offering of this bond issue or in relation to the issuer.

This Disclosure Document 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. This Disclosure Document has been prepared to give general information regarding IRFC 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 believes that the information contained in this Disclosure Document is true and correct as of the date hereof IRFC does not undertake to update this Disclosure Document to reflect subsequent events and thus prospective subscribers must confirm about the accuracy and relevancy of any information contained herein with IRFC. However, IRFC reserves its right for providing the information at its absolute discretion. IRFC accepts no responsibility for statements made in any advertisement or any other 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 Disclosure Document 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 Disclosure Document is not intended for distribution. 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.

2. DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA

This Disclosure Document has not been filed with Securities & Exchange Board of India (“SEBI”). The Bonds have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Disclosure Document. It is to be distinctly understood that this Disclosure Document should not, in any way, be deemed or construed that the same has been 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 Disclosure Document. The Issue of Bonds being made on private placement basis, filing of this Disclosure Document is not required with SEBI. However SEBI reserves the right to take up at any point of time, with the Issuer, any irregularities or lapses in this Disclosure Document.

3. DISCLAIMER OF THE ARRANGERS TO THE ISSUE

It is advised that the Issuer has exercised self due-diligence to ensure complete compliance of prescribed disclosure norms in this Disclosure Document. The role of the Arrangers to the Issue in the assignment is confined to marketing and placement of the bonds on the basis of this Disclosure Document as prepared by the Issuer. The Arrangers have neither scrutinized/ vetted nor have they done any due-diligence for verification of the contents of this Disclosure Document. The Arrangers shall use this Disclosure Document for the purpose of soliciting subscription from a particular class of eligible investors in the Bonds to be issued by the Issuer on private placement basis. It is to be distinctly understood that the aforesaid use of this Disclosure Document by the Arrangers should not in any way be deemed or construed that the Disclosure Document has been prepared, cleared, approved or vetted by the Arrangers; nor do they in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Disclosure Document; nor do they take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the Issuer. The Arrangers or any of its directors, employees, affiliates or representatives do not accept any responsibility and/or liability for any loss or damage arising of whatever nature and extent in connection with the use of any of the information contained in this Disclosure Document.

4. DISCLAIMER OF THE STOCK EXCHANGE

As required, a copy of this Disclosure Document has been submitted to NSE/BSE Limited (hereinafter referred to as “NSE/BSE”) for hosting the same on its website. It is to be distinctly understood that such submission of the Disclosure Document with NSE/BSE or hosting the same on its website should not in any way be deemed or construed that the Disclosure Document has been cleared or approved by NSE/BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Disclosure Document; nor does it warrant that this Issuer’s securities will be listed or continue to be listed on the Exchange; nor does it take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the Issuer. Every person who desires to apply for or otherwise acquire any securities of this 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.

II. DEFINITIONS/ ABBREVIATIONS

AY	Assessment Year
Allotment/ Allot/ Allotted	The issue and allotment of the Bonds to the successful Applicants in the Issue.
Allottee	A successful Applicant to whom the Bonds are allotted pursuant to the Issue, either in full or in part
Applicant/Investor	A person who makes an offer to subscribe the Bonds pursuant to the terms of this Disclosure Document 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 in the Issue
Bondholder(s)	Any person or entity holding the Bonds and whose name appears in the list of Beneficial Owners provided by the Depositories
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 Tax-Free Bonds in the nature of Debentures of face value of Rs.10 lakhs 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 Disclosure Document
NSE/BSE/ Designated Stock Exchange	NSE Limited and BSE Limited being the stock exchange in which Bonds of the Issuer are proposed to be listed
Record Date	Reference date for payment of interest/ repayment of principal
CAR	Capital Adequacy Ratio
CAG	Comptroller and Auditor General of India
CDSL	Central Depository Services (India) Limited
CBDT	Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India
CBDT Notification	Notification No. 46/2012. F.No.178/60/2012-(ITA.I) dated November 06, 2012 issued by the Central Board of Direct Taxes ("CBDT"), Department of Revenue, Ministry of Finance, Government of India
CRISIL	CRISIL Limited
CARE	Credit Analysis & Research 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 a body corporate or any statutory body constituted by virtue of a legislation, whether constituting a charge on the assets of the Issuer or not, but excludes security bonds issued by Government or such other bodies as may be specified by SEBI, 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

Disclosure Document	Disclosure Document dated 12 December, 2012 for private placement of Secured Redeemable Non-Convertible Tax-Free Bonds in the nature of Debentures of face value of Rs.10 lakhs each ("Bonds") to be issued by Indian Railway Finance Corporation Ltd. aggregating to Rs. 20 crore with an option to retain over subscription of upto Rs. 480.00 crore
DP	Depository Participant
DRR	Bond/ Debenture Redemption Reserve
EPS	Earning Per Share
FIs	Financial Institutions
FIIs	Foreign Institutional Investors
Financial Year/ FY	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
I.T. Act	The Income Tax Act, 1961, as amended from time to time
Listing Agreement	Listing Agreement for Debt Securities issued by Securities and Exchange Board of India vide circular no. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 and Amendments to Simplified Debt Listing Agreement for Debt Securities issued by Securities and Exchange Board of India vide circular no. SEBI/IMD/DOF-1/BOND/Cir-5/2009 dated November 26, 2009 and Amendments to Simplified Debt Listing Agreement for Debt Securities issued by Securities and Exchange Board of India vide circular no. SEBI/IMD/DOF-1/BOND/Cir-1/2010 dated January 07, 2010
MF	Mutual Fund
MoF	Ministry of Finance
MoR	Ministry of Railways
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
GIR	General Index Registration Number
Rs./ INR/ Rs.	Indian National Rupee
RBI	Reserve Bank of India
RTGS	Real Time Gross Settlement
Registrar	Registrar to the Issue, in this case being Karvy Computershare Pvt. Ltd
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
TDS	Tax Deducted at Source
The Companies Act	The Companies Act, 1956 as amended from time to time
The Issue/ The Offer/ Private Placement	Private placement of Secured Redeemable Non-Convertible Tax-Free Bonds in the nature of Debentures of face value of Rs.10 lakhs each ("Bonds") to be issued by Indian Railway Finance Corporation Ltd. aggregating to Rs. 20.00 crore with an option to retain over subscription of upto Rs. 480.00 crore

III. ISSUER INFORMATION

Name of the Issuer : Indian Railway Finance Corporation Limited

Registered Office & 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.in

E-mail : gma@irfc.nic.in

**Compliance Officer for:
the Issue** : Mr. T. Behera
General Manager (Bonds)
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.: +91-11-24366710
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**Chief Financial Officer :
of the Issuer** : Mr. D.C. Arya
Director Finance
Indian Railway Finance Corporation Limited
Registered Office UG Floor, East Tower
NBCC Place, Pragati Vihar
Lodhi Road, New Delhi-110 003
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E-mail: df@irfc.nic.in

IV. DETAILS OF DIRECTORS OF THE ISSUER

1. CURRENT DIRECTORS OF THE ISSUER

The composition of the Board of Directors of the Issuer as on date of this Disclosure Document is as under:

Sr. No.	Name, Designation and DIN	Age (in years)	Residential Address	Director of the Company since	Other Directorships
1.	Ms Vijaya Kanth Chairperson DIN:05178507	59	Finance Commissioner (Rlys) Ministry of Railways, Rail Bhawan, Raisina Road, New Delhi - 110001	11.01.2012	NIL
2.	Shri Rajesh Kumar Khullar Director DIN:00235561	49	Joint Secretary Ministry of Finance, North Block, New Delhi - 110001	13.05.2011	NIL
3.	Shri Rajiv Datt Managing Director DIN:05129499	56	Indian Railway Finance Corporation Ltd. UG. Floor, East Tower, NBCC Place, Bhisham Pitamah Marg, Pragati Vihar, Lodhi Road, New Delhi - 110003	14.11.2011	NIL
4.	Shri D. C. Arya Director Finance DIN:05164932	57	Indian Railway Finance Corporation Ltd. UG. Floor, East Tower, NBCC Place, Bhisham Pitamah Marg, Pragati Vihar, Lodhi Road, New Delhi - 110003	31.12.2011	NIL

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

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	Date of Appointment	Date of Cessation	Reason for change
Ms. Anjali Goyal	May 24, 2007	November 11, 2009	Nomination withdrawn by the MOR
Mr. Arvind Mayaram	August 7, 2006	March 4, 2009	Nomination withdrawn by the MOF
Mr. D. C. Arya	December 31, 2011	-	Appointed as Director (Finance) of the Company
Mr. Govind Mohan	March 4, 2009	May 13, 2011	Nomination withdrawn by the MOF
Mr. Jagmohan Gupta	October 26, 2009	February 15, 2010	Nomination withdrawn by the MOR
Mr. Pranab Kumar Choudhury	October 16, 2008	October 16, 2011	Expiry of term
Ms. Pompa Babbar	April 21, 2011	November 30, 2011	Expiry of the term on superannuation as Financial Commissioner of Indian Railway
Mr. Rajesh Kumar Khullar	May 13, 2011	-	Nominated by MOF
Mr. Rajiv Datt	November 14, 2011*	-	Appointment
Mr. R.Kashyap	September 1, 2006	September 1, 2011	Expiry of term
Mr. Samar Jha	October 26, 2010	April 21, 2011	Expiry of the term on superannuation as Financial Commissioner of Indian Railway
Mr. Satyendra Kumar Kaushik	September 10, 2007	March 10, 2010	Expiry of term
Ms. Sowmya Raghavan	January 1, 2009	September 30, 2010	Expiry of the term on superannuation as Financial Commissioner of Indian Railway
Mr. Nasser Munjee	October 17, 2006	October 17, 2009	Expiry of term
Mr. R. Narayanaswamy	October 16, 2008	October 16, 2011	Expiry of term
Ms. VijayaKanth**	January 11, 2012	-	Appointment

* Mr. Rajiv Datt has been appointed as Managing Director pursuant to order no. 2009/E(O)II/40/24 dated October 19, 2011.

** Ms. VijayaKanth has been appointed as Chairperson pursuant to order no. 2009/PL/47/2 dated January 11, 2012.

V. DETAILS OF STATUTORY AUDITORS OF THE ISSUER**1. CURRENT STATUTORY AUDITORS OF THE ISSUER (FY 2012-13)**

Details of the statutory auditors of the Issuer for financial year 2012-13 are as under:

Name	Address	Auditors since
Bansal Sinha & Co. <i>Chartered Accountants</i>	18/19, Old Rajinder Nagar, New Delhi – 110060 Phones 25722270; 25853424 Email : khullar@bansalsinha.com	2012-13

B. 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 Dhawan & Co. <i>Chartered Accountants</i>	M/s Dhawan & Co. Chartered Accountants 312, Wegmans House, 21, Veer Savarkar Block, Shakarpur, VikasMarg Delhi-110092	Appointed as Statutory Auditor by the Comptroller & Auditor General of India vide their letter dated 31 st July, 2008. Continued to remain auditor for Financial Years 2008-09, 2009-10, 2010-11 and 2011-12	NA	--

VI. 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.

The Company was registered with the RBI under 45-IA of RBI Act as a non-banking finance 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.

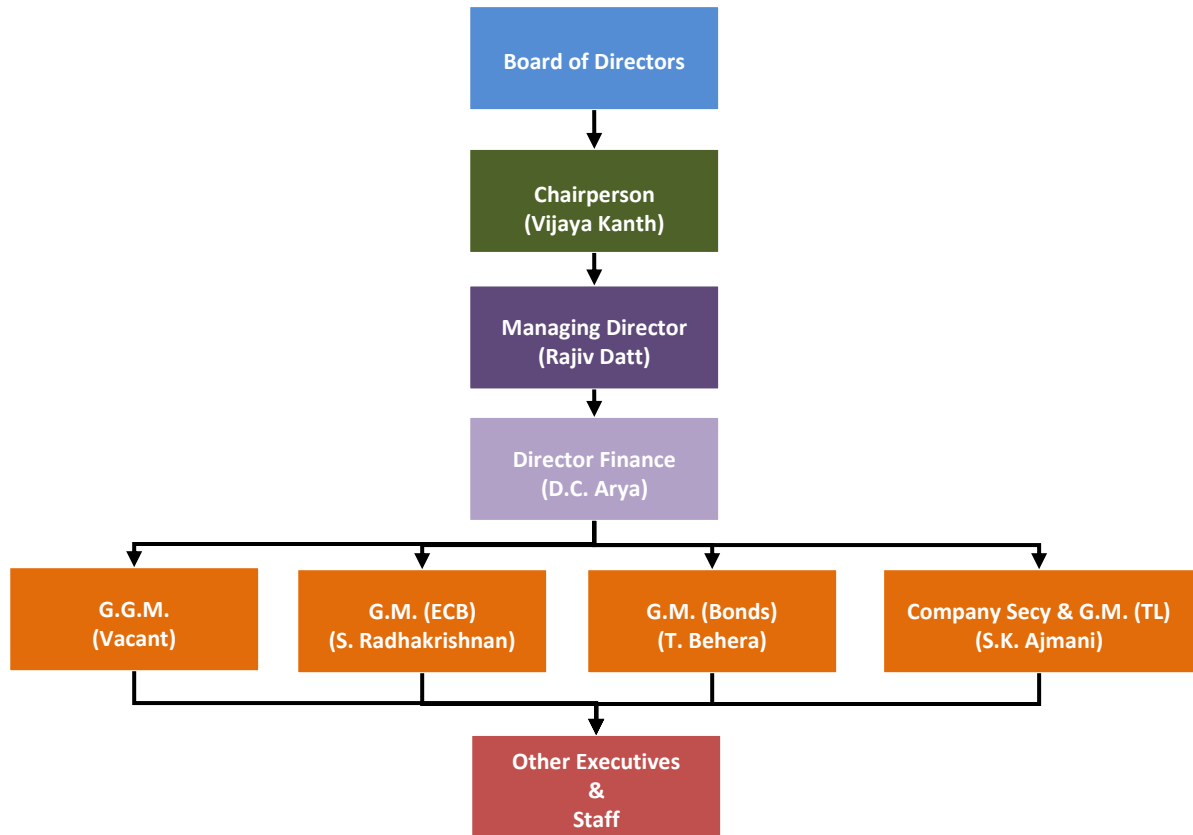
The Company's registered and corporate office is situated at UG Floor, East Tower, NBCC Place, Pragati Vihar, Lodhi Road, New Delhi-110 003, India.

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 no amount has been mandated by MOR for funding such capacity enhancement works of Indian Railways.

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. 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 other MOR agencies like Railtel Corporation of India Limited ("RailTel"). To the end of March, 2012, IRFC has funded rolling stock assets worth Rs.82,477 crore. Further, it has disbursed funds to the tune of Rs.2,502 crore to various railway entities.

