



**INDIAN RAILWAY FINANCE CORPORATION LIMITED**

(A GOVERNMENT OF INDIA ENTERPRISE)

(Incorporated at Delhi on December 12, 1986 in the name of "Indian Railway Finance Corporation Limited" under the Companies Act, 1956 as a public limited company)

Corporate Identification Number of our Company is U65910DL1986PLC026363

**Registered and Corporate Office:**UG Floor, East Tower, NBCC Place, Bhisham Pitamah Marg, Pragati Vihar, Lodhi Road, New Delhi-110 003, India.

**Telephone:** +91 11 2436 9766/69; **Facsimile** +91 11 2436 8070; **Website:** www.irfc.nic.in;

**Company Secretary:** Mr. S. K. Ajmani, **Tel.:** +91 11 2436 9766/69; **Facsimile:** +91 11 2436 8070;

**Compliance Officer:** Mr. Ashutosh Samantaray, Jt. General Manager (F&A) Telephone: +91 11 2436 9766/69; **Facsimile:** +91 11 2436 8070; **Email:** dmgr@irfc.nic.in

For further details in relation to the changes in our registered and corporate office, refer to section titled "History and Certain Corporate Matters" on page 84 of the Shelf Prospectus

**PROMOTER OF THE COMPANY: THE PRESIDENT OF INDIA ACTING THROUGH THE MINISTRY OF RAILWAYS, GOVERNMENT OF INDIA**

**PUBLIC ISSUE BY INDIAN RAILWAY FINANCE CORPORATION LIMITED ("COMPANY" OR "IRFC" OR "ISSUER") OF TAX FREE, SECURED, REDEEMABLE, NON-CONVERTIBLE BONDS OF FACE VALUE OF ₹ 1,000 EACH IN THE NATURE OF DEBENTURES HAVING TAX BENEFITS UNDER SECTION 10(15)(iv)(h) OF THE INCOME TAX ACT, 1961, AS AMENDED, ("BONDS") FOR AN AMOUNT OF ₹ 1,00,000 LAKHS ("BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UPTO ₹ 3,53,200 LAKHS AGGREGATING TO ₹ 4,53,200 LAKHS\* ("TRANCHE - I ISSUE").**

**THIS TRANCHE - I ISSUE IS BEING OFFERED BY WAY OF PROSPECTUS TRANCHE-I, WHICH CONTAINS, INTER ALIA THE TERMS AND CONDITIONS OF THE TRANCHE - I ISSUE ("PROSPECTUS TRANCHE- I") AND SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS DATED DECEMBER 2, 2015 FILED WITH THE REGISTRAR OF COMPANIES, NATIONAL CAPITAL TERRITORY OF DELHI AND HARYANA ("RoC"), STOCK EXCHANGES AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"). THE SHELF PROSPECTUS TOGETHER WITH THIS PROSPECTUS TRANCHE-I SHALL CONSTITUTE THE "PROSPECTUS"**

\* In terms of the CBDT Notification (defined hereinafter), our Company has raised ₹ 1,13,900 Lakhs and ₹ 32,900 Lakhs on a private placement basis through Private Placement Offer Letters dated July 31, 2015 and August 21, 2015 respectively. Further, the Company may also raise Bonds through private placement route in one or more tranches during the process of the present Issue, except the period from Issue Opening Date till allotment of Bonds for the relevant Tranche Issue. The aggregate amount raised through the private placement route shall not exceed ₹ 1,80,000 Lakhs, i.e. upto 30% of the allocated limit for raising funds through the Bonds during the Fiscal 2016, at its discretion. Our Company shall ensure that Bonds issued through the public issue route and private placement route in Fiscal 2016 shall together not exceed the allocated limit of ₹ 6,00,000 lakhs. In case our Company raises funds through private placements the Shelf Limit for the Issue shall get reduced by such amount raised.

The Issue is being made under the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended ("SEBI Debt Regulations") and Notification No.59/2015/F.No. 178/27/2015-ITA-I dated July 6, 2015 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India, ("CBDT Notification") by virtue of powers conferred upon it by item (h) of sub-clause (iv) clause (15) of Section 10 of the Income Tax Act, 1961 (43 of 1961).

