



इंडियन रेलवे फाइनेंस कॉर्पोरेशन लिमिटेड

(भारत सरकार का उपक्रम) (सी आई एन : U65910DL1986GOI026363)

पंजीकृत कार्यालय : यू.जी. फ्लोर, ईस्ट टॉवर, एन.बी.सी.सी. प्लेस, भीष्म पितामह मार्ग, प्रगति विहार, लोधी रोड, नई दिल्ली-110003

दूरभाष : 24369766-69, फैक्स : 24369770

INDIAN RAILWAY FINANCE CORPORATION LTD.

(A Government of India Enterprise) (CIN : U65910DL1986GOI026363)

Regd. Office : UG-Floor, East Tower, NBCC Place, Bhisham Pitamah Marg, Pragati Vihar, Lodhi Road, New Delhi-110 003

Phone : 24369766 - 69, Fax : 24369770, E-mail : info@irfc.nic.in, Website : www.irfc.nic.in

No: IRFC/SE/2020-21/13

13th February, 2021

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

Sub: Outcome of Meeting of the Board of directors held on 13th February, 2021

Sir/ Madam,

We wish to inform you that pursuant to the applicable provisions of SEBI Listing Regulations the Board of Directors of the Company at its meeting held on Saturday, 13th February, 2021 inter alia, considered and approved the following:

1. Approval of the Unaudited Financial Results for the quarter ended 31st December, 2020

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended from time to time, this is to inform that Board of Directors at their meeting inter-alia, considered and approved the un-audited Financial Results along with limited Review Report issued by Statutory Auditors for the quarter ended 31st December, 2020.

2. Interim dividend

Pursuant to Regulation 30 and 43 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended from time to time, it is hereby informed that the Board of Directors of Company have declared an interim dividend of Rs. 1.05/- (One Rupees Five Paise only) per equity share of Rs 10/ each.

Further, as informed vide letter dated 9th February, 2021, the 20th February, 2021 is the Record date for determining eligibility of shareholders for payment of the said interim Dividend, as declared by the Board.

The dividend will be paid in the account of the shareholder(s) or the dividend warrant(s) in respect thereof will be dispatched on or after 4th March, 2021.

Shareholder(s) are kindly requested to update/ submit details for TDS on dividend to Registrar and Transfer Agent at irfc@beetalfinancial.com on or before 22nd February, 2021.



3. Change in Registrar & Share Transfer Agent (RTA).

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended from time to time, this is to inform that the Company has appointed

M/s. Beetal Financial & Computer Services Pvt Ltd.
Beetal House, 3rd Floor,
99, Madangir, Behind LSC, New Delhi - 110062
Ph. 011-29961281-283, 26051061, 26051064 Fax 011-29961284

as Registrar & Share Transfer Agent of the Company with effect from 13th February, 2021 in place of M/s Karvy Computershare Pvt. Ltd., Hyderabad.

Further, in terms of the Regulation 7, Company is under process of executing necessary agreements with Beetal and the same shall be intimated.

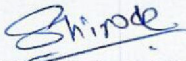
4. Appointment of Secretarial Auditor for the FY 2020-21 & 2021-22

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended from time to time, this is to inform that the M/s Navneet K Arora & Co LLP (Company Secretaries), has been appointed as Secretarial Auditor for the FY 2020-21 & 2021-22.

The Board Meeting commenced at 12:00 noon and concluded at 1.30pm.

This is submitted for your information and record.

Thanking You,
For Indian Railway Finance Corporation Limited


(Vijay Babulal Shirode)
Company Secretary & Compliance Officer



Encl: As Above

INDIAN RAILWAY FINANCE CORPORATION LIMITED

(A Government of India Enterprise)

CIN U65910DL1986GOI026363

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

Extract of Unaudited Financial Results for the quarter and nine month ended 31st December 2020

(Amounts in millions of INR, unless stated otherwise)