2. CORPORATE STRUCTURE



3. KEY OPERATIONAL & FINANCIAL PARAMETERS OF THE ISSUER FOR THE LAST 3 AUDITED YEARS

(Rs. in crore)

Sr. No.	Parameters	6 Months ended 30.09.2012	FY 2011-12	FY 2010-11	FY 2009-10
1.	Networth	5699.79	5150.53	4285.97	3405.48
2.	Total Debt	47053.49	50251.24	38124.47	33608.57
	of which:				
a.	Non Current Maturities of Long Term Borrowing	43181.28	46950.25	34536.49	28675.96
b.	Short Term Borrowing	500.00	405.65	23.25	1449.00
c.	Current Maturities of Long Term Borrowing	3372.23	2895.34	3564.73	3483.61
3.	Net Fixed Assets	13.10	13.09	13.37	13.69
4.	Non Current Assets	60240.83	54589.74	42805.99	36395.09
5.	Cash and Cash Equivalents	3945.07	1545.96	494.00	1508.20
6.	Current Investments	2.00	2.10	2.30	0.00
7.	Current Assets	4246.19	3925.03	3086.65	2606.07
8.	Current Liabilities	12452.98	1386.44	1080.32	878.13
9.	Assets Under Management	-	-	-	-
10.	Off Balance Sheet Assets	-	-	-	-
11.	Interest Income	2684.32	4629.84	3818.09	3433.62
12.	Interest Expense	2047.92	3555.37	2871.97	2560.98
13.	Provisioning & Write-offs	-	-	-	-
14.	Profit After Taxation ("PAT")	299.26	480.78	485.20	442.69
15.	Gross NPA to Gross Advances (%)	-	-	-	-
16.	Net NPA to Net Advances (%)	-	-	-	-
17.	Tier I Capital Adequacy Ratio (%)	282.48%	204.23%	195.24%	152.75%
18.	Tier II Capital Adequacy Ratio (%)	0	0	0	0

4. GROSS DEBT EQUITY RATIO OF THE ISSUER

(Rs. in crore)

Particulars	Pre-Issue (as on September 30, 2012)	Post Issue of Bonds of Rs.95.00 crore *
TOTAL DEBT		
Total Debt	47053.49	48167.09
SHAREHOLDERS' FUNDS		
Share Capital	2352.00	2352.00
Reserve & Surplus (excluding Revaluation Reserve)	3347.79	3347.79
Net Worth	5699.79	5699.79
GROSS DEBT/ EQUITY RATIO		
Gross Debt/ Equity Ratio	8.26	*8.45

* after adding the 81st, 81st A, 82nd, 82nd A, 83rd, 83rd A, 84th Series Bonds of Rs.256.00,66.70,41.00,30.00,95.00 AND 499.90 crore respectively to the figures of September 30, 2012

* after adding the proposed Bonds of Rs.95.00 crore to the figures of September 30, 2012.

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 Issuer shall utilise the proceeds of the Issue for the creation of infrastructure assets in rail sector mainly for acquisition of rolling stock assets.

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6. SUBSIDIARIES OF THE ISSUER

The Company does not have any subsidiary.

VII. 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. 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 and Rs.1602 Crore in 2010-11. With further equity infusion of 500.00 crore, in FY 2011-12, the Paid up Equity Capital stands at Rs.2102 Crore at the end of FY 2011-12. Further, a sum of Rs.250 Crore received towards Share application Money on 31st March, 2012 was allotted in May, 2012 which led to enhancement in the paid up equity capital to Rs.2352 Crore as on 30th September, 2012. Ministry of Railways, in the Railway Budget presented to the Parliament of India for Financial Year 2012-13 has proposed further equity infusion of Rs.1,450 crore to IRFC.

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 (indicated by Fixed Assets, Long Term Loans and Advances, Investments and Net Current Assets) of IRFC has increased consistently over the years from Rs. 17,238.28 crore in 2002-03 to Rs.60075.30 crore in 2011-12 and further to Rs.68447.19 Crore for the half year ending 30th September, 2012.

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 U65910DL 1986PLC 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 15 years, upto 2010-11 the Company has been rated "Excellent" on 13 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 and CARE have accorded a stand-alone rating of 'AAA' (pronounced as Triple "A") and ICRA has accorded "ICRA AAA" (pronounced as ICRA 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- (Negative), Baa3 (stable) and BBB- (stable) respectively on long term foreign currency rating. Japanese Credit Rating Agency Limited have also assigned rating of BBB (Triple B flat) 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. 1,667.52 crore till date The paid up capital is Rs.2352 crore as on date.

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.

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.

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.

PROFITABILITY AND NET INTEREST MARGINS

Lease income from rolling stock leased to MOR represents 91.00% of IRFC's total income, the balance comes from interest on loans and deposits and income on account of Exchange Rate Variation Gain. 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 2011-12 is Rs.1013.19 crore as against Rs. 898.35 Crore for the previous year, up by 12.78%. However, Profit after tax has gone down marginally from Rs. 485.20 Crore in the year 2010-11 to Rs. 480.78 Crore for the year 2011-12. In this context, it is worth mentioning that profit for the year 2010-11 was higher by Rs. 57 Crore due to reversal of accumulated deferred tax liability upto the previous year on account of reduction in effective corporate tax rate from 33.2175% to 32.445%. Discounting the impact of such reversal of deferred tax liability, the adjusted PAT for the year 2010-11 stands at Rs.428.20 Crore as against Rs. 480.78 Crore for the year 2011-12, indicating a year-to-year growth in PAT of 12.28%.

The Company has achieved the target of funding set by the Ministry of Railways for 2011-12 and transferred a sum of Rs.14,800 crore. The weighted average cost of total pool of incremental borrowings was 8.73%. The average tenor of the incremental borrowing portfolio has been 11.22 years. After excluding Rs.2,078 crore raised through Tax-free Bonds and utilized for funding various railway capacity enhancement works, the weighted average cost of incremental borrowings for funding rolling stock assets and financing the debt requirement of RVNL, stood at 8.85%. The Company has achieved this feat despite the fact that there has been unprecedented global financial turmoil which had resulted severe liquidity crunch and firming up of Interest rate in the domestic and International Financial market. In spite of the adverse market conditions, IRFC managed to keep its cost of borrowing at a very competitive level by resorting to innovative means and diversification of its borrowing portfolio. 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 9.35% in 2011-12.

IRFC's cost-plus based lease agreement with Ministry of Railways assure 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
2007-08	9.85%	9.33%	0.52%
2008-09	9.49%	8.98%	0.51%
2009-10	8.21%	7.70%	0.51%
2010-11	8.12%	7.62%	0.50%
2011-12	9.35%	8.85%	0.50%

NON PERFORMING LOANS

IRFC had no non-performing loans as at March 31, 2012. 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.

PERFORMANCE DURING FINANCIAL YEAR 2011-2012

IRFC clocked a year to year revenue growth of 21% from Rs.3,841.60 crore for the year 2010-11 to Rs.4,643.11 crore for the year 2011-12. The main reasons attributed to the growth in revenue are incremental leasing of rolling stock assets and increased yield on fixed deposit with banks. The total expenditure has gone up by Rs.686.66 crore from Rs.2,943.26 crore in the year 2010-11 to Rs.3,629.92 crore for the year 2011-12.

Profit before tax for the year 2011-12 is Rs.1013.19 crore as against Rs.898.35 Crore for the previous year, an increase of 12.78%. The Company had achieved this feat despite the uncertainty prevailing in the domestic and international financial market. However, Profit after tax has gone down marginally from Rs.485.20 Crore in the year 2010-11 to Rs.480.78 Crore for the year 2011-12. In this context, it is worth mentioning that profit for the previous year was higher by Rs.57 Crore due to reversal of accumulated deferred tax liability upto the previous year on account of reduction in effective corporate tax rate from 33.2175% to 32.445%. Discounting the impact of such reversal of deferred tax liability, the adjusted PAT for the year 2010-11 stands at Rs.428.20 Crore as against Rs.480.78 Crore for the year 2011-12, indicating a year-to-year growth in PAT of 12.28%.

CAPITAL STRUCTURE

(as on September 30, 2012)

Particulars		Amount (Rs. in crore)
(A)	Authorised Capital 500,00,000 equity shares of Rs.1000 Each	5000.00
(B)	Issued, Subscribed & Paid up 2,35,20,000 Equity shares of Rs.1000 Each	2352.00
©	Reserves and Surplus	3347.79
(D)	Loan Funds	
(i)	Secured Loans in India	37827.41
(ii)	Unsecured Loans in India	560.27
(iii)	Secured Loans outside India	166.29
(iv)	Unsecured Loans outside India	8499.54
(E)	Present Issue: Aggregating to Rs 322.70 Crore. Secured, Tax Free Redeemable, Non Convertible Railway Bonds in the nature of Promissory notes in various tranches	322.70
(F)	Paid-up capital After the Issue Share Application Money	2352.00
(G)	Share Premium Account Before the Issue After the Issue	0.00

2. KEY MILESTONES

Year	Event
1986	▪ Incorporation of our Company.
1987	▪ Commencement of fund raising from the domestic capital market; and ▪ Financing the procurement of rolling stock assets by Indian Railways.
1988	▪ Raised loan from Export Import Bank of Japan on behalf of the Ministry of Finance.
1991	▪ Company declared maiden dividend to the GoI.
1993	▪ Declared as a public financial institution under Section 4A of the Companies Act.
1996	▪ 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 GoI through MoR in relation to operational targets.
1998	▪ Registered as a NBFC; ▪ Rated excellent by the DPE for overall performance in respect of the MOU entered with the GOI 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 a tenure of 15 years.
1999	▪ Maiden issue of secured, redeemable, non cumulative, taxable bonds in Separately Transferable Redeemable Principal Parts (STRPP).
2003	▪ Ranked among the top ten central public sector undertakings for overall performance with respect to the MOU entered with the GOI acting through MOR for the year 2001-02; and ▪ Raised 75 million through syndicated foreign currency loan.
2004	▪ 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 a tenure 15 year.
2012	<ul style="list-style-type: none"> ▪ First Central Public Sector Undertaking (CPSE) to raise funds through Public issue of tax –free bonds at differential coupon rate. ▪ Financing the capacity enhancement works in the Indian railway sector like gauge conversion, electrification, doubling, traffic facilities and signalling and traffic works.

3. CAPITAL STRUCTURE

(as on 30.09.2012)

(Rs. in crore)

Particulars	Amount
1. SHARE CAPITAL	
a. Authorised Equity Share Capital	
5,00,00,000 Equity Shares of Rs.1000/- each	5000.00
b. Issued Equity Share Capital	
2,35,20,000 Equity Shares of Rs.1000/- each	2352.00
c. Subscribed & Paid-up Equity Share Capital	
2,35,20,000 Equity Shares of Rs.10/- each	2352.00
2. SHARE PREMIUM ACCOUNT	--

4. EQUITY SHARE CAPITAL HISTORY OF THE ISSUER FOR LAST FIVE YEARS & UPTO 30.09.2012

Date of Allotment	No of Equity Shares	Face Value (Rs)	Issue Price (Rs)	Consideration (Cash, other than cash, etc.)	Nature of Allotment	Cumulative			Remarks
						No of equity shares	Equity Share Capital (Rs)	Equity Share Premium (in Rs)	
12.12.1986	17	1,000	1,000	Cash	President of India	17	1,000		
18.12.1986	499993	1,000		Cash	-do-	499993	50,00,00,000	--	
04.08.1987	300000	1,000		Cash	-do-	300000	80,00,00,000	--	
30.09.1987	200000	1,000		Cash	-do-	200000	100,00,00,000	--	
23.03.1989	600000	1,000		Cash	-do-	600000	160,00,00,000	--	
15.11.1989	720000	1,000		Cash	-do-	720000	232,00,00,000	--	
25.04.2007	26,80,000	1,000		Cash	-do-	26,80,000	500,00,00,000	--	
02.06.2009	30,00,000	1,000		Cash	-do-	30,00,000	800,00,00,000	--	
27.01.2010	29,10,000	1,000		Cash	-do-	29,10,000	1091,00,00,000	--	
21.12.2010	51,10,000	1,000		Cash	-do-	51,10,000	1602,00,00,000	--	
03.03.2012	50,00,000	1,000		Cash	-do-	50,00,000	2102,00,00,000	--	
04.05.2012	25,00,000	1,000		Cash	-do-	25,00,000	2352,00,00,000	--	

5. Changes in the authorised capital of our Company as on date of this Shelf Prospectus is set forth below:

S. No.	Month and Year	AGM/ EGM	Alteration
1.	May 9, 1989	EGM	The authorized capital of our Company was increased from Rs. 200 crore comprising of 20 lakhs Equity Shares of Rs. 1,000 each to Rs. 500 crore comprising of 50 lakhs Equity Shares of Rs. 1,000 each.
2.	August 30, 2007	AGM	The authorized capital of our Company was increased from Rs. 500 crore comprising of 50 lakhs Equity Shares of Rs. 1,000 each to Rs. 1,000 crore comprising of 1 crore Equity Shares of Rs. 1,000 each.
3.	August 28, 2009	AGM	The authorised capital of our Company was increased from Rs. 1,000 crore comprising of 1 crore Equity Shares of Rs. 1,000 each to Rs. 2,000 crore comprising of 2 crore Equity Shares of Rs. 1,000 each.
4.	June 22, 2011	EGM	The authorised capital of our Company was increased from Rs. 2,000 crore comprising of 2 crore Equity Shares of Rs. 1,000 each to Rs. 5,000 crore comprising of 5 crore Equity Shares of Rs. 1,000 each.

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

None

7. 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

8. SHAREHOLDING PATTERN OF THE ISSUER (as on 30.09.2012)

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)	8 (President of India along with his nominees)	2,35,20,000	--	100%
(c)	Bodies Corporate	--	--	--	--
(d)	Financial Institutions/ Banks	--	--	--	--
	Sub-Total (A)(1)	8	2,35,20,000	--	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				
(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 Receipts have been issued				
	GRAND TOTAL (A)+(B)+(C)	8	2,35,20,000	--	100%

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

9. TOP 10 EQUITY SHARE HOLDERS OF THE ISSUER (as on 30.09.2012)

Sr. No.	Name of the shareholders	Total No of Equity Shares	No of shares in demat form	Total shareholding as % of total no of equity shares	No of Shares Pledged	% of Shares pledged with respect to shares owned.
1.	President of India	2,35,19,993	Nil	99.99997%	Nil	Nil
2.	Mr. Vinay Mittal Chairman Railway Board	1	-	N.A.	Nil	Nil
3.	Ms. Vijaya Kanth Financial Commissioner/ Railways Railway Board	1	-	N.A.	Nil	Nil
4.	Ms. Dipali Khanna Addl Member / Finance Railway Board	1	-	N.A.	Nil	Nil
5.	Mr. R. C. Jat Secretary Railway Board	1	-	N.A.	Nil	Nil
6.	Mr. A. P. Mishra Member (Engineering) Railway Board	1	-	N.A.	Nil	Nil
7.	Mr. K. K. Srivastava Member (Traffic) Railway Board	1	-	N.A.	Nil	Nil
8.	Mr. Keshav Chandra Member (Mechanical) Railway Board	1	-	N.A.	Nil	Nil
TOTAL		2,35,20,000				

10. PROMOTER HOLDING IN THE ISSUER

(as on 30.09.2012)

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	2,35,20,000	--	100%	--	--

11. BORROWINGS OF THE ISSUER

(as on 30.09.2012)

a. SECURED LOAN FACILITIES**a.1 Secured Rupee Long Term Loans from domestic banks**

Lender's Name	Type of Facility	Amount Sanctioned (Rs. in crore)	Principal Amount Outstanding (Rs. in crore)	Repayment Date/ Schedule	Security
Central Bank of India (3)	Long Term Loan	100.00	29.86	1 st Oct,2016	First Pari passu charge on the Rolling Stock Assets / Lease Receivables