**GENERAL RISKS**

Investors are advised to read the Section titled as "Risk Factors" carefully before taking an investment decision in relation to the Issue. For taking an investment decision, Investors must rely on their own examination of the Issuer and the Issue including the risks involved. **Specific attention of the Investors is invited to the section titled "Risk Factors" on page 12 of the Shelf Prospectus and "Recent Developments" in this Prospectus Tranche-I before making an investment in such Tranche-I Issue. This Prospectus Tranche-I has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), any Registrar of Companies or any Stock Exchange in India.**

**ISSUER'S ABSOLUTE RESPONSIBILITY**

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus Tranche-I read together with the Shelf Prospectus contains and will contain all information with regard to the Issuer and this Issue, which is material in the context of this Issue, that the information contained in this Prospectus Tranche-I and together with the Shelf Prospectus are true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus Tranche-I read with the Shelf Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**INTEREST/COUPON RATE, FREQUENCY OF INTEREST PAYMENT, REDEMPTION DATE, REDEMPTION AMOUNT & ELIGIBLE INVESTORS**

For details relating to Interest/ Coupon rate, Frequency of Interest Payment, Redemption Date and Redemption Amount of the Bonds, see section titled "Terms of the Issue" on page 51 of this Prospectus Tranche-I. For details relating to eligible investors, please see "The Issue" on page 12 of this Prospectus Tranche-I.

**CREDIT RATING**

CRISIL Limited ("CRISIL") has reaffirmed the credit rating of "CRISIL AAA/Stable" to the debt program of ("Debt Programme") vide its letter No. MB/FSR/IRFC/2015-16/1276 dated November 2, 2015 revalidated the said rating vide its letter No. VR/FSR/IRFC/2015-16/1377 dated November 27, 2015. 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. ICRA Limited ("ICRA") has assigned the credit rating of "ICRA AAA" to the long term borrowing programme of the Company vide its letter No. D/RAT/2015-16/11/7 dated October 13, 2015 and revalidated the said rating vide its letter No. D/RAT/2015-16/11/8 dated November 17, 2015. 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. Credit Analysis & Research Limited ("CARE") has assigned the rating of "CARE AAA" to the long term market borrowing programme of the Company vide its letter no. CARE/DRO/RL2015-16/1859 dated October 14, 2015 revalidated the said rating vide its letter No. CARE/DRO/RL/2015-16/2000 dated November 18, 2015. **These ratings are not a recommendation to buy, sell or hold securities and Investors should take their own decisions. These ratings are subject to revision or withdrawal at any time by assigning rating agency(ies) and should be evaluated independently of any other ratings. For the rationale for these ratings, see Appendix III of the Shelf Prospectus.**

**PUBLIC COMMENTS**

The Draft Shelf Prospectus was filed with BSE and NSE. BSE is the Designated Stock Exchange, pursuant to the provisions of the SEBI Debt Regulations. The Draft Shelf Prospectus was open for public comments from November 9, 2015 till 5 p.m. of the seventh Working Day.

**LISTING**

The Bonds are proposed to be listed on the BSE and NSE. The Company has received in-principle approvals from NSE and BSE for listing of the Bonds pursuant to their letters no. DC/SJ/PI-BOND/10-15-16 and NSE/LIST/50585 both dated November 18, 2015. The Designated Stock Exchange for the Issue is BSE.