Particulars	Quarter Ended			Nine Month Ended		Year Ended
	31st December 2020 (Unaudited)	30th September 2020 (Audited)	31st December 2019 (Audited)	31st December 2020 (Unaudited)	31st December 2019 (Audited)	31st March 2020 (Audited)
(I) Total Revenue From Operations	39,323.87	37,138.99	36,407.31	1,13,155.07	1,02,154.99	1,34,210.17
(II) Profit Before Exceptional Items and Tax						
(III) Profit Before Tax	10,467.40	9,950.33	9,070.40	29,335.81	25,374.33	31,920.96
(IV) Profit for the Period	10,467.40	9,950.33	9,070.40	29,335.81	25,374.33	31,920.96
(V) Total Comprehensive Income for the Year	10,477.16	9,940.58	9,076.61	29,349.81	25,373.41	31,915.44
(VI) Paid up Equity Share Capital (Face Value of Rs. 10/- Per Share)	1,18,804.60	1,18,804.60	93,804.60	1,18,804.60	93,804.60	1,18,804.60
(VII) Reserves Excluding Revaluation Reserves (As Per Balance Sheet of Previous Accounting Year)	NA	NA	NA	NA	NA	1,84,192.92
(VIII) Earning Per Share*						
(Before Initial Public Offer)						
- Basic (Rs.)						
- Diluted (Rs.)	0.88	0.84	0.97	2.47	2.71	3.40
(After Initial Public Offer)						
- Basic (Rs.)	0.80	0.76	0.86	2.25	2.40	3.02
- Diluted (Rs.)	0.80	0.76	0.86	2.25	2.40	3.02

* EPS of the quarter and nine month ended are not annualised

- Note:**
- The above is an extract of the detailed format for the quarter and nine month ended 31st December 2020 financial results filed with the stock exchange under regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The full format of the quarter and nine month ended 31st December 2020 financial results is available on the website of the stock exchanges (www.bseindia.com and www.nseindia.com) and the website of the Company (www.irfc.nic.in).
 - Shareholder(s) are kindly requested to update/ submit details for TDS on dividend to Registrar and Transfer Agent at irfc@beetalfinancial.com on or before 22nd February, 2021.



Place: New Delhi

Dated: 13th February 2021


 (Amitabh Banerjee)
 Chairman & Managing Director
 DIN: 03315975

Important Notice: Member are requested to register/update their E-mail ID with company/Depository participants/Company's Registrar & Transfer Agent which will be used for sending official documents through e-mail in future.

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

Statement of Unaudited Financial Results for the quarter and nine month ended 31st December 2020

(Amounts in millions of INR, unless stated otherwise)