United Bank of India(2)	Long Term Loan	100.00	30.07	1 st Oct,2016	First Pari passu charge on the Rolling Stock Assets / Lease Receivables
Central Bank of India (4)	Long Term Loan	100.00	29.86	1 st Oct,2016	First Pari passu charge on the Rolling Stock Assets / Lease Receivables
United Bank of India(1)	Long Term Loan	100.00	23.41	1 st Oct,2015	First Pari passu charge on the Rolling Stock Assets / Lease Receivables
Bank of Tokyo Mitsubishi UFJ Ltd.	Long Term Loan	200.00	120.00	15 th May,2015	First Pari passu charge on the Rolling Stock Assets / Lease Receivables
ICICI BANK	Long Term Loan	500.00	115.38	1 st Jan,2015	First Pari passu charge on the Rolling Stock Assets / Lease Receivables
Central Bank of India (2)	Long Term Loan	200.00	26.58	1 st April,2014	First Pari passu charge on the Rolling Stock Assets / Lease Receivables
HDFC Bank Ltd.	Long Term Loan	30.00	4.00	1 st April,2014	First Pari passu charge on the Rolling Stock Assets / Lease Receivables
Central Bank of India (1)	Long Term Loan	150.00	15.00	1 st October, 2013	First Pari passu charge on the Rolling Stock Assets / Lease Receivables
Allahabad Bank(1)	Long Term Loan	100.00	10.03	1 st October, 2012	First Pari passu charge on the Rolling Stock Assets / Lease Receivables
Allahabad Bank(2)	Long Term Loan	300.00	300.00	1 st October, 2012	First Pari passu charge on the Rolling Stock Assets / Lease Receivables

Dena Bank(1)	Long Term Loan	80.00	15.92	1 st October, 2012	First Pari passu charge on the Rolling Stock Assets / Lease Receivables
Oriental Bank of Commerce	Long Term Loan	80.00	18.33	1 st October, 2012	First Pari passu charge on the Rolling Stock Assets / Lease Receivables
State Bank of India	Long Term Loan	50.00	17.50	1 st October, 2012	First Pari passu charge on the Rolling Stock Assets / Lease Receivables
State Bank of Patiala	Long Term Loan	25.00	9.81	1 st October, 2012	First Pari passu charge on the Rolling Stock Assets / Lease Receivables
United Bank of India (3)	Long Term Loan	400.00	400.00	1 st October, 2012	First Pari passu charge on the Rolling Stock Assets / Lease Receivables
Bank of Maharashtra(1)	Long Term Loan	200.00	200.00	1 st October, 2012	First Pari passu charge on the Rolling Stock Assets / Lease Receivables
Bank of Maharashtra(2)	Long Term Loan	250.00	250.00	1 st October, 2012	First Pari passu charge on the Rolling Stock Assets / Lease Receivables
Corporation Bank	Long Term Loan	250.00	250.00	1 st October, 2012	First Pari passu charge on the Rolling Stock Assets / Lease Receivables
UCO Bank	Long Term Loan	250.000	250.00	1 st October, 2012	First Pari passu charge on the Rolling Stock Assets / Lease Receivables
Total			2115.75		

a.2 Secured Foreign Currency Term Loans:

Lender's Name	Type of Facility	Amount Sanctioned (in USD)	Principal Amount Outstanding (Rs. in crore)	Repayment Date/ Schedule	Security
Bank of India	Foreign Currency Loan	USD 60 Million	150.65	30 th October, 2021	First Pari passu charge on the Rolling Stock Assets / Lease Receivables
Export Development Corporation, Canada-1	Foreign Currency Loan	USD 46.12 Million	2.95	15 th October, 2013	First Pari passu charge on the Rolling Stock Assets / Lease Receivables
Export Development Corporation, Canada-1	Foreign Currency Loan	USD 16 Million	12.69	15 th October, 2013	First Pari passu charge on the Rolling Stock Assets / Lease Receivables
Total			166.29		

b. UNSECURED LOAN FACILITIES**b.1 Unsecured Bonds raised from overseas capital market:**

Lender's Name	Type of Facility	Amount Sanctioned (in USD)	Principal Amount Outstanding (Rs. in crore)	Repayment Date/ Schedule
US PP Bonds 2017	Bonds privately placed in overseas capital market	USD 125 Million	660.75	28 th March, 2017
Euro Dollar Bonds	Bonds issued in the offshore market	USD 200 Million	1057.20	30 th March, 2016
Total			1717.95	

b.2 Unsecured Rupee Term Loans from domestic bank(s):

Lender's Name	Type of Facility	Amount Sanctioned (Rs. in Crore)	Principal Amount Outstanding (Rs. in crore)	Repayment Date/ Schedule
IDBI LTD.	Long Term Rupee Loans from domestic bank	223.02	60.27	1 st Oct, 2015
State Bank of India	Working Capital Demand Loan (WCDL)	500.00	500.00	
Total			560.27	

b.3 Unsecured Foreign Currency Term Loans

Lender's Name	Type of Facility	Amount Sanctioned (Rs.in JPY/USD)	Principal Amount Outstanding (Rs. in crore)	Repayment Date/ Schedule
Loan from AFLAC-1	Foreign Currency Loan	JPY 12 Billion	771.21	10 th March, 2026
Loan from AFLAC-2	Foreign Currency Loan	JPY 3 Billion	195.78	30 th March, 2026
Syndicated Foreign Currency Loan USD 200 MIO	Foreign Currency Loan	USD 200 Million	1057.20	23 rd September, 2016
Syndicated Foreign Currency Loan USD 350 MIO	Foreign Currency Loan	USD 350 Million	1850.10	28 th September, 2015
Syndicated Foreign Currency Loan USD 450 MIO	Foreign Currency Loan	USD 450 Million	2378.70	29 th September, 2014
Syndicated Foreign Currency Loan USD 100 MIO	Foreign Currency Loan	USD 100 Million	528.60	25 th November, 2013
Total			6781.59	

c. NON-CONVERTIBLE BONDS/ DEBENTURES

Debenture Series	Coupon	Amount (Rs. In cr.)	Date of Allotment	Redemption Date / Schedule	Credit Rating	Secured/ Unsecured	Security
12 th 'CC' – 10% Tax-able Non-Cum. Bonds	10%	20.00	31.03.1998	Redeemable in 10 equal installments starting from 31.03.2004	[ICRA] LAAA "CRISIL "AAA" (SO)"	Secured	First Pari Passu charge on Rolling Stock Assets / Lease Receivables
13 th 'AA' – 10.00% Tax-able Non-Cum. Bonds	10%	26.67	31.03.1999	Redeemable in 15 equal installments starting from 31.03.2000	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
15 th 'N' - 12.90% Taxable Non-Cum. Bonds	12.90%	10.00	22.06.1999	22.06.2013	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-

15 th 'O' - 12.90% Taxable Non-Cum. Bonds	12.90%	10.00	22.06.1999	22.06.2014	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
16 th 'N' - 12.80% Taxable Non-Cum. Bonds	12.80%	10.00	15.07.1999	15.07.2013	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
16 th 'O' - 12.80% Taxable Non-Cum. Bonds	12.80%	10.00	15.07.1999	15.07.2014	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
17 th - 9.00% Tax- free Non- Cum. Bonds	9.00%	200.00	28.02.2000	28.02.2015	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
22 nd - 11.50% Taxable Non-Cum. Bonds	11.50%	2.30	28.07.2000	Redeemable in 14 yearly installment starting from 28.07.2002	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
42 nd 'K' - 8% Taxable Non-Cum. Bonds	8.00%	10.00	29.08.2002	29.08.2013	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
42 nd 'L' - 8% Taxable Non-Cum. Bonds	8.00%	10.00	29.08.2002	29.08.2014	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
42 nd 'M' - 8% Taxable Non-Cum. Bonds	8%	10.00	29.08.2002	29.08.2015	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
42 nd 'N' - 8% Taxable Non-Cum. Bonds	8%	10.00	29.08.2002	29.08.2016	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
42 nd 'O' - 8% Taxable Non-Cum. Bonds	8%	10.00	29.08.2002	29.08.2017	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-

43 rd 'J' - 6.90% Taxable Non-Cum. Bonds	6.90%	5.00	29.10.2002	29.10.2012	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
43 rd 'JJ' - 7.63% Taxable Non-Cum. Bonds	7.63%	30.00	29.10.2002	29.10.2012	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
43 rd 'KK' - 7.63% Taxable Non-Cum. Bonds	7.63%	30.00	29.10.2002	29.10.2013	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
43 rd 'LL' - 7.63% Taxable Non-Cum. Bonds	7.63%	30.00	29.10.2002	29.10.2014	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
43 rd 'MM' - 7.63% Taxable Non-Cum. Bonds	7.63%	30.00	29.10.2002	29.10.2015	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
43 rd 'NN' - 7.63% Taxable Non-Cum. Bonds	7.63%	30.00	29.10.2002	29.10.2016	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
43 rd 'OO' - 7.63% Taxable Non-Cum. Bonds	7.63%	30.00	29.10.2002	29.10.2017	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
44 th 'JJ' - 6.98% Taxable Non-Cum. Bonds	6.98%	23.00	31..03.2013	31.03.2013	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
45 th 'E' - 6.10% Taxable Non-Cum. Bonds	6.10%	79.00	13.05.2003	13.05.2013	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
45 th 'JJ' - 6.39% Taxable Non-Cum. Bonds	6.39%	7.00	13.05.2003	13.05.2013	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-

45 th 'KK' - 6.39% Taxable Non-Cum. Bonds	6.39%	7.00	13.05.2003	13.05.2014	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
45 th 'LL' - 6.39% Taxable Non-Cum. Bonds	6.39%	7.00	13.05.2003	13.05.2015	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
45 th 'MM' - 6.39% Taxable Non-Cum. Bonds	6.39%	7.00	13.05.2003	13.05.2016	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
45 th 'NN' - 6.39% Taxable Non-Cum. Bonds	6.39%	7.00	13.05.2003	13.05.2017	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
45 th 'OO' - 6.39% Taxable Non-Cum. Bonds	6.39%	7.00	13.05.2003	13.05.2018	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
46 th 'J' - 6.25% Taxable Non-Cum. Bonds	6.25%	13.00	12.08.2003	12.08.2013	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
46 th 'K' - 6.25% Taxable Non-Cum. Bonds	6.25%	13.00	12.08.2003	12.08.2014	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
46 th 'L' - 6.25% Taxable Non-Cum. Bonds	6.25%	13.00	12.08.2003	12.08.2015	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
46 th 'M' - 6.25% Taxable Non-Cum. Bonds	6.25%	13.00	12.08.2003	12.08.2016	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
46 th 'N' - 6.25% Taxable Non-Cum. Bonds	6.25%	13.00	12.08.2003	12.08.2017	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-

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 'DD' - 6.20% Taxable Non-Cum. Bonds	6.20%	25.00	12.08.2003	12.08.2013	[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-
46 th 'JJJ' - 5.99% Taxable Non- Cumul. Bonds	5.99%	15.00	12.08.2003	12.08.2013	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
47 th 'I' - 5.99% Taxable Non-Cum. Bonds	5.99%	10.00	26.03.2004	26.03.2013	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
47 th 'J' - 5.99% Taxable Non-Cum. Bonds	5.99%	10.00	26.03.2004	26.03.2014	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
47 th 'K' - 5.99% Taxable Non-Cum. Bonds	5.99%	10.00	26.03.2004	26.03.2015	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
47 th 'L' - 5.99% Taxable Non-Cum. Bonds	5.99%	10.00	26.03.2004	26.03.2016	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
47 th 'M' - 5.99% Taxable Non-Cum. Bonds	5.99%	10.00	26.03.2004	26.03.2017	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
47 th 'N' - 5.99% Taxable Non-Cum. Bonds	5.99%	10.00	26.03.2004	26.03.2018	[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 'G' - 6.85% Taxable Non-Cum. Bonds	6.85%	29.60	14.09.2004	14.09.2013	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
48 th 'H' - 6.85% Taxable Non-Cum. Bonds	6.85%	29.60	14.09.2004	14.09.2014	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
48 th 'DD' - 6.85% Taxable Non-Cum. Bonds	6.85%	50.00	17.09.2004	17.09.2013	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
48 th 'EE' - 6.85% Taxable Non-Cum. Bonds	6.85%	50.00	17.09.2004	17.09.2014	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
48 th 'FF' - 6.85% Taxable Non-Cum. Bonds	6.85%	50.00	17.09.2004	17.09.2015	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
48 th 'GG' - 6.85% Taxable Non-Cum. Bonds	6.85%	50.00	17.09.2004	17.09.2016	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
48 th 'HH' - 6.85% Taxable Non-Cum. Bonds	6.85%	50.00	17.09.2004	17.09.2017	[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-

49th 'H' Series-Floating Rate Bonds	8.19%	10.00	22.06.2005	22.06.2013	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
49th 'I' Series-Floating Rate Bonds	8.18%	10.00	22.06.2005	22.06.2014	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
49th 'J' Series-Floating Rate Bonds	8.06%	10.00	22.06.2005	22.06.2015	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
49th 'K' Series-Floating Rate Bonds	8.22%	10.00	22.06.2005	22.06.2016	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
49th 'L' Series-Floating Rate Bonds	8.23%	10.00	22.06.2005	22.06.2017	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
49th 'M' Series-Floating Rate Bonds	8.24%	10.00	22.06.2005	22.06.2018	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
49th 'N' Series-Floating Rate Bonds	8.15%	10.00	22.06.2005	22.06.2019	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
49th 'O' Series-Floating Rate Bonds	8.24%	10.00	22.06.2005	22.06.2020	[ICRA] LAAA "CRISIL "AAA"	-do-	-do-
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 A Series 8.41% Taxable Bonds	8.41%	110.00	17.05.2006	17.05.2016	[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-
53RD 'A' Series 8.57% Taxable Bonds	8.57%	125.00	29.11.2006	29.11.2016	[ICRA] LAAA "CRISIL "AAA" CARE "AAA"	-do-	-do-
53RD 'B' Series 8.68% Taxable Bonds	8.68%	225.00	29.11.2006	29.11.2021	[ICRA] LAAA "CRISIL "AAA" CARE "AAA"	-do-	-do-
53RD '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-
54th Series 9.81% Taxable Bonds	9.81%	220.00	07.06.2007	07/06/2017	[ICRA] LAAA "CRISIL "AAA" CARE "AAA"	-do-	-do-
55th F to O Series 9.86% Taxable Bonds	9.86%	330.00	07.06.2007	Redeemable in 15 yearly installment starting from 07-06-2008	[ICRA] LAAA "CRISIL "AAA" CARE "AAA"	-do-	-do-

57th Series 9.66% Taxable Bonds	9.66%	1000.00	28.09.2007	Redeemable in 5 equal yearly installment starting from 28-09-2018	[ICRA] LAAA "CRISIL "AAA" CARE "AAA"	-do-	-do-
58th Series 8.83% taxable Bonds	8.83%	200.00	29.10.2007	29/10/2012	[ICRA] LAAA "CRISIL "AAA" CARE "AAA"	-do-	-do-
58th A Series 9.20% taxable Bonds	9.20%	500.00	29.10.2007	29/10/2022	[ICRA] LAAA "CRISIL "AAA" CARE "AAA"	-do-	-do-
59th A Series 8.75% Taxable Bonds	8.75%	825.00	07.01.2008	07/01/2013	[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 Series 8.40% Taxable Bonds	8.40%	100.00	26.12.2008	26/12/2013	[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 Series 8.46% Taxable Bonds	8.46%	830.00	15.01.2009	15/01/2014	[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-
64 th Series 8.49% Taxable Bonds	8.49%	182.00	30.03.2009	30/03/2014	[ICRA] LAAA "CRISIL "AAA" CARE "AAA"	-do-	-do-
65 th Series 7.45% Taxable Bonds	7.45%	351.00	27.04.2009	27/04/2014	[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 'D to O' Series 8.20% Taxable Bonds	8.20%	720.00	27.04.2009	Redeemable in 15 equal yearly installment starting from 27-04-2010	[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" CARE "AAA"	-do-	-do-
68 th Series 6.00% Taxfree Bonds	6.00%	350.11	08.03.2010	08/03/2015	[ICRA] LAAA "CRISIL "AAA" CARE "AAA"	-do-	-do-
68 th 'A' Series 6.30% TaxfreeBon ds	6.30%	642.62	08.03.2010	08/03/2017	[ICRA] LAAA "CRISIL "AAA" CARE "AAA"	-do-	-do-
68 th 'B'Series 6.70% Taxfree 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 Series 7.845% Taxable Bonds	7.845%	70.00	04.05.2010	04/05/2015	[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 – E' Series 8.72% Taxable Bonds	8.72%	75.00	04.05.2010	Redeemable in 5 equal yearly installment starting from 04/05/2031	[ICRA] LAAA "CRISIL "AAA" CARE "AAA"	-do-	-do-
71 st 'A-E' Series 8.83% Taxable Bonds	8.83%	1100.00	14.05.2010	Redeemable in 5 equal yearly installment starting from 14/05/2031	[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 6.05 % Tax free Bonds	6.05%	188.08	20.12.2010	20.12.2015	[ICRA] LAAA "CRISIL "AAA" CARE "AAA"	-do-	-do-
73 rd Series 'A' 6.32% Tax Free Bonds	6.32%	284.56	20.12.2010	20.12.2017	[ICRA] LAAA "CRISIL "AAA" CARE "AAA"	-do-	-do-
73 rd Series 'B' 6.72 % Tax Free 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	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-
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 Tax Free Bonds	7.55%	539.60	08.11.2011	08.11.2021	[ICRA] LAAA "CRISIL "AAA" CARE "AAA"	-do-	-do-
79 th "A" Series Tax free Bonds	7.77%	191.51	08.11.2011	08.11.2026	[ICRA] LAAA "CRISIL "AAA" CARE "AAA"	-do-	-do-
80 th Series Tax Free Bonds	8.00%	3173.24	23.02.2012	23.02.2022	[ICRA] LAAA "CRISIL "AAA" CARE "AAA"	-do-	-do-

80 th "A" Series Tax Free Bonds	8.10%	3095.65	23.02.2012	23.02.2027	[ICRA] LAAA "CRISIL "AAA" CARE "AAA"	-do-	-do-
Total		35711.66					

12. TOP 10 BONDHOLDERS*

(as on 30.09.2012)

Sr. No.	Name of bondholder	Total amount of bonds held (Rs. in crore)
1.	Life Insurance Corporation of India Limited	5349.07
2.	Coal Mines Provident Fund Organisation	1286.50
3.	Oil and Natural Gas Corporation Limited Employees	678.90
4.	Axis Bank Limited	660.83
5.	CBT EPF-05-D-DM	647.50
6.	Punjab National Bank	615.09
7.	SBI Life Insurance Company Limited	579.70
8.	HDFC Standard Life Insurance Company Limited	484.00
9.	Reliance Industries Limited	326.26
10.	Birla Sun Life Insurance Company Limited	320.00
Total		10947.85

* Top 10 holders' of bonds have been shown on a cumulative basis for all outstanding bonds.

13. 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.

14. COMMERCIAL PAPER ISSUED BY THE ISSUER (as on 30.09.2012)

NIL

15. OTHER BORROWINGS (INCLUDING HYBRID DEBT LIKE FOREIGN CURRENCY CONVERTIBLE BONDS (“FCCBs”), OPTIONALLY CONVERTIBLE BONDS/ DEBENTURES/ PREFERENCE SHARES) (as on 30.09.2012)

NIL

16. 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.

17. 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 Disclosure Document, 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.

18. AUDITED CONSOLIDATED AND STANDALONE FINANCIAL INFORMATION OF THE ISSUER**a. Statement of Profit & Loss****i. Standalone**

(Rs. in crore)

Particulars		Half-year ended 30.09.2012	Year ended 31-03-12	Year ended 31-03-11	Year ended 31-03-10
I.	Revenue from operations	2687.80	4641.94	3839.44	3472.60
II	Other income	0.50	1.17	2.17	0.17
III.	Total Revenue (I+II)	2688.30	4643.11	3841.60	3472.78
IV.	Expenses:				
	Employee benefits expense	1.10	1.88	2.03	1.56
	Finance costs	2054.06	3620.39	2936.74	2679.77
	Depreciation and amortization expense	0.18	0.35	0.35	0.3515
	Other expenses	3.65	7.30	4.14	2.82
	Total Expenses	2058.99	3629.92	2943.26	2684.49
V.	Profit before exceptional and extraordinary items and tax (III-IV)	629.31	1013.19	898.35	788.29
VI.	Exceptional items	0.00	0.00	-	-
VII.	Profit before extraordinary items and tax (V-VI)	629.31	1013.19	898.35	788.29
VIII.	Extraordinary Items	0.00	0.00	-	-
IX.	Profit before tax (VII-VIII)	629.31	1013.19	898.35	788.29
X.	Tax expense:				
	(1) Current tax	125.97	203.43	179.23	135.13
	(2) Tax For Earlier Years	-0.60	0.00	-0.50	-
	(3) Deferred tax	204.68	328.98	234.42	210.47
	(4) Deferred Tax For Earlier Years	0.00	0.00	0	0
		330.05	532.41	413.15	345.60
XV.	Profit (Loss) for the period (IX-X)	299.26	480.78	485.20	442.69

b. Statement of Balance Sheet**i. Standalone**

(Rs. in crore)

Particulars	30.09.2012	31.03.12	31.03.11	31.03.10
I. EQUITY AND LIABILITIES				
i. Share Capital	2352.00	2,102.00	1,602.00	1,091.00
iii. Reserves and Surplus	3347.78	3,048.53	2,683.97	2,314.48
	5699.78	5,150.53	4,285.97	3,405.48
(2) Share Application Money Pending Allotment	-	250.00	-	-
(3) Non-Current Liabilities				
(a) Long Term Borrowings	43181.28	46,950.25	34,536.49	28,675.96
(b) Deferred Tax Liabilities (Net)	3235.09	3,030.41	2,701.43	2,467.02
(c) Other Long Term Liabilities	5.74	7.27	210.11	163.79
(d) Long Term Provisions	0.10	0.04	0.01	0.06
	46422.21	49,987.98	37,448.04	31,306.83

(4) Current Liabilities				
(a) Short-Term Borrowings	500.00	405.65	23.25	1,449.00
(b) Other Current Liabilities	15822.11	4,272.53	4,637.64	4,361.73
(c) Short Term Provisions	3.08	9.25	7.40	0.01
	16325.19	4,687.43	4,668.30	5,810.74
Total	68447.19	60,075.93	46,402.30	40,523.05
II. ASSETS				
(5) Non-Current Assets				
(a) Fixed Assets	13.09			
(i) Tangible Assets		13.09	13.37	13.69
(ii) Intangible Assets	0.02	-	-	-
(b) Non-Current Investments	13.60	14.58	16.68	2.00
(c) Long Term Loans and Advances	59778.19	54,133.64	42384.13	36046.99
(d) Other Non-Current Assets	449.03	441.52	405.18	346.11
	60253.93	54,602.83	42,819.36	36,408.78
(6) Current Assets				
(a) Cash and Cash Equivalents	3945.06	1,545.96	494.00	1508.20
(b) Short Term Loans and Advances	22.58	152.15	55.29	143.65
(c) Other Current Assets	4225.62	3,774.98	3,033.66	2,462.42
	8193.26	5,473.09	3,582.95	4,114.27
Total	68447.19	60,075.93	46,402.30	40,523.05

c. Cash Flow Statement**i. Standalone**

(Rs. in crore)

Particulars	Half-year ended 30.09.12	Year ended 31/03/2012	Year ended 31/03/2011	Year ended 31/03/2010
Cash Flow from operating activities:				
Profit Before Tax:	629.31	1013.19	898.35	788.29
Adjustments for:				
1. Depreciation	0.18	0.35	0.35	0.35
2. (Profit) / Loss on sale of fixed assets	0.00	0.01	0.01	(0.00)
3. Lease Rentals advance amortised	25.61	47.51	42.96	103.40
4. Provision for Employee benefits	0.07	0.04	0.00	0.00
5. Exchange Rate Variation	3.67	4.22	(0.05)	(11.16)
6. Amortisation of Foreign Currency Monetary Item Trans Diff.	-	-	1.81	34.55
7. Amortisation of Interest Restructuring Advance	0.31	1.02	1.52	2.13
8. Amortisation of Gain on asset securitisation	3.49	(12.11)	(21.35)	(38.99)
9. Provision for Interest Payable to Income Tax Authorities	0.28	0.69	1.04	-
10. Provision for CSR Expenses (Net)	0.05	3.00		
	656.00	1057.93	924.63	878.56
Adjustments for-				
1. Assets given on financial lease during the year	(7448.00)	(12604.21)	(9680.29)	(9017.78)
2. Capital Recovery on assets given on financial lease	1753.87	2935.29	2368.18	1900.62
3. Advance for Project Funding	(83.37)	(2101.37)		
4. Amount Rised through Securitisation of Lease Receivables	-	-	339.54	500.11
5. Receipt on account of Long term loans during the year	72.96	135.62	106.64	70.42
6. Term Loans disbursed during the year	-	(107.90)	(100.00)	(370.00)
7. Loans & Advances (Net of Adv. Tax & ERV)	129.59	(130.96)	143.61	(211.86)
8. Cash and Cash Equivalents (Fixed Deposits with maturity of more than 3 months)	339.25	(1025.36)	649.51	(112.26)
9. Other non-current assets	(7.52)			
10. Other Current Assets	(32.25)	(31.00)	(65.41)	(70.53)
11. Current Liabilities	11090.56	309.93	168.78	147.92
12. Direct Taxes Paid	(202.20)	(205.29)	(186.93)	(98.51)
	5612.89	(12825.24)	(6256.38)	(7261.85)
Net Cash flow from Operations	6268.89	(11767.31)	(5331.76)	(6383.29)

Cash Flow from Investments Activities:				
1. Purchase of Fixed Assets	(0.20)	(0.09)	(0.04)	(0.05)
2. Proceeds from sale of Fixed Assets	0.01	0.01	0.00	0.00
3. Receipt on account of investment in PTCs	1.07	2.30	-	-
4. Investment in Pass Through Certificates	-	-	(16.98)	-
5. Investment made during the year	-	-		
	0.88	2.21	-17.02	-0.05
Cash flow from Financing activities::				
1. Dividend & Dividend Tax Paid during the year	(16.22)	(116.61)	(100.00)	(117.00)
2. Share Capital Rised during the year	-	500.00	511.00	291.00
3. Share Application Money Received during the year	-	250.00	0	0
4. Funds raised through Bonds	-	11385.00	5989.55	5590.94
5. Bonds Redeemed during the year	(948.30)	(564.43)	(1848.93)	(354.93)
6. Term Loans raised during the year	3513.57	2942.72	614.80	11941.51
7. Term Loans repaid during the year	(5916.90)	(2983.77)	(2877.72)	(11594.46)
8. Funds raised through External Commercial Borrowings	-	956.95	3301.87	2158.88
9. Repayment of External Commercial Borrowings	(163.96)	(578.16)	(606.48)	(1149.40)
	(3531.42)	11,791.70	4,984.09	6,766.54
Net Cash Flow During the year (A+B+C)	2738.35	26.60	-364.69	383.20
Opening Balance of Cash & Cash Equivalents::				
Balance in the Current Accounts	6.84	4.62	8.43	11.98
Balance in the Term Deposit A/cs (original maturity of three months or less)	51.00	26.62	387.50	0.75
Balance in Franking Machine	0.00	0.00	-	0.00
Balance in RBI-PLA	0.01	0.01	0.01	0.01
	57.85	31.25	395.94	12.74
Closing Balance of Cash or Cash Equivalents	2796.21	57.85	31.25	395.94

d. Auditors' Qualifications

Financial Year	Auditors' Qualifications
2011-12	NIL
2010-11	NIL
2009-10	NIL

19. LATEST AUDITED/ LIMITED REVIEW HALF YEARLY CONSOLIDATED AND STANDALONE FINANCIAL INFORMATION OF THE ISSUER

(i) Audited Financial Results for the Half Year ended 30th September 2012 (Rs in Lakhs)

Particulars	6 months ended 30th Sept 2012	6 months ended 30th Sept 2011	Year ended 31st March 2012
	(Audited)	(Unaudited)	Audited
1. Interest Earned (a)+(b)+(c)+(d)	268432	217868	462997
(a) Lease Income [Note No.2]	242445	200234	421438
(b) Income on Investments	72	82	160
(c) Interest on Deposits from Banks	15547	7258	20783
(d) Interest on Loans	10368	10294	20616
2. Other Income	399	811	1314
3. Total Income (1+2)	268831	218679	464311
4. Interest Expended	204793	169422	355536
(a) Lease Rentals	2561	2316	4751
(b) Interest on Bonds and Loans	202232	167106	350785
5. Operating Expenses	1107	6878	7456
(i) Employee Cost	110	89	188
(ii) Bond Servicing Expenses	146	151	406
(iii) Bond Issue Expenses & Expenses on Loans	101	3317	5674
(iv) Exchange Rate Variation Loss / (Gain)	367	2644	422
(v) Other Operating Expenses	383	677	766
6. Total Expenditure (4+5) excluding Provisions and Contingencies	205900	176300	362992
7. Operating Profit before Provisions and Contingencies (3-6)	62931	42379	101319
8. Provisions (other than tax) and Contingencies	-	-	-
9. Exceptional Items	-	-	-
10. Profit from Ordinary Activities before tax (7-8-9)	62931	42379	101319
11. Tax Expenses	33005	22226	53241
Current Tax	12597	8478	20343
Tax for Earlier Years	-60	-	-
Deferred Tax	20468	13748	32898
12. Net Profit from Ordinary Activities after tax (10-11)	29926	20153	48078
13. Extraordinary Items (Net of Tax Expenses)	-	-	-
14. Net Profit for the period (12-13)	29926	20153	48078
15. Paid-up equity share Capital (Face Value of Rs.1000/- per share)	235200	160200	210200
16. Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	-	-	304853

17. Analytical Ratios			
(i) Capital Adequacy Ratio	282.48%	213.47%	204.23%
(ii) Earnings Per Share (EPS)			
- Basic	127.24	125.80	283.89
- Diluted	127.24	125.80	283.78
18. NPA Ratios			
a) Gross / Net NPA		-	-
b) % of Gross / Net NPA		-	-
c) Return on Assets (Net Profit After Tax/Avg. Total Assets)	0.46%	0.40%	0.90%

NOTES:

- 1) *The Company is in the business of Leasing and Financing and there are no separate Reportable Segments as defined in Accounting Standard -17.*
- 2) *The assets leased to the Ministry of Railways for the half year ended 30th September 2012 have been considered as acquired on monthly pro-rata basis of the total mandated amount Rs. 1489600 lacs for the year 2012-13. The lease agreement will be executed after receipt of complete list of assets acquired from the MOR, after the close of the year.*
- 3) *There was no Investor complaint pending at the beginning as well as at the end of the half year.*
- 4) *Previous period figures have been regrouped / rearranged, wherever considered necessary.*
- 5) *The above financial results were taken on record by the Board of Directors in their meeting held on 5th November, 2012 and has been subject to audit by the Statutory Auditors.*