Particulars	Quarter Ended			Nine Month Ended		Year Ended
	31st December 2020	30th September 2020	31st December 2019	31st December 2020	31st December 2019	31st March 2020
	(Unaudited)	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)
Revenue from Operations						
(i) Interest Income	10,504.93	8,445.15	8,470.30	27,672.69	22,505.20	27,479.98
(ii) Dividend Income	-	2.32	2.64	2.32	2.64	5.92
(iii) Lease Income	28,818.94	28,691.52	27,934.37	85,480.06	79,647.15	1,06,724.27
(I) Total Revenue From Operations	39,323.87	37,138.99	36,407.31	1,13,155.07	1,02,154.99	1,34,210.17
(II) Other Income	0.73	2.69	2.11	3.46	2.11	0.73
(III) Total Income (I + II)	39,324.60	37,141.68	36,409.42	1,13,158.53	1,02,157.10	1,34,210.90
Expenses						
(i) Finance Costs	28,782.44	27,002.92	27,256.24	83,192.24	76,629.48	1,01,626.62
(ii) Impairment on Financial Instruments	5.98	13.94	5.50	(8.38)	(15.73)	21.41
(iii) Employee Benefit Expense	26.81	13.92	12.79	53.35	35.31	62.65
(iv) Depreciation, Amortization and Impairment	1.17	1.17	1.22	3.51	3.38	4.58
(v) Other Expenses						
- Corporate Social Responsibility (CSR)	19.59	150.96	50.09	532.61	85.91	494.49
- Others	21.21	8.44	13.18	49.39	44.42	80.19
(IV) Total Expenses	28,857.20	27,191.35	27,339.02	83,822.72	76,782.77	1,02,289.94
(V) Profit Before Exceptional Items and Tax (III- IV)	10,467.40	9,950.33	9,070.40	29,335.81	25,374.33	31,920.96
(VI) Exceptional Items	-	-	-	-	-	-
(VII) Profit Before Tax (V- VI)	10,467.40	9,950.33	9,070.40	29,335.81	25,374.33	31,920.96
(VIII) Tax Expense						
- Current Tax	-	-	-	-	-	-
- Deferred Tax	-	-	-	-	-	-
- Adjustment for Earlier Years	-	-	-	-	-	-
Total Tax Expenses	-	-	-	-	-	-
(IX) Profit for the Period From Continuing Operations (VII- VIII)	10,467.40	9,950.33	9,070.40	29,335.81	25,374.33	31,920.96
(X) Profit from Discontinued Operations	-	-	-	-	-	-
(XI) Tax Expense of Discontinued Operations	-	-	-	-	-	-
(XII) Profit from Discontinued Operations (After Tax) (X-XI)	-	-	-	-	-	-
(XIII) Profit for the Period (IX+XII)	10,467.40	9,950.33	9,070.40	29,335.81	25,374.33	31,920.96
(XIV) Other Comprehensive Income						
(A) (i) Items that will not be reclassified to profit or loss						
- Remeasurement of defined benefit plans	0.06	0.56	(0.28)	0.23	(0.86)	(0.35)
- Remeasurement of Equity Instrument	9.70	(10.31)	6.49	13.77	(0.06)	(5.17)
(ii) Income tax relating to Items that will be reclassified to profit or loss						
- Remeasurement of defined benefit plans	-	-	-	-	-	-
- Remeasurement of Equity Instrument	-	-	-	-	-	-
Subtotal (A)	9.76	(9.75)	6.21	14.00	(0.92)	(5.52)
(B) (i) Items that will be reclassified to profit or loss						
(ii) Income tax relating to Items that will be reclassified to profit or loss						
Subtotal (B)	-	-	-	-	-	-
(XV) Other Comprehensive Income (A + B)	9.76	(9.75)	6.21	14.00	(0.92)	(5.52)
(XVI) Total Comprehensive Income for the Year (XV+XIII)	10,477.16	9,940.58	9,076.61	29,349.81	25,373.41	31,915.44
(XVII) Paid up Equity Share Capital (Face Value of Rs. 10/- Per Share)	1,18,804.60	1,18,804.60	93,804.60	1,18,804.60	93,804.60	1,18,804.60
(XVIII) Reserves Excluding Revaluation Reserves (as per balance sheet of previous accounting year)	NA	NA	NA	NA	NA	1,84,192.92
(XIX) Analytical Ratios						
Earnings per equity share (Face Value of Rs. 10/- per share)*						
(Before Initial Public Offer)						
- Basic (Rs.)	0.88	0.84	0.97	2.47	2.71	3.40
- Diluted (Rs.)	0.88	0.84	0.97	2.47	2.71	3.40
(After Initial Public Offer)						
- Basic (Rs.)	0.80	0.76	0.86	2.25	2.40	3.02
- Diluted (Rs.)	0.80	0.76	0.86	2.25	2.40	3.02

* EPS of the Quarters and 9 month ended are not annualised



NOTES:

- 1 These financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') - 34 'Interim Financial Reporting', notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.
- 2 The Company has decided to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 on 20th September, 2019. After exercising the option of Section 115BAA, the taxable income under the provisions of Income Tax Act, 1961 comes to nil. Further, after adoption of Section 115BAA, the Company is outside the scope and applicability of MAT provisions under Section 115JB of Income Tax Act, 1961.
- 3 As per Gazette notification No S.O 529 (E) dated 5th February 2018, as amended by notification no S.O. 1465 dated 2nd April 2018 issued by Ministry of Corporate Affairs, Government of India, the provisions of Ind AS 12 relating to Deferred Tax Asset/Deferred Tax Liability does not apply to the Company w.e.f. 1st April 2017, accordingly, no provision has been made for Deferred tax liabilities/Deferred tax assets.
- 4 The Company has completed its Initial Public Offering (IPO) of 1,78,20,69,000 equity shares of face value of Rs.10/- each at an issue price of Rs.26/- per equity share aggregating to Rs. 46,333.79 millions, consisting of fresh issue 1,18,80,46,000 equity shares aggregating to Rs. 30,889.20 millions and an offer for sale of 59,40,23,000 equity shares aggregating to Rs. 15,444.60 millions by the Government of India. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on 29th January 2020. Accordingly, these unaudited financial results for the quarter and nine month ended 31st December 2020 are drawn up for the first time in accordance with Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (the "Listing Requirements").