(ii) Auditors' Qualifications

Half Year ended	Auditors' Qualifications
30.09.2012	<p>NIL</p> <p>However, the Auditors have observed that :</p> <p>Out of the total lease income of Rs.242445 lacs, a sum of Rs.17378 lacs has been accrued for assets leased during the half year under review on the basis of assumption :</p> <ol style="list-style-type: none"> a) The assets have been leased on monthly pro rata basis of the total mandated (Budgeted) amount of Rs.1489600 lacs for the financial year 2012-13 and b) The rate of lease rental as calculated by the Company would be accepted by the lessee. <p>2. The interest payable to Ministry of Railways (MOR) on delayed payment during the half year under review amounting to Rs.13968 lacs has been provided on the shortfall in funds transferred to MOR as compared to the assets assumed to be leased.</p> <p>3. In absence of details and formal lease agreement with the MOR regarding assets procured under leases during the half year under review, we are unable to comment on the impact of the same on lease income, interest expenditure for delayed payment.</p>

30.09.2011	<p>NIL</p> <p>However, the Auditors have observed that :</p> <p>Out of the total lease income of Rs.200234 lacs, a sum of Rs.16141 lacs has been accrued for assets leased during the half year under review on the basis of assumption :</p> <ol style="list-style-type: none"> a) The assets have been leased on monthly pro rata basis of the total mandated (Budgeted) amount of Rs.1180000 lacs for the financial year 2011-12; and b) The rate of lease rental as calculated by the Company would be accepted by the lessee. <p>2. The interest payable to Ministry of Railways (MOR) on delayed payment during the half year under review amounting to Rs.321 lacs has been provided on the shortfall in funds transferred to Indian Railways as compared to the assets assumed to be leased. The amount of assets assumed to be leased has been calculated on monthly pro-rata basis of the aforesaid total mandated (budgeted) amount for the financial year 2011-12.</p> <p>3. The details of actual assets procured by Indian Railways being not available, it is not possible for us to determine short / excess in income / expenditure accrued (as against the amount stated in para 1 & 2 above) towards lease income from the interest payamnets to Inidna Railways. The lease agreement has not been executed to determine aforesaid lease income and interest payment.</p>
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20. 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.

VIII. SUMMARY TERM SHEET

Issuer	INDIAN RAILWAY FINANCE CORPORATION LTD.	
Issue Size	Rs. 20 crore	
Option to retain oversubscription	Upto Rs. 480.00 crore	
Objects of the Issue	The proceeds of the Bond issue(s) will be used for the acquisition of Rolling Stock (Railway assets) to meet the developmental needs of the Ministry of Railways.	
Instrument	Secured Redeemable Non Convertible Tax-Free Bonds in the nature of Debentures ("Bonds")	
Issuance Mode	In demat mode only	
Trading Mode	In demat mode only	
Credit Rating	"AAA/Stable" by CRISIL Ltd. "CARE AAA" by Credit Analysis & Research Ltd. "[ICRA]AAA" by ICRA Ltd.	
Seniority	Senior and Unsubordinated	
Mode of Issue	Private Placement through book building route	
Security	<p>The Bonds shall be secured by way of first pari passu over the rolling stock assets of the Company, as may be agreed between the Issuer and the Trustees, pursuant to the terms of the Debenture/ Bond Trust Deed ("Trust Deed") with a minimum security cover of one time of the aggregate face value amount of Bonds outstanding at all times.</p> <p>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 and 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.</p> <p>The Issuer confirms that it is entitled to raise money through current issue of Bonds without the consent/ permission/ approval from the existing bondholders/ trustee/ lenders/ other creditors of the Issuer.</p>	
Bond Series	Series 85	Series
Security Name	7.19% IRFC 2022	
Face Value	Rs. 10 lakhs per Bond	Rs. 10 lakhs per Bond
Amount retained in each series	95.00CR	
Premium on issue	To be decided through book building route	To be decided through book building route
Discount on issue	Nil	Nil
Issue Price	To be decided through book building route (Face Value + Premium on issue)	To be decided through book building route (Face Value + Premium on issue)

Premium/ Discount on redemption	Nil	Nil
Redemption Amount	At par (Rs. 10 lakhs) per Bond	At par (Rs. 10 lakhs) per Bond
Minimum Application	2 Bonds and in multiples of 1 Bond thereafter	2 Bonds and in multiples of 1 Bond thereafter
Tenor	10 Years from the Deemed Date of Allotment	15 Years from the Deemed Date of Allotment
Put & Call Option	None	None
Put Option Price	Not applicable	Not applicable
Put Option Date	Not applicable	Not applicable
Put Notification Time	Not applicable	Not applicable
Call Option Price	Not applicable	Not applicable
Call Option Date	Not applicable	Not applicable
Call Notification Time	Not applicable	Not applicable
Redemption/ Maturity	At par at the end of 10 Years from the Deemed Date of Allotment	
Redemption Date	14 th December, 2022	
Coupon Rate	7.19% p.a.	
Step Up/ Step Down Coupon Rate	None	None
Coupon Payment Frequency	Annual	Annual
Coupon Payment Dates	Annually on 15 th October of each year till maturity of Bonds	
Coupon Type	Fixed	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc)	None	None
Day Count Basis	Actual/ Actual 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 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 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	

Listing	Proposed on the Wholesale Debt Market (WDM) Segment of NSE and BSE Limited	
Trustees	SBICAP Trustee Company Ltd.	
Depository	National Securities Depository Limited and Central Depository Services (India) Limited	
Registrars	Karvy Computer Share Pvt. Ltd.	
Settlement	Payment of interest and repayment of principal shall be made by way of cheque(s)/ interest/ redemption warrant(s)/ demand draft(s)/ credit through direct credit/ NECS/ RTGS/ NEFT mechanism	
Business Day Convention	'Business Day' shall be a day on which commercial banks are open for business in the city of New Delhi. If any coupon payment date and/or redemption date falls on a day which is not a business day, payment of interest and/or principal amount shall be made on the next business day without liability for making payment of interest for the delayed period	
Record Date	15 days prior to each coupon payment date and redemption date	
Mode of Subscription	Beneficiary Name	"IRFC TAX FREE BOND ISSUE FIFTH TRANCHE DECEMBER 2012"
	Credit Account No.	32708670102
	Centre	Delhi
	Bank	State Bank of India Limited
	Branch	CAG Branch
	Account Type	Current Account
	IFSC Code	SBIN0009996
Eligible Investors	i.	Qualified Institutional Buyers ("QIBs")*
		Mutual Funds registered with SEBI; Public Financial Institutions as defined in section 4(b) of the Companies Act, 1956; Scheduled Commercial Banks; State Industrial Corporations; Insurance Companies registered with the Insurance Regulatory and Development Authority; Provident Funds with minimum corpus of Rs. 25 crore; Pension Funds with minimum corpus of Rs. 25 crore; National Investment Funds set up by resolution no. F. No. 2 dated November 23, 2005 of the Government of India published in the Gazette of India; Insurance Funds set up and managed by army, navy or air force of the Union of India
	ii.	Corporates
		Companies and Body Corporates*
	iii.	High Net Worth Individuals
	iv.	Resident Individual Investors, Hindu Undivided Families (through Karta), applying for upto Rs. 10 lakhs (1 Bond) in the Issue
		* Companies may refer to Section 372A of the Companies Act, 1956 before investing in the Issue
Non-Eligible classes of Investors	Venture Capital Funds; Foreign Venture Capital investors registered with SEBI; Foreign Institutional Investors and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI; Multilateral and Bilateral Development Financial Institutions; , Qualified Foreign Investors; Foreign Nationals; Non-Resident Indians; Minors without a guardian name; Persons resident outside India; Overseas Corporate Bodies, Person ineligible to contract under applicable statutory/ regulatory requirements and; Resident Individual Investors/ Hindu Undivided Families (through Karta), applying for upto Rs. 10 lakhs in the Issue.	

Transaction Documents	<p>The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue:</p> <ol style="list-style-type: none"> 1. Letter appointing Trustees to the Bondholders; 2. Debenture Trusteeship Agreement; 3. Debenture Deed of Hypothecation; 4. Rating Agreement with CRISIL / CARE / ICRA; 5. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Bonds in dematerialized form; 6. Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form; 7. Letter appointing Registrar and MoU entered into between the Issuer and the Registrar; 8. Application made to NSE/BSE for seeking its in-principle approval for listing of Bonds; 9. Listing Agreement with NSE/BSE; 10. Letters appointing Arrangers to the Issue.
Conditions precedent to subscription of Bonds	<p>The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following:</p> <ol style="list-style-type: none"> 1. Rating letter(s) from the aforesaid rating agency(ies) not being more than one month old from the issue opening date; 2. Letter from the Trustees conveying their consent to act as Trustees for the Bondholder(s); 3. Letter from NSE/BSE conveying its in-principle approval for listing of Bonds.
Conditions subsequent to subscription of Bonds	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Disclosure Document:</p> <ol style="list-style-type: none"> 1. Credit of demat account(s) of the allottee(s) by number of Bonds allotted within 2 working days from the Deemed Date of Allotment; 2. Making application to NSE/BSE within 15 days from the Deemed Date of Allotment to list the Bonds and seek listing permission within 20 days from the Deemed Date of Allotment in terms of sub-section (1) of Section 73 of the Companies Act, 1956(1 of 1956); 3. Execution of Debenture Trust Deed for creation of security within time frame prescribed in the relevant regulations/ act/ rules etc. <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Disclosure Document.</p>
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 Disclosure Document, Debenture Trusteeship Agreement and Debenture Trust Deed, which in opinion of the Trustees is incapable of remedy.</p>
Remedies	<p>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 and the security created under the security documents shall become enforceable, and the Trustees shall have the right to enforce any security created pursuant to the security documents towards repayment of the amounts outstanding and/or exercise such other rights as the Trustees may deem fit under the applicable laws.</p>

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 Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of 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.</p> <p>The Trustees shall ensure disclosure of all material events on an ongoing basis and shall supervise the implementation of the conditions regarding creation of security for the Bonds and Debenture/ Bond Redemption Reserve.</p> <p>The Issuer shall, till the redemption of Bonds, submit its latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information such as Statement of Profit & Loss, Balance Sheet and Cash Flow Statement and auditor qualifications, if any, to the Trustees within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May11, 2009 as amended. Besides, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustees and the Trustees shall be obliged to share the details so submitted with all 'Qualified Institutional Buyers' (QIBs) and other existing Bondholder(s) within two working days of their specific request.</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	<ol style="list-style-type: none"> 1. 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 2.00% per annum over the Coupon Rate till such conditions are complied with, at the option of the Bondholder(s). 2. Delay in Listing: The Issuer shall complete all the formalities and seek listing permission within 20 days from the Deemed Date of Allotment. 3. Refusal for Listing: If listing permission is refused before the expiry of the 20 days from the Deemed Date of Allotment, the Issuer shall forthwith repay all monies received from the applicants in pursuance of the Disclosure Document

Book Opening Date & Time	13 th December, 2012 (11:00 AM)
Book Closing Date & Time	13 th December, 2012 (4:00 PM)**
Intimation of allocation to investors	13 th December, 2012 (6.00 PM)**
Issue Opening Date *	14 th December, 2012
Issue Closing Date *	14 th December, 2012
Pay-in Date *	14 th December, 2012
Deemed Date of Allotment *	14 th December, 2012

** Can be extended up to the pay –in date at the discretion of the Management.

* The Issuer reserves its sole and absolute right to modify (pre-pone/ postpone) the above issue schedule without giving any reasons or prior notice. In such a case, investors shall be intimated about the revised time schedule by the Issuer. The Issuer also reserves the right to keep multiple 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. Consequent to change in Deemed Date of Allotment, the Coupon Payment Dates and/or Redemption Date may also be changed at the sole and absolute discretion of the Issuer.

IX. TERMS OF OFFER (DETAILS OF DEBT SECURITIES PROPOSED TO BE ISSUED, MODE OF ISSUANCE, ISSUE SIZE, UTILIZATION OF ISSUE PROCEEDS, STOCK EXCHANGES WHERE SECURITIES ARE PROPOSED TO BE LISTED, REDEMPTION AMOUNT, PERIOD OF MATURITY, YIELD ON REDEMPTION, DISCOUNT AT WHICH OFFER IS MADE AND EFFECTIVE YIELD FOR INVESTOR)

PRIVATE PLACEMENT OF TAX FREE SECURED REDEEMABLE NON CONVERTIBLE BONDS OF FACE VALUE OF 10,00,000/- EACH IN THE NATURE OF DEBENTURES HAVING TAX BENEFITS UNDER SECTION 10 (15) (iv) (h) OF THE INCOME TAX ACT, 1961, AS AMENDED, (SERIES 85) (COLLECTIVELY REFERRED TO AS THE "BONDS") FOR AN AMOUNT AGGREGATING RS. 20 CRORE WITH AN OPTION TO RETAIN OVER SUBSCRIPTION OF UPTO RS. 480.00 CRORE BY INDIAN RAILWAY FINANCE CORPORATION LTD. ("IRFC" OR THE "ISSUER" OR THE "COMPANY") THROUGH BOOK BUILDING ROUTE

1. ISSUE SIZE

Indian Railway Finance Corporation Ltd. ("IRFC" or the "Issuer" or the "Company") proposes to raise upto Rs. 20 Crore with an option to retain over subscription of upto Rs. 480.00 Crore through issue of Secured Redeemable Non-Convertible Tax-Free Bonds in the nature of Debentures of face value of Rs.10 lakhs each (Series 85) (collectively referred to as the "Bonds") (the "Issue").

2. ELIGIBILITY TO COME OUT WITH THE ISSUE

In exercise of power conferred by item (h) of sub clause (iv) of clause (15) of Section 10 of the Income Tax Act, 1961 (43 of 1961) the Central Government vide Notification No. 46/2012/F.No.178/60/2012 – (ITA.1) dated November 6, 2012 authorizes Indian Railway Finance Corporation Ltd. to issue through a Public/Private Issue, during the Financial year 2012-13, tax free, secured, redeemable, non-convertible bonds of Rs. 1,000 each for the aggregate amount not exceeding Rs. 10,000 Crores subject to the following conditions that –

- 1) It shall be mandatory for the subscribers of such bonds to furnish their permanent account number to the Issuer.
- 2) The holder of such bonds must register his, her or it's name and holding with the Issuer.
- 3) The tenure of the bonds shall be 10 years or 15 years.
- 4) There shall be a ceiling on the coupon rates based on the reference Government security (G-sec) rate;
- 5) The reference G-sec rate would be the average of the base yield of G-sec for equivalent maturity reported by Fixed Income Money Market and Derivative Association of India (FIMMDA) on a daily basis (working day) prevailing for two weeks ending on the Friday immediately preceding the filing of the final prospectus with the Exchange or Registrar of Companies (ROC) in case of public issue and the issue opening date in case of private placement.
- 6) The ceiling coupon rate for AA rated issuers shall be the reference G-sec rate less 50 basis points in case of Retail Individual Investor (RII); and reference G-sec less 100 basis points in case of other investor segments, like Qualified Institutional Buyers (QIBs), Corporate and High Net Worth Individuals (HNIs);
- 7) In case the rating of the issuer entity is above AA, a reduction of 15 basis points shall be made in the ceiling rate, as compared to the ceiling rate for AA rated entities [as given in clause (vi)];

- 8) These ceiling rates shall apply for annual payment of interest and in case the schedule of interest payments is altered to semi-annual, the interest rates shall be reduced by 15 basis points;
- 9) The higher rate of interest, applicable to retail investors, shall not be available in case the bonds are transferred, except in case of transfer to legal heir in the event of death of the original investor.
- 10) At least 75% of aggregate amount of bonds shall be raised through public issue. 40% of such public shall be earmarked for retail investors.

Total issue expenses shall not exceed 0.5% of the issue size in case of public issue. The issue expense would include all expenses relating to the issue like brokerage, advertisement, printing, registration etc.

The brokerage, in cases of different categories, shall be limited to the following ceilings:-

- (i) QIB – 0.05%
- (ii) Corporates – 0.1%
- (iii) HNI – 0.15%
- (iv) RII- 0.75%

3. REGISTRATION AND GOVERNMENT APPROVALS

This present issue of Bonds is being made in accordance with Notification No. 46/2012. F.No.178/60/2012-(ITA.I) dated November 06, 2012 issued by the Central Board of Direct Taxes ("CBDT"), Department of Revenue, Ministry of Finance, Government of India. The Issuer 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 the Resolution of the Board of Directors of the Company passed at its meeting held on **31st July, 2012** and such Resolution as may be passed from time to time. The Company has passed a resolution under Section 293(1) (d) of the Companies Act, 1956 ('the Act') in the EGM dated 22nd June, 2011 which prescribes the maximum monetary limit for the purpose of borrowing at Rs 85,000 crore. The aggregate value of Bonds offered through this document is within these limits for the purpose of borrowing.

5. OBJECTS OF THE ISSUE

The proceeds of the Bond issue(s) will be used for the acquisition of Rolling Stock (Railway assets) to meet the developmental needs of the Ministry of Railways. These Railway assets are given by IRFC to the Indian Railways on lease. The Ministry of Railways (MOR) pay lease rentals to IRFC which are sufficient to meet the debt obligations of IRFC. The lease payments to IRFC are budgeted every year and are voted by the Parliament as a part of the Railway Budget. Lease payments to IRFC are therefore assured and enjoy a sovereign risk. Part of the funds raised shall also be used for funding bankable rail projects approved by MoR and to be executed by RVNL. The Company may fund any other project of MOR, if asked to do so under a Presidential Order / Directive.

6. UTILISATION OF ISSUE PROCEEDS

Board of Directors of the Company certifies that:

1. All monies received out of issue of Bonds shall be transferred to IRFC's bank account.
2. Details of all monies utilised out of this Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies had been utilised; and

3. Details of all unutilised monies out of this Issue, if any, referred to in sub-item (i) shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such unutilized monies have been invested.

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 Tax Free Secured Redeemable Non Convertible Bonds in the nature of Debentures having tax benefits under section 10 (15) (iv) (h) of The Income Tax Act, 1961, as amended, (Series 85) (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 premium or discount on either issue price or on 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 direct 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 direct 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.

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 and the cheque(s)/ demand draft(s)/ RTGS for the full value of Bonds applied for.

Face Value per Bond	Minimum Application for	Amount Payable on Application per Bond
Rs.10 lakhs	2 Bonds and in multiples of 1 Bond thereafter	To be decided through book building route (Face Value + Premium on issue)

13. DEEMED DATE OF ALLOTMENT

All benefits under the Bonds including payment of interest will accrue to the Bondholders from and including 14th December 2012, 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-pond/ 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. The Bonds since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other applicable laws and rules notified in respect thereof. The Bonds shall be allotted in dematerialized form only.

16. DEPOSITORY ARRANGEMENTS

The Company has appointed Karvy Computershare (P) Ltd., Unit – IRFC BONDS, Plot No. 17 to 24 Vittal Rao Nagar, Madhapur, Hyderabad – 500 081 (Andhra Pradesh) [Tel No. (040) 23420815 to 825, 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

- a. Applicant(s) should have/ open a Beneficiary Account with any Depository Participant of NSDL or CDSL.

- b. 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

In terms of Section 68 of the Companies Act, 1956, any person who makes, in fictitious name, any application to a body corporate for acquiring, or subscribing to, the bonds, or otherwise induced a body corporate to allot, register any transfer of bonds therein to them or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to 5 years.

19. MARKET LOT

The market lot will be one Bond ("Market Lot"). Since the Bonds are being issued only in dematerialised 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 recognized 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 NRIs/ OCBs, in case they seek to hold the Bonds and are eligible to do so, will be governed by the then prevailing guidelines of RBI.

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 Disclosure Document.

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 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 commercial banks are open for business in the city of New Delhi), payment of interest will be made on next business day without liability for making payment of interest for the delayed period.

25. TAX BENEFITS

These Bonds carry a tax free status as per Notification No. 46/2012. F.No.178/60/2012-(ITA.I) issued by Government of India, Ministry of Finance, Department of Revenue (Central Board of Direct Taxes) on November 06, 2012 (copy of said notification is enclosed elsewhere in this Disclosure Document). The interest payable on application money shall be taxable as per the prevailing income tax rates. However the bond holders are advised to also consult their own tax advisor on the tax implications of the ownership and sale of bonds, and income arising thereof. Further, the benefit under Section 10(15)(iv)(h) of the Income Tax Act, 1961 (43 of 1961), shall be available only to Bondholder(s) who have registered their name(s) and holdings with the Issuer. For further details, the potential investors may refer to the aforesaid CBDT Notification.

26. 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.

27. 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.

28. 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 out of interest payable on application money for the Bonds. 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. 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).

29. PUT & CALL OPTION

Neither the bondholder(s) shall have any right to exercise Put Option nor the Issuer shall have right to exercise Call Option to redeem the Bonds, in whole or in part, prior to the Redemption Date.

30. REDEMPTION

The face value of the Bond will be redeemed at par, on the expiry of the tenor of the bond series as per details in the summary term sheet, 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 Bank 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 Commercial Banks are open for Business in the city of Delhi), then the payment due shall be made on the next Business Day but without liability for making payment of interest for the intervening period.

31. 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 Disclosure Document, 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 and the security created under the security documents shall become enforceable, and the Trustees shall have the right to enforce any security created pursuant to the security documents towards repayment of the amounts outstanding and/or exercise such other rights as the Trustees may deem fit under the applicable laws.

32. ADDITIONAL COVENANTS

- a. **Listing:** The Issuer shall complete all the formalities and seek listing permission within 20 days from the Deemed Date of Allotment.
- b. **Refusal for Listing:** If listing permission is refused before the expiry of the 20 days from the Deemed Date of Allotment, the Issuer shall forthwith repay all monies received from the applicants in pursuance of the Disclosure Document.

34. 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 List of Beneficial Owners given by Depository to 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. On such payment being made, the Company will inform NSDL/CDSL and accordingly the account of the Bondholders with NSDL/CDSL will be adjusted.

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.

35. EFFECT OF HOLIDAYS

Should any of the dates defined above or elsewhere in the Information Memorandum, excepting the Deemed Date of Allotment, fall on a Sunday or a Holiday, the next working day shall be considered as the effective date(s).

In case any Interest Payment Date(s) and/or the date of Redemption falls on a Holiday, interest/redemption will be paid on the next working day (i.e. a day on which scheduled commercial banks are open for business in New Delhi). In case on any interest or redemption payment date(s) RBI closes its clearing system through electronic mode, the payment of interest and /or redemption amounts shall be paid on the next working date / day of RBI without any extra liability accruing on IRFC.

36. 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.

37. 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:

- a. 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.
- b. 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.

38. 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.

i. Qualified Institutional Buyers (“QIBs”)

- a. Mutual funds registered with SEBI;
- b. Public Financial Institutions as defined in section 4A of the Companies Act, 1956;
- c. Scheduled Commercial Banks;
- d. State Industrial Development Corporations;
- e. Insurance Companies registered with the Insurance Regulatory and Development Authority;
- f. Provident funds with minimum corpus of Rs. 25 crore;
- g. Pension funds with minimum corpus of Rs. 25 crore;
- h. 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; and

- i. Insurance Funds set up and managed by army, navy or air force of the Union of India.

ii. Corporates and Non-Institutional Investors

- a. Companies;
- b. Bodies Corporate.

iii. High Net Worth Individuals

Resident Individual Investors, Hindu Undivided Families (through Karta), applying for more than Rs. 10 lakhs (1 Bond) in the Issue.

All investors are required to comply with the relevant regulations/ guidelines applicable to them for investing in the issue of Bonds as per the norms approved by Government of India, Reserve Bank of India or any other statutory body from time to time. Companies may refer to Section 372A of the Companies Act, 1956 before making an application in the Issue.

However, out of the aforesaid class of investors eligible to invest, this Disclosure Document 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 Disclosure Document from the Issuer).

39. 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. Venture Capital Funds;
- b. Foreign Venture Capital investors registered with SEBI;
- c. Foreign Institutional Investors and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI;
- d. Multilateral and Bilateral Development Financial Institutions;
- e. Qualified Foreign Investors;
- f. Foreign Nationals;
- g. Non-Resident Indians;
- h. Minors without a guardian name;
- i. Persons resident outside India;
- j. Overseas Corporate Bodies;
- k. Person ineligible to contract under applicable statutory/ regulatory requirements and;
- l. Resident Individual Investors/ Hindu Undivided Families (through Karta), applying for upto Rs. 10 lakhs in the Issue.

40. 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.

41. 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 any of the designated collection centres, accompanied by the application money by way of cheque(s)/ demand draft(s) drawn on any bank including a co-operative bank which is situated at and is a member of the Bankers' clearing house located at a place where the application form is submitted. The original Applications Forms (along with all necessary documents as detailed in this Disclosure Document), pay-in slip and other necessary documents should be sent to the Registered Office of the Issuer through respective Arrangers on the same day.

Outstation cheque(s)/ demand draft(s) drawn on bank(s) not participating in the clearing process at the designated clearing centres will not be accepted. Money orders/postal orders will also not be accepted. Investors in centres, which do not have any bank, including a co-operative bank, which is a member or sub member of the banker's clearing house located at the specified centres would be required to make payment only through demand draft payable at any one of the specified centres. The Issuer assumes no responsibility for any applications/cheques/ demand drafts lost in mail. All cheques/ demand drafts should be in favour of **"IRFC-Tax Free Bonds-Private Placement-Tranche-Fifth-2012-13"** and crossed **"Account Payee only"**. The entire amount of Rs. 10 lakhs per Bond is payable on application. The entire amount of issue price per Bond is (to be decided through book building route i.e. Face Value + Premium on issue) 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, 1971 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.

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.

42. 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.

43. 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.

44. 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.

45. ACKNOWLEDGEMENTS

No separate receipts will be issued for the application money. However, the Bankers to the Issue 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.

46. BASIS OF ALLOCATION / ALLOTMENT

The Issuer will decide the basis of allotment through book building route. The issuer reserves the right to reject any/all applications at its sole discretion, without assigning any reason whatsoever.

47. BOOK BUILDING PROCEDURE

The Issuer shall adopt the book building approach as specified in the notification no. 46/2012. F.No.178/60/2012-(ITA.I) dated November 06, 2012 issued by the Central Board of Direct Taxes ("CBDT"), Department of Revenue, Ministry of Finance, Government of India, whereby bids would be sought on the coupon rate subject to a ceiling specified by IRFC and allotment would be made at the price bid. The Bonds shall be paid for and shall be issued only at a premium (not at par or at discount to the issue price) but with a fixed coupon so that the instrument can be traded under a single International Securities Identification Number (ISIN). The yield will be worked out based on the price quoted and then allotment would be done for best price (lowest yield). This would further be subject to the ceiling rate of the interest being either equal to or lower than the ceiling coupon rate prescribed by IRFC.

1. Commencing from the book opening date and time, potential investors will be invited to place price bids with arrangers by way of unconditional and irrevocable Letter of Commitment, in the prescribed format as per the Annexure. As per the format, the potential investors may indicate the aggregate number of Bonds [minimum 2 Bonds (face value aggregating Rs. 20 lakhs) and in multiple of 1 Bond (face value aggregating Rs. 10.00 lakhs) thereafter] that they will like to subscribe at different issue price(s) per Rs. 100/- and in multiple of 01 paise subject to the issue price being more than or equal to the face value of Bonds.
2. Alternatively, potential investors may indicate the aggregate number of Bonds that they would like to subscribe at the "cut-off issue price". In such case, the potential bidders shall be allocated Bonds at the highest issue price received by IRFC under the particular bond series.

3. Orders once placed, can be changed anytime during the bidding period (December 13th, 2012 at 11:00 a.m. to December 13th, 2012 at 4:00 p.m.) by giving a Revised Letter of Commitment, which shall be deemed to supersede the earlier Letter of Commitment. The bidders should clearly mention whether their bid is Original/ Revised/ Additional Letter of Commitment. However, the bidders can revise their Letter of Commitment only towards higher issue price and no downward revision in issue price shall be permissible and such revision(s) shall be liable to be rejected. Further, withdrawal of Letters of Commitment once submitted, shall also not be permitted.
4. The Letters of Commitment addressed to the Company should be sent to the office of the Arrangers before the book closing date and time who shall forward the same to Mr. T. Behra, General Manager (Bonds), IRFC New Delhi, before the bid closing date and time. It is the responsibility of the arrangers to collect the Letters of Commitment from the potential investors and submit with IRFC. "No requests" for any change in the orders will be permitted after the Bid Closing Date & Time i.e. December 13th 2012 at 4.00 p.m.
5. Name of the applicant in the letter of commitment should be exactly same as mentioned in the Application Form.
6. Based on the Letters of commitment received, IRFC shall allocate the number of Bonds bid by the bidders under two different bond series on the basis of best issue price (lowest yield). The broad basis of allocation shall be as under:
 - a. There are two independent Bond Series under the current issue i.e. Series 85 with 10 year maturity. In case of oversubscription, the Issuer shall retain the option to assign preference to each Bond Series at its sole and absolute discretion upon receipt of Letters of Commitment from the bidders.
 - b. Full and firm allocation of Bonds shall be made to the bidders at the highest issue price either in their original or revised Letter of Commitment, subject to aggregate commitments received at such price not exceeding the overall issue size of Rs. 500 crores.
 - c. Allocation thereafter shall be made to the bidders bidding at "cut-off issue price" at the highest issue price, subject to aggregate commitments received at cut-off issue price along with commitments received at highest issue price not exceeding the overall issue size of Rs. 500 crores.
 - d. Thereafter allocation shall be made to the bidders bidding to subscribe the Bonds at issue price(s) lower than the highest issue price in sequential order at their respective quoted issue price(s) as per their original or revised Letter of Commitment such that overall issue amount does not exceed the overall issue size of Rs. 500 crores.
 - e. Further, within a set of bidders bidding to subscribe at the Bonds at the same issue price, allocation shall be made on pro-rata basis such that overall issue amount does not exceed the overall issue size of Rs. 500 crores.
 - f. The Arrangers/ Company shall communicate the final cut-off issue price along with the final allocation made to the investors on the date i.e. December 13, 2012 at 6:00 p.m. for intimation of allocation to investors
 - g. On receipt of the allocation advice, completed Applications along with proof of the remittance of requisite amount and other necessary documents may be submitted with the Arrangers who will submit the same to IRFC.
 - h. Application Form duly filled along with other documents shall be sent to Arrangers who would submit the same to IRFC within stipulated time.