The utilisation of IPO proceeds is summarised as below:

Particulars / Objects of the Issue	Amount (Rs. in Millions)		
	Amount raised	Upto the date of Board Meeting approving these	
		Utilised	Unutilised
Augmenting our equity capital base to meet our future capital requirement arising out of growth in our business	30,118.76	30,118.76	-
General Corporate Purpose	500.00	-	500.00
Net Proceeds*	30,618.76	30,118.76	500.00

* Net of Issue expense of Rs. 270.44 millions (also unutilised).

- 5 Estimation of uncertainty relating to the Global Health Pandemic COVID-19

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

The Company has evaluated the impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial results. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue monitoring any material changes to future economic conditions.

- 6 The Company during the current financial year initiated a detailed reconciliation of various ledgers of Ministry of Railways, Government of India (MoR) maintained in its books of accounts. The reconciliation is still under process owing to unprecedented situation arising out of COVID-19 and for want of additional information from MoR. The Company noted certain items that required adjustments in financial statements / information of earlier years as per Ind AS 8, Accounting Policies, Changes in Accounting Estimates & Errors as under:

Financial Year	All amounts in Rs. million		
	Impact on Profit Before Tax being Decrease in Profits	Impact u/s 115JB of the Income - tax Act, 1961	Impact on Other Equity as on 31st March 2020
2017-18	(605.49)	129.22	(476.27)
2018-19	(1,462.42)	315.13	(1,147.29)
2019-20	(5,003.27)	Nil*	(5,003.27)
Total	(7,071.18)	444.35	(6,626.83)
2019-20 (For the quarter ended 31st December 2019)	(1,238.79)	Nil*	(1,238.79)
2019-20 (For the nine month ended 31st December 2019)	(2,082.81)	Nil*	(2,082.81)

*The company has opted for taxation under section 115BAA of the Income - tax Act, 1961 for financial year 2019-20 & onwards. Hence, the provisions of minimum alternate tax under section 115JB of the Income - tax Act, 1961 are no longer applicable to the Company.

The material consequent impact is decrease in the amount recoverable from MoR, increase in tax refundable from taxation authorities. It may be noted that reconciliation is still under progress. However, no further material adjustment is expected. Necessary consequential restatement has been made in the aforesaid financial information related to quarter and nine month ended 31st December 2019 & year ended 31st March 2020.



Reconciliation of the restatements in the profit & loss account related to quarter ended and nine month ended 31st December 2019 & year ended 31st March 2020 is as under:

Particular	For quarter ended 31st December 2019	For the nine month ended 31st December 2019	For the year ended 31st March 2020
Lease Income (Audited)	28,356.38	80,913.18	1,10,299.37
Adjustments as discussed above	(422.01)	(1,266.03)	(3,575.10)
Restated Lease Income	27,934.37	79,647.15	1,06,724.27
Interest Income (Audited)	8,470.30	22,505.20	28,079.35
Adjustments as discussed above*	-	-	(599.37)
Restated Interest Income	8,470.30	22,505.20	27,479.98
* Adjusted from Pre-Commencement Lease Income (Part of Interest Income)			
Finance Cost (Audited)	26,439.46	75,812.70	1,00,797.81
Adjustments as discussed above	816.78	816.78	828.81
Restated Finance Cost	27,256.24	76,629.48	1,01,626.62
Net Impact on Profit & Loss Account	(1,238.79)	(2,082.81)	(5,003.28)
Reserves & Surplus excluding revaluation reserve (Audited)	-	1,81,433.23	1,90,819.74
Adjustments as discussed above	-	(3,706.36)	(6,626.82)
Restated Reserves & Surplus excluding revaluation reserve	-	1,77,726.87	1,84,192.92