- i. IRFC reserves the right to change/ cancel the Issue Schedule and also accept or reject any application, in part or in full, without assigning any reason.

48. 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.

49. 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.

50. 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.

51. NOMINATION FACILITY

As per Section 109 A of the Companies Act, 1956, 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.

52. 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, 1956, 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.

53. 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.

54. 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.

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

The Government of India, Ministry of Law, Justice & Company Affairs, Department of Company Affairs, has vide General circular no. 9/2002 No.6/3/2001-CL.V dated April 18, 2002 clarified that that ‘the adequacy’ of DRR for debentures issued by NBFCs and Financial Institutions within the meaning of Section 4A of the Companies Act, 1956, will be 50% of the value of debentures issued through public issue as per present SEBI (Disclosure and Investor Protection) Guidelines 2000 {now SEBI Issue of Capital & Disclosure Requirements Regulations, 2009} and no DRR is required in the case of privately placed debentures. The Issuer being a notified Public Financial Institution under section 4A of the Companies Act, 1956, the provision for maintaining DRR shall not be applicable to it. The Issuer has appointed a trustee to protect the interest of the investors.

56. 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.

57. 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, 1956.

58. 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 district courts of Delhi.

59. 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) in the demat account, non-receipt of refund order(s), interest warrant(s)/ cheque(s) etc. Contact details of the Compliance Officer are given elsewhere in this Disclosure Document.

X. CREDIT RATING FOR THE BONDS

CRISIL has accorded CRISIL (“**AAA**” **Stable**) vide its letter Ref no.MS-FRS-IRFC/2012-13/1319 dated [5th December,2012] for IRFC’s Annual Borrowing programme of Rs.15,000 Crore for FY 2012-13. ICRA Limited vide its letter no. D/RAT/2011-12/11/3 vide their letter dated 6th December, 2012 has also assigned a credit rating of “**(ICRA)AAA**” **with a Stable Outlook** for the entire borrowing programme of Rs.15,000 Crore for FY 2012-13. Further, the Company has received “**CARE AAA**” from CARE Ltd. which was intimated to the Company vide CARE’s letter dated 5th December, 2012. A copy each of rating letters received from the three abovementioned Credit Rating Agencies is enclosed elsewhere in this Disclosure Document.

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 Disclosure Document.

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.

XI. TRUSTEES FOR THE BONDHOLDERS

In accordance with the provisions of (i) 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,(ii) Securities and Exchange Board of India (Issue and Listing of Debt Securities)(Amendment)Regulations, 2012issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, as amended, (iii) Section 117B of the Companies Act, 1956 (1 of 1956) and (iv) Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993,the Issuer has appointed SBICAP Trustee Company Ltd., to act as Trustees (“Trustees”) for and on behalf of the holder(s) of the Bonds. The address and contact details of the Trustees are as under:

SBICAP Trustee Company Ltd.

8, Khetan Bhavan,
5th Floor, 198,
J. Tata Road,
Churchgate,
Mumbai-400020
Tel. 022-43025555
Fax : 022-43025500
E-mail: corporate@sbicaptrustee.com

A copy of letter no. 2261/STCL/OPR/2012-13/CL-409 dated 8th November, 2012 from SBI Caps Trustee Company Ltd. conveying their consent to act as Trustees for the current issue of Bonds is enclosed elsewhere in this Disclosure Document.

The Issuer hereby undertakes that a Debenture/ Bond Trust Deed ("Trust Deed") shall be executed by it in favour of the Trustees within three months of the closure of the Issue for securing the Bonds. The Trust Deed shall contain such clauses as may be prescribed under section 117A of the Companies Act, 1956 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 pro tanto to 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 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 creation of security for the Bonds and Bond/ Debenture Redemption Reserve.

XII. STOCK EXCHANGES WHERE BONDS ARE PROPOSED TO BE LISTED

The Bonds are proposed to be listed on the Wholesale Debt Market (WDM) segment of NSE and BSE Limited. NSE/BSE shall be the designated stock exchange for the purpose of present Issue of Bonds. The Issuer has made an application to NSE/BSE for seeking its in-principle approval for listing of Bonds offered under the terms of this Disclosure Document.

In terms of sub-section (1) of Section 73 of the Companies Act, 1956(1 of 1956), the Issuer shall make an application to NSE/BSE along with applicable disclosures within 15 days from the Deemed Date of Allotment of the Bonds to list the Bonds to be issued and allotted under this Disclosure Document. The Issuer shall complete all the formalities and seek listing permission within 20 days from the Deemed Date of Allotment.

If such permission is refused before the expiry of the 20 days from the Deemed Date of Allotment, the Issuer shall forthwith repay all monies received from the applicants in pursuance of the Disclosure Document.

In connection with listing of Bonds with NSE and BSE, the Issuer hereby undertakes that:

- (a) it shall comply with the conditions of listing as specified in the Listing Agreement for the Bonds;
- (b) the credit rating(s) obtained for the Bonds shall be periodically reviewed by the credit rating agency(ies) and any revision in the rating(s) shall be promptly disclosed by the Issuer to NSE/BSE;
- (c) any change in credit rating(s) shall be promptly disseminated to the Bondholder(s) in such manner as NSE/BSE may determine from time to time;
- (d) The Issuer, the Trustees and NSE/BSE shall disseminate all information and reports on the Bonds including compliance reports filed by the Issuers and the Trustees regarding the Bonds to the Bondholder(s) and the general public by placing them on their websites;
- (e) Trustees shall disclose the information to the Bondholder(s) and the general public by issuing a press release and placing on the websites of the Trustees, the Issuer and NSE/BSE, in any of the following events:
 - (i) default by Issuer to pay interest on the Bonds or redemption amount;
 - (ii) failure to create charge on the assets;
 - (iii) revision of the credit rating(s) assigned to the Bonds.
- (f) The Issuer shall, till the redemption of Bonds, submit its latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information such as Statement of Profit & Loss, Balance Sheet and Cash Flow Statement and auditor qualifications, if any, to the Trustees within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May11, 2009 as amended. Besides, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustees and the Trustees shall be obliged to share the details so submitted with all Qualified Institutional Buyers ("QIBs") and other existing Bondholder(s) within two working days of their specific request.

XIII. 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

- a. Copy of letters appointing Arrangers to the Issue.
- b. Copy of letter appointing Registrars and copy of MoU entered into between the Issuer and the Registrars.
- c. Copy of letter appointing Trustees to the Bondholders.

B. DOCUMENTS

- a. Board Resolution dated July 31st 2012 authorizing issue of Bonds offered under terms of this Disclosure Document.
- b. Letter of consent from SBICAP Trustee Company Ltd. for acting as Trustees for and on behalf of the holder(s) of the Bonds.
- c. Letter of consent from Karvy Computershare Pvt. Ltd. for acting as Registrars to the Issue.
- d. Letter from CRISIL conveying the credit rating dated December 5, 2012 for the Bonds of IRFC.
- e. Letter from CARE conveying the credit rating dated December 5, 2012 for the Bonds of IRFC.
- f. Letter from ICRA conveying the credit rating dated December 6, 2012 the Bonds of IRFC.
- g. Tripartite Agreement between IRFC, NSDL and Karvy Computershare Pvt. Ltd. for issue of Bonds in Dematerialized form.
- h. Tripartite Agreement between IRFC, CDSL and Karvy Computershare Pvt. Ltd. for issue of Bonds in Dematerialized form.

XIV. DECLARATION

The Issuer undertakes that this Disclosure Document contains full disclosures in accordance with 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, 2012issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, as amended.

The Issuer also confirms that this Disclosure Document 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 Disclosure Document also does not contain any false or misleading statement.

The Issuer accepts no responsibility for the statement made otherwise than in the Disclosure Document 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.

Signed pursuant to the authority granted by Bonds Committee of the Board of Directors of the Company at its meeting held on **16th November, 2012.**

for Indian Railway Finance Corporation Limited

(T. Behera)
General Manager (Bonds)

Place: New Delhi.

Date: 14.12.2012

CONFIDENTIAL

Ref.: No.: MS/FRS/IRFC/2012-13/1480

December 5, 2012

Mr. T. Behera
General Manager (Bonds)
Indian Railway Finance Corporation Limited
UG-Floor, East Tower,
NBCC Place, Bhisham Pitamah Marg,
Pragati Vihar, Lodhi Road
New Delhi 110 003
Ph: 011 – 24368070 / Fax: 011 – 24366710



Dear Mr. Behera,

Re: CRISIL Rating for the Rs.150.0 Billion Long Term Borrowing Programme (including Bonds and Long term loans) of Indian Railway Finance Corporation Limited.

All ratings assigned by CRISIL are kept under continuous surveillance and review.

Please refer to our rating letter dated November 7, 2012 bearing ref. no: MS/FRS/IRFC/2012-13/1319.

CRISIL has, after due consideration, reaffirmed "CRISIL AAA/Stable" (pronounced "CRISIL Triple-A with stable outlook") rating for the captioned Debt Programme. Instruments with this rating are considered to have the **highest degree of safety** regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to suspend, withdraw, or revise the rating / outlook assigned to the captioned programme at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL believes may have an impact on the rating.

In the event of your company not making the issue within a period of 180 days from the date of this letter, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Handwritten signature of Suman Chowdhury in black ink.

Suman Chowdhury
Director – Financial Sector Ratings

Handwritten signature of Manish Saraf in black ink.

Manish Saraf
Associate Director – Financial Sector Ratings

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor.

CRISIL has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. For the latest rating information on any instrument of any company rated by CRISIL, please contact CRISIL RATING DESK at CRISILratingdesk@crisil.com or at (+91 22) 3342 3001 – 09.

CRISIL Limited

Registered Office: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400 076. Phone: +91 (22) 3342 3000 Fax: +91 (22) 3342 3050
Web: www.crisil.com



ICRA Limited
An Associate of Moody's Investors Service

D/RAT/2012-13/11/4

December 6, 2012

Mr. T. Behera
General Manager (Bonds)
Indian Railway Finance Corporation Limited
UG-Floor, East Tower
NBCC place
Lodhi Road
New Delhi – 110003



Dear Sir,

Re: ICRA rating for Rs. 15,000 crore Long-term Borrowing Programme of Indian Railway Finance Corporation Limited for the year 2012-13

This is with reference to your letter dated December 4, 2012, for re-validating your rating for the Long-term Borrowing Programme of Rs.15,000 crore.

We confirm that the "[ICRA]AAA" rating (**pronounced ICRA triple A**) with a **Stable outlook**, assigned to the captioned Borrowing programme of your company and last communicated to you vide our letter dated November 8, 2012 stands. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref: D/RAT/2012-13/11/1 dated September 6, 2012.

With kind regards,
For ICRA Limited


Vibha Batra
Senior Vice President


Puneet Maheshwari
Senior Analyst

Building No. 8, 2nd Floor
Tower A, DLF Cyber City
Phase II, Gurgaon - 122002

Tel. : + 91 - 124 - 4545300
Fax : + 91 - 124 - 4050424

website : www.icra.in
email : info@icraindia.com

Regd. Office: 1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi - 110001

RATING • RESEARCH • INFORMATION



CREDIT ANALYSIS & RESEARCH LTD.

Shri T Behera,
General Manager (Bonds),
Indian Railway Finance Corporation Ltd.,
UG- Floor, East Tower, NBCC Place, Lodhi Road,
New Delhi-110003

B-47,3rd Floor,Inner Circle
Connaught Place New Delhi-110001
Tel. : + 91 11 45333200, 23716199
Fax : + 91 11 45333238, 23318701
Website : www.careratings.com

December 5, 2012

Dear Sir,

**Credit Rating of market borrowing programme
of Rs.15,000 crore for 2012-13**

Please refer to our letter dated 14th August 2012 and your request for revalidation of rating assigned to market borrowing programme of Rs.15,000 crore for the year 2012-13.

2. It has been decided to reaffirm the rating "CARE AAA" [Triple A] rating to the market borrowing programme for 2012-2013 aggregating Rs.15,000 crore of Indian Railway Finance Corporation Ltd. (out of which Rs.393.70 cr tax free bonds have already been placed till December 3, 2012). Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
3. Our rating symbols for various long-term instruments and explanatory notes thereon are annexed.
4. Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter.
5. Please inform us the details of issue [date of issue, name of investor, amount/s issued, interest rate/s, date of maturity] as soon as issue has been placed.
6. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
7. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be

Ankur

JK

CARE Ratings

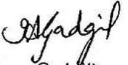
entitled to publicise/disseminate such suspension/withdrawal/revision in the assigned ratings in any manner considered appropriate by it, without reference to you.

8. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
9. CARE ratings are not recommendations to buy, sell or hold any security.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,


(Ankita Sehgal)
Manager

Yours faithfully,

(Jyotsna Gadgil)
Joint General Manager

Encl : As above



DISCLAIMER

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

"Credit Analysis and Research Limited is proposing, subject to market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed a red herring prospectus ("RHP") with the Registrar of Companies, Mumbai, Maharashtra. The RHP is available on the website of SEBI at www.sebi.gov.in and on the websites of the Book Running Lead Managers at www.investmentbank.kotak.com, www.dspml.com, www.edelweissfn.com, www.icicisecurities.com, www.idbicapital.com and www.sbicans.com. Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, see the section titled "Risk Factors" on page 15 of the RHP."

"This press release is not for publication or distribution to persons in the United States, and is not an offer for sale within the United States of any equity shares or any other security of Credit Analysis and Research Limited. Securities of Credit Analysis and Research Limited, including its Equity Shares, may not be offered or sold in the United States absent registration under U.S. securities laws or unless exempt from registration under such laws."

No. 2261 /STCL/OPR/2012-13/ CL - 409
Date: 8th November, 2012.



**SBICAP Trustee
Company Ltd.**

Indian Railway Finance Corporation Ltd
UG-Floor, East Tower, NBCC Place,
Bhisham Pitamah Marg, Pragati Vihar,
Lodhi Road, New Delhi – 110003.

Attn : Mr. T. Behera – General Manager (Bonds)

Dear Sir,

**Appointment of SBICAP Trustee Company Limited as Debenture Trustee for Private
Placement of Tax Free Bonds – 2012-13 aggregating to Rs. 10,000 crores**

We the undernamed, hereby give our consent to act as Debenture Trustee for the proposed captioned private issue of debentures and to include our name as Debenture Trustee in the Schedule I as per the Securities and Exchange Board of India guidelines.

We hereby authorise you to deliver this letter of consent to the stock exchange(s) or any other regulatory authority as may be required by law.

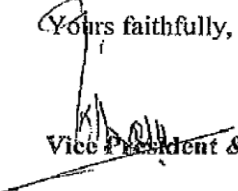
The following details with respect to us may be disclosed:

Name : SBICAP Trustee Company Limited
Address : 8, Khetan Bhavan, 5th Floor
198, J.T. Road, Churchgate, Mumbai- 400 20.
Telephone No. : 022-43025555
Fax No. : 022- 43025550
E-mail : corporate@sbicaptrustee.com
Website : www.sbicaptrustee.com
Contact Person : Mrs. Rupali Patil (Assistant Vice President- Operation)
Tel No. 022- 430 25501
Mr. Ajit Joshi (Company Secretary/Compliance Officer)
Tel. No. 022- 43025503

SEBI Registration No.: IND000000536

We confirm that we are registered with SEBI and that such registration is valid as on date of this letter.