7. IRFC commenced project funding to MoR (Ministry of Railways) for creation & development of railway infrastructure projects in October 2015 under finance lease model with commencement of lease rentals after a gestation period of 5 years in October 2020 as per memorandum of understanding entered with MoR in 23th May, 2017. The amount advanced to MoR has been shown as 'Advance to MoR for Railway Infrastructure Projects'. The requisite recognition & measurement of lease receivables, finance income, etc. as per Ind AS 116, Leases is yet to be carried out as the terms & conditions of the finance lease arrangements are under discussion & finalization. In the absence of concrete / firm information, determination of impact thereof on the aforesaid financial information is presently not ascertainable.
- (a) The pre-lease income on financing of Railway Infrastructure projects has been accounted for at the average cost of incremental borrowing plus margin on the funds amounting to Rs. 1,60,500.00 millions transferred to MoR during the nine month ended 31st December 2020 (31st December 2019: Rs. 1,68,111.00 millions, 31 March 2020: Rs. 3,26,240.00 millions). The margin for the year 2020-21 is yet to be decided. The effect of any variation in income due to change in margin or allocation of borrowing to Railway Infrastructure Projects would be given at the time of finalisation of cost and margin for the current financial year 2020-21 in consultation with MoR.
- 8 For computing the Lease Rental in respect of the rolling stock assets acquired and leased to the Ministry of Railways amounting to Rs. 1,91,288.32 millions during the nine month ended 31st December 2020 (31st December 2019: Rs. 2,45,597.19 millions, 31 March 2020: Rs. 3,64,400.00 Millions), the Lease Rental Rate and the Internal Rate of Return have been worked out with reference to the average cost of incremental borrowings made during the nine month period plus the margin equivalent to the previous year. The lease agreement in respect of these assets is yet to be executed and is accordingly based on the Lease Rentals and IRR with reference to average cost of annual incremental borrowings during the year ended plus margin decided at that time. Any variation in the lease rental rate or the internal rate of return for the year will be accounted for at that time.
- 9 The Company's main business is to provide leasing and financing to Railway Sector in India. As such, there are no separate reportable business segments within the meaning of Indian Accounting Standard (Ind AS 108 'Operating Segments.')
- 10 Previous period figures have been regrouped / rearranged. Details of regrouping/ rearrangement have been given as under:
- (a) Till 31st December 2019, Interest Income from application money was grouped under "Other Income" in Statement of Profit & loss. As advised by Comptroller and Auditor General of India (CAG), the same is now grouped under "Revenue from Operations" in the Statement of Profit & Loss since year ended 31st March 2020. Therefore, interest on application money for the nine month ended of Rs. 50.69 millions 31st December 2019 have been regrouped.
- (b) During the year ended 31st March 2020, in view of clarification provided in letter no. F.No.17/16/2017-CL-V dated 20th March 2020 by Ministry of Corporate Affairs, Government of India, Rs. 64,641.40 million being the deferred tax liability credited before 1st April 2017 and as appearing in its books of account have been reversed with effect from the date of transition to Ind AS being 1st April 2017 in accordance with the Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.
- 11 The above financial results were reviewed by the Audit Committee at the meeting held on 13th February 2021 and approved and taken on record by the Board of Directors at the meeting held on 13th February 2021. These have been subjected to limited review by the statutory auditors of the Company.
- 12 In the aforesaid financials results all the figures are audited except for the figures of quarter & nine month ended 31st December 2020. Further the figures for the quarter ended the September 2020 is derived based on the limited review results for the quarter ended 30th June 2020 and audited results for the 6 month ended 30th September 2020. The status of review / audit of financials statements of various periods is as under:

Description of Financial Statements	Nature of Review	Name of the Auditor	Approved by Board on	Approved by Shareholders on
a) As at and 6 month ended 30.09.2019	Audited	SPMG & Co.	11-11-2019	NA
b) As at and 9 month ended 31.12.2019	Audited	SPMG & Co.	17-02-2020	NA
c) As at and year ended 31.03.2020	Audited	SPMG & Co.	28-08-2020	30-09-2020
d) As at and 3 month ended 30.06.2020	Limited Review	KBDS & Co.	23-10-2020	NA
e) As at and 6 month ended 30.09.2020	Audited	KBDS & Co.	02-12-2020	NA

Place: New Delhi
Dated: 13th February 2021




(Amitabh Banerjee)
Chairman & Managing Director
DIN: 03315975

Withholding tax on dividend

Shareholders may note that the Income tax Act, 1961, ("the IT Act"), as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of shareholders. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of Interim dividend declared by the Board at its meeting held on 13th February, 2021. In order to enable us to determine the appropriate TDS rate as applicable, shareholders are