Yours faithfully,


Vice President & COO



INDIAN RAILWAY FINANCE CORPORATION LTD.

(A Government of India Enterprise)

Regd office: UG Floor, East Tower, NBCC Place, Pragati Vihar, Lodhi Road, New Delhi-110 003

APPLICATION FORM FOR PRIVATE PLACEMENT OF Bond Series 85 & 85 A: Option 10/15Year respectively of TAX FREE SECURED REDEEMABLE NON CONVERTIBLE BONDS- 2012-13 OF FACE VALUE OF Rs. 10 LAKH EACH WITH BULLET REDEMPTION (AT THE END OF 10TH YEAR FOR SERIES 85 & 15TH YEAR SERIES 85 A, OF INR 20 CRORE WITH OPTION TO RETAIN OVERSUBSCRIPTION UPTO INR 480 CRORE.

Dear Sirs,

Having read, understood and agreed to the contents and terms and conditions of IRFC's Disclosure Document dated December 13, 2012, i/we hereby apply for allotment to me/us, of the under mentioned Bonds (hereinafter referred to as "Bonds"), out of the Private Placement Issue. I/We irrevocably give my/ our authority and consent to **SBI Cap Trustee Company Ltd.**, to act as my/our Trustees and for doing such acts and signing such documents as are necessary to carry out their duties in such capacity. The amount payable on application as shown below is remitted herewith. I/We note that the Board of Directors is entitled in their absolute discretion to accept or reject this application in whole or in part without assigning any reason whatsoever.

I/we confirm that I/we have not received and will not receive any commission or brokerage or any other incentive in any form, directly or indirectly, for subscribing to the Issue.

For Office Use Only

Date of Receipt of Application

		/	1	2	/	1	2
--	--	---	---	---	---	---	---

Date of realization of funds

		/	1	2	/	1	2
--	--	---	---	---	---	---	---

APPLICANT'S DETAILS

(PLEASE READ CAREFULLY THE INSTRUCTIONS ON THE NEXT PAGE BEFORE FILLING UP THIS FORM)

SOLE/FIRST APPLICANT'S NAME IN FULL SIGNATORY	SIGNATORY/AUTHORISED
SECOND APPLICANT'S NAME	
THIRD APPLICANT'S NAME	
ADDRESS (Do not repeat name) (Post Box No. alone is not sufficient)	
TEL	FAX
PIN CODE	

SOLE/ FIRST APPLICANT CATEGORY (Tick one)

<input type="checkbox"/> QUALIFIED INSTITUTIONAL BUYERS (QIBs) Please Specify (Refer details given the application form / disclosure document)
<input type="checkbox"/> CORPORATES Please Specify (Refer details given the application form / disclosure document)
<input type="checkbox"/> HIGH NETWORTH INDIVIDUALS Please Specify (Refer details given the application form / disclosure document)

INVESTMENT DETAILS (Face value per bond Rs. 10,00,000)

Tenures (compulsory to tick one or combination)	<input type="checkbox"/> Series 85 (10 years)	<input type="checkbox"/> Series 85 A (15 years)
Coupon Rate	7.19% p.a. (annual)	7.36% p.a. (annual)
Total number of bonds allocated (A)		
Bid Price per Bond per (B)		
Issue price per bond (C) = (B * 1000000)		
Total Issue price of Bonds allocated against which with application money is payable by the applicant (D) = (C * A)		

PAYMENT DETAILS

Total Amount Payable	
(Rs. in figures)	(Rs. in words)

UTR No.	
Dated	
Name of the Bank	
Branch	

Bank Funds transfer may be done in favour of **"IRFC Tax - Free Bond Issue fifth Tranche December-2012"**.

SOLE/ FIRST APPLICANT'S BANK DETAILS (Ref. Instructions)

INCOME TAX DETAILS (Ref. Instructions)

Bank Name	
Branch	
City	
Account Number	
Type of Account	<input type="checkbox"/> Savings <input type="checkbox"/> Current <input type="checkbox"/> Others

	Sole/ First Applicant	Second Applicant	Third Applicant
P.A,N./ G.I.R. NO.			
I.T. Circle/ Ward/ District No.			

TO BE FILLED IN ONLY IF THE APPLICANT IS AN INSTITUTION

Name of the Authorised Signatory(ies)	Designation	Signature
1.	1.	
2.	2.	
3.	3.	
4.	4.	

DETAILS FOR ISSUE OF BONDS IN ELECTRONIC/ DEMATERIALIZED FORM

Depository Name (please tick)	<input type="checkbox"/> NSDL	<input type="checkbox"/> CDSL
Depository Participant Name		
DP-ID Number		
Client-ID		
Beneficiary Account Number		
Name of the Applicant		

APPLICANT'S SIGNATURE(S)

Sole/ First Applicant	
Second Applicant	
Third Applicant	

-----*-----*(Tear Here)-----*-----*



ACKNOWLEDGEMENT SLIP
(To be filled in by the applicant)

INDIAN RAILWAY FINANCE CORPORATION LTD.

(A Government of India Enterprise)

Regd office: UG Floor, East Tower, NBCC Place, Pragati Vihar, Lodhi Road, New Delhi-110 003

APPLICATION FORM FOR PRIVATE PLACEMENT OF Bond 85 & 85A: Option 10/15Year respectively of TAX FREE SECURED REDEEMABLE NON CONVERTIBLE BONDS OF FACE VALUE OF Rs. 10 LAKH EACH BULLET REDEMPTION (AT THE END OF 10TH YEAR FOR SERIES 85 & 15TH YEAR FOR SERIES 85 A OF INR 20 CRORE WITH OPTION TO RETAIN OVERSUBSCRIPTION UPTO INR 480 CRORE.

Received from _____ an application for _____ Bonds for 10 year (Series 85) &/or _____ Bonds for 15 year (Series 85 A)
 Address _____ cheque/ draft /utr no. _____ dated _____
 _____ Drawn on _____
 _____ for INR. (in figures) _____
 _____ Pin Code _____ for INR (in words) _____

INSTRUCTIONS

1. Application must be for a minimum size of 2 Bonds (INR 20 Lakhs) and in multiple of 1 Bond (INR 10 Lacs) thereafter.
2. Application must be in the name of eligible investors as detailed in the Information Memorandum / Notification.
3. Application must be completed in full BLOCK LETTER IN ENGLISH except in case of signature. Applications, which are not complete in every respect, are liable to be rejected.
4. Signature should be in English or Devnagri scripts. Signatures in scripts other than these must be authenticated by a Magistrate or a Special Executive Magistrate.
5. Bank Funds transfer may be done in favour of "IRFC Tax Free Bonds Issue fifth Tranche-December-2012",
A/c No.32708670102 RTGS code- SBIN0011777, CAPITAL MARKET BRANCH,MUMBAI.
6. The interest is not subject to Tax deducted at source in view of Tax Free Bonds but the interest on application money, if any would be subject to TDS as per prevalent law.
7. The Original Application Form must be accompanied with duly filed up "KNOW YOUR CUSTOMER FORM" as enclosed along with documents in support.
8. The Original Application Form along with relevant documents should be forwarded to the Corporate Office, by Courier on the same day the application money is deposited in the Bank. A copy of PAN Card must accompany the application.
9. In the event of bonds offered being oversubscribed, the same will be allotted in such manner and proportion as may be specified in Information Memorandum / Notification / decided by the committee constituted by the Corporation.
10. The bonds shall be issued in Demat form only and subscribers may carefully fill in the details of Client ID/ DP ID.
11. In the case of application made under Power of Attorney or by limited companies, corporate bodies registered societies, trusts etc., following documents (attested by Company Secretary /Directors) must be lodged along with the application or sent directly to along with a copy of the Application Form.
 - a. Certificate of Incorporation and Memorandum & Articles of Association
 - b. Resolution of the Board of Directors/Trustee and identification of those who have authority to operate
 - c. Power of attorney granted to its managers, officers or employees to transact business on its behalf
 - d. Any officially valid document to identify the trustees, settlers, beneficiaries and those holding Power of Attorney
 - e. Resolution of the managing body of the foundation / association
 - f. Certificate of registration
 - g. Telephone Bill
 - h. PAN (otherwise exemption certificate by IT authorities)
 - i. Tax exemption certificate issued by the competent authority, if applicable.
12. The attention of applicants is drawn to Sub-Section (i) of Section 68-A of the Companies Act, 1956, which is reproduced below:

Any person who"
 - a. make in a fictitious name an application to a Corporation for acquiring for any shares therein or
 - b. otherwise induces a Corporation to allot or register any transfer of shares therein to him or any other person in fictitious name, shall be punishable with imprisonment for a term which may extend to five years.
13. The terms and conditions specified in Information Memorandum / CBDT Notification for Tax Free Bonds must be read before investment.

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
Department of Revenue
[CENTRAL BOARD OF DIRECT TAXES]

Notification

New Delhi, the 6 November, 2012

5.0. (E) - In exercise of the powers conferred by item (h) of sub-clause (iv) of clause (15) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby authorises the entities mentioned in column (2) of the following Table, to issue, during the financial year 2012-13, tax-free, secured, redeemable, non-convertible bonds, aggregating to amounts mentioned in column (3) of the said table, subject to the conditions specified hereunder: -

- (a) **Eligibility.**- The following shall be eligible to subscribe to the bonds: -
- (i) Retail Individual Investors (RII);
 - (ii) Qualified Institutional Buyers (QIBs);
 - (iii) Corporates;
 - (iv) High Net Worth Individuals (HNIs);
- (b) **Tenure of bonds.**- (i) In the case of India Infrastructure Finance Company Limited (IIFCL), the tenure of the bonds shall be for ten, fifteen or twenty years;
- (ii) in other cases, the tenure of the bonds shall be for ten or fifteen years;
- (c) **Permanent Account Number.**- It shall be mandatory for the subscribers to furnish their Permanent Account Number to the issuer;
- (d) **Rate of interest.** - (i) There shall be a ceiling on the coupon rates based on the reference Government security (G-sec) rate;
- (ii) The reference G-sec rate would be the average of the base yield of G-sec for equivalent maturity reported by Fixed Income Money Market and Derivative Association of India (FIMMDA) on a daily basis (working day) prevailing for two weeks ending on the Friday immediately preceding the filing of the final prospectus with the Exchange or Registrar of Companies (ROC) in case of public issue and the Issue opening date in case of private placement;
- (iii) The ceiling coupon rate for AA rated issuers shall be the reference G-sec rate less 50 basis points in case of Retail Individual Investors (RII); and reference G-sec rate less 100 basis points in case of other investor segments, like Qualified Institutional Buyers (QIBs), Corporate and High Net Worth Individuals (HNIs);
- (iv) In case the rating of the issuer entity is above AA, a reduction of 15 basis points shall be made in the ceiling rate, as compared to the ceiling rate for AA rated entities [as given in clause (iii)];

- (v) These ceiling rates shall apply for annual payment of interest and in case the schedule of interest payments is altered to semi-annual, the interest rates shall be reduced by 15 basis points;
- (vi) The higher rate of interest, applicable to retail investors, shall not be available in case the bonds are transferred, except in case of transfer to legal heir in the event of death of the original investor;
- (e) **Issue expense and brokerage.**- (i) In the case of private placement, the total issue expense shall not exceed 0.2% of the issue size and in case of public issue it shall not exceed 0.5% of the issue size;
- (ii) The issue expense would include all expenses relating to the issue like brokerage, advertisement, printing, registration etc.;
- (iii) The brokerage, in cases of different categories, shall be limited to the following ceilings:-
- (I) QIB - 0.05%
 - (II) Corporates - 0.1%
 - (III) HNI - 0.15%
 - (IV) RJI - 0.75%;
- (f) **Public issue.**- (i) At least 75% of the aggregate amount of bonds issued by each entity shall be raised through public issue;
- (ii) 40% of such public issue shall be earmarked for retail investors;
- (g) **Private placement.**- (i) While adopting the private placement route to issue the bonds, each entity shall adopt the book building approach as per the Regulations 11 of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008, wherein bids shall be sought on the coupon rate subject to a ceiling specified by the entity and the allotment shall be made at the price bid;
- (ii) The bonds shall be paid for and issued at a premium but with a fixed coupon so that the instrument can be traded under a single International Securities Identification Number (ISIN) and the yield shall be worked based on the price quoted and then allotment shall be done for best price (lowest yield);
- (iii) The ceiling rate of the interest shall either be equal to or lower than the rate mentioned in paragraph (d);
- (iv) While calling for bids, there shall be no limit on the number of arrangers who can bid for the issue;
- (v) The issue size shall be limited to rupees five hundred crores for each tranche;
- (h) **Repayment of bonds.**-(i) The issuer entity shall submit a financing plan to the Ministry of Finance to demonstrate its ability to repay the borrowed funds once the repayment becomes due;
- (ii) This financing plan shall be submitted to the Infra-Finance Section, Infrastructure and Investment Division, Department of Economic Affairs, Ministry of Finance, within three months of closure of the issue, duly supported by a resolution of the respective entity's Board of Directors;
- (i) **Selection of merchant bankers.**- Merchant bankers shall be selected through competitive bidding process wherein the only technical criteria for pre-qualification shall

be the total funds mobilised through public issue of debt and equity together over the past five years and after pre-qualification, the final selection shall be based on financial bids;

- (j) The benefit under the aforesaid section 10 shall be admissible only if the holder of such bonds registers his, her or it's name and the holding with the entity.

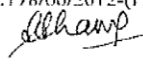
Table

S.No. (1)	Entities (2)	Aggregate amount of bonds, (3)
1.	National Highways Authority of India	Rs. 10,000 crores
2.	Indian Railway Finance Corporation Limited	Rs. 10,000 crores
3.	India Infrastructure Finance Company Limited	Rs. 10,000 crores
4.	Housing and Urban Development Corporation Limited	Rs. 5,000 crores
5.	National Housing Bank	Rs. 5,000 crores
6.	Power Finance Corporation	Rs. 5,000 crores
7.	Rural Electrical Corporation	Rs. 5,000 crores
8.	Jawaharlal Nehru Port Trust	Rs. 2,000 crores
9.	Dredging Corporation of India Limited	Rs. 500 crores
10.	Ennore Port Limited	Rs. 1,000 crores

Explanation.- For the purposes of this notification.-

- (i) Qualified Institutional Buyers shall have the same meaning as assigned to them in the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000.
- (ii) Retail Individual Investors means those individual investors, Hindu Undivided Family (through Karta), and Non Resident Indians (NRIs), on repatriation as well as non repatriation basis, applying for upto Rs. ten lakhs in each issue ; and individual investors investing more than Rs. ten lakhs shall be classified as High Net Worth Individuals.
- (iii) The bonds issued to NRIs shall be subject to the provisions of Notification No. FEMA 4/2000-RB dated 3rd May, 2000 and Notification No. FEMA 20/2000-RB dated 3rd May, 2000, issued under clause (b) of sub-section (3) of Section 6 and Section 47 of the Foreign Exchange Management Act, 1999, as amended from time to time.
- (iv) The credit rating referred to in paragraph (d) of this notification shall mean the credit rating, as assigned by a credit rating agency which is approved by the Securities and Exchange Board of India as well as the Reserve Bank of India and where an entity has been rated differently, by more than one rating agency, the lower of the two ratings shall be considered.

[Notification No. 4/2012, F.No.178/60/2012-(ITA.1)]


(SURABHI SHARMA)
Under Secretary (ITA.1)