- 1 Shareholders holding shares in dematerialized mode are requested to update their records such as tax residential status, and permanent account number (PAN), and register their email addresses, mobile numbers and other details with the relevant depositories through their depository participants. Shareholders holding shares in physical mode are requested to furnish details to the Company's registrar and share transfer agent, Beetal Financial & Computer Services (P) Ltd at
- 2 Shareholders are requested to submit the documents such as Form 15G / Form 15H / lower withholding tax certificate/tax exemption certificate / various tax forms, tax residency certificate, Form 10F, No PE certificate, and the various required declarations who wish to avail the Treaty benefit to the Company's registrar and share transfer agent, Beetal Financial & Computer Services (P) Ltd at lrfc@beetalfinancial.com on or before 22nd February, 2021.
- 3 All the documents submitted by you will be verified by us and we will consider the same while deducting the appropriate taxes if they are in accordance with the provisions of the Income tax Act, 1961.
- 4 If there is no such communication received on or before 22nd February, 2021 standard TDS rates will be considered for the purpose of tax deduction at source as per tax
- 5 In this regard, no further communication from the shareholders shall be entertained post 22nd February, 2021.
- 6 Record date for dividend: 20th February, 2021. Dividend payment date: 4th March, 2021.
- 7 Standard TDS rates at a glance:
 - a. Resident shareholders with valid PAN: 7.5%
 - b. Resident shareholders with invalid PAN / In the absence of PAN: 20%
 - c. Non-resident shareholders (other than ADR): 20% plus surcharge and cess.
 - d. Non-resident shareholders with Treaty benefit subject to relevant tax forms: As per Tax Treaty Rate.





LIMITED REVIEW REPORT

The Board of Directors
Indian Railway Finance Corporation Limited
UG Floor, East Tower, NBCC Place,
Bhishm Pitamah Marg,
Lodhi Road, New Delhi-110003

We have reviewed the accompanying statement of un-audited financial results of Indian Railway Finance Corporation Limited ("the company) for the quarter and nine months ended December 31, 2020 ("the statement), being submitted by the company pursuant to the requirement of regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, as amended (the "Listing Regulation").

This statement, which is the responsibility of the company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), Prescribed under section 133 of the Companies Act, 2013 as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of the Listing regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

1. Out of the total lease income of Rs.85480.06 millions, a sum of Rs.2783.86 millions and Rs.4359.84 millions has been accrued for rolling stock assets leased during the quarter and nine months ended December 31, 2020 under review respectively, on the basis of



following assumptions:

- (a) The lease rentals on lease of rolling stock assets to Ministry of Railways (MOR) for the F.Y. 2020-21 have been computed and accounted for based on the total amount of acquisition of the rolling stock asset of Rs.81,546.05 millions and Rs.191,288.32 millions respectively for the quarter and nine months ended December 31, 2020.
 - (b) The rate of lease rental as calculated by the company would be accepted by the lessee.
2. Out of the total Pre-Commencement Lease Interest income of Rs.23156.92 millions, a sum of Rs. 125.45 million and Rs.176.07 millions respectively has been accrued on funds provided for development of Railway Infrastructure Assets during the quarter and nine months ended December 31, 2020 under review respectively, on the basis of following assumptions:
- (a) The Pre-Commencement Lease Interest income for the period ended December 31, 2020 have been computed and accounted for based on the total amount of funds provided for development of Railway Infrastructure Assets to Ministry of Railways (MOR) amounting to Rs 160,500 million during the period under review;
 - (b) The rate of pre-commencement lease interest as calculated by the company would be accepted by the Ministry of Railways (MOR).
3. The interest payable to Ministry of Railways (MOR) on delayed payment amounting to Rs.280.11 million and Rs.640.05 million during the quarter and nine months ended December 31, 2020 has been provided on the shortfall of funds of Rs.16836.83 millions transferred to MOR as compared to the assets acquired and leased.
4. In absence of details and formal lease agreement/contracts with the MOR regarding rolling stock assets and infrastructure assets procured under leases during the quarter and nine months ended December 31, 2020 under review, we are unable to comment on the impact of the same on lease income, interest expenditure for delayed payment.

For KBDS & Co.
Chartered Accountants
FRN:323288E


(CA Bhawesh Kumar)

Partner

Membership No:096587

UDIN:20196587AAAACB8312

Place: New Delhi

Date:13.02.2021