**LEAD MANAGERS TO THE ISSUE**

<b>SBI CAPITAL MARKETS LIMITED</b> 202, Maker Tower E, Cuffie Parade, Mumbai 400 005 Tel.: +91 22 22178300; Facsimile: +91 22 2218 8332 Email: irfctaxfree2015@sbicaps.com Investor Grievance Email: investor.relations@sbicaps.com Website: www.sbicaps.com Contact Person: Mr. Aditya Deshpande Compliance Officer: Mr. Bhaskar Chakraborty SEBI Registration No: INM000003531	<b>A.K. CAPITAL SERVICES LIMITED</b> 30-39 Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai 400 021 Tel.: + 91 22 6754 6500/6634 9930 Facsimile: + 91 22 6610 0594 Email: irfctfbonds4@akgroup.co.in Investor Grievance Email: investor.grievance@akgroup.co.in Website: www.akcapindia.com Contact Person: Ms. Shilpa Pandey Compliance Officer: Ms. Kanchan Singh SEBI Registration No: INM000010411	<b>EDELWEISS FINANCIAL SERVICES LIMITED</b> Edelweiss House, Off CST Road Kalina, Mumbai - 400 098 Tel.: +91 22 4086 3535 Facsimile: +91 22 4086 3610 Email: irfct2015@edelweissfn.com Investor Grievance Email: customerservice.mb@edelweissfn.com Website: www.edelweissfn.com Contact Person: Mr. Lokesh Singhi Compliance Officer: Mr. B. Renganathan SEBI Registration No.: INM0000010650	<b>ICICI SECURITIES LIMITED</b> ICICI Centre, H.T. Parekh Marg Churchgate, Mumbai 400 020 Tel.: +91 22 2288 2460 Facsimile: +91 22 2282 6580 Email: irfc.taxfreebonds@icicisecurities.com Investor Grievance Email: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Persons: Mr. Amit Joshi Mr. Anurag Byas Compliance Officer: Mr. Subir Saha SEBI Registration No.: INM000011179	<b>RR INVESTORS CAPITAL SERVICES PRIVATE LIMITED</b> 47, M.M. Road, Rani Jhansi Marg, Jhandewalan, New Delhi - 110055 Tel.: +91 11 2363 6362/63; Facsimile: +91 11 2363 6746 Email: irfctaxfree2015@rrfcl.com Investor Grievance Email: investors@rrfcl.com Website: www.rrfinance.com/www.rrfcl.com Contact Person: Mr. Anurag Awasthi Compliance Officer: Mr. Ravi Kant Goyal SEBI Registration No.: INM000007508

**REGISTRAR TO THE ISSUE**



**KARVY COMPUTERSHARE PRIVATE LIMITED**  
Karvy Selenium Tower B, Plot No. 31-32, Gachibowli Financial District Nanakramguda, Hyderabad  
Tel: +91 40 6716 2222; Facsimile: +91 40 2343 1551; Email: einward.ris@karvy.com;  
Investor Grievance Email: irfcbonds@karvy.com; Website: http://karisma.karvy.com;  
Contact Person: Mr. M Murli Krishna;  
SEBI Registration No.: INR000000221

**TRUSTEE FOR THE BONDHOLDERS\*\*\***



**SBICAP TRUSTEE COMPANY LIMITED**  
Apeejay House, 6<sup>th</sup> Floor, 3, Dinshaw Wacha Road, Churchgate, Mumbai 400020  
Tel: +91 22 4302 5555; Facsimile: +91 22 22040465; Email: corporate@sbicaptrustee.com;  
Investor Grievance Email: corporate@sbicaptrustee.com; Website: www.sbicaptrustee.com  
Contact Person/Compliance Officer: Mr. Ajit Joshi  
SEBI Registration No.: IND000000536

**ISSUE PROGRAMME\*\***

**ISSUE OPENS ON: DECEMBER 8, 2015**

**ISSUES CLOSES ON: DECEMBER 21, 2015**

\*\* The Issue shall remain open for subscription from 10:00 A.M. to 5:00 P.M. during the period indicated above, with an option for early closure or extension as may be decided by the Board of Directors or the Bond Committee of our Company. In the event of such early closure or extension of the subscription period of the Issue, our Company shall ensure that public notice of such early closure or extension is published on or before the date of such early date of closure or the Issue Closing Date, as the case may be, through advertisement/s in at least one leading national daily newspaper with wide circulation.

\*\*\* SBICAP Trustee Company Limited has by its letter no 2660/SBT/CL/DI/2015-16 dated November 3, 2015 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Prospectus Tranche-I and in all the subsequent periodical communications sent to the holders of the Bonds issued pursuant to this Issue.

A copy of the Prospectus Tranche-I has been filed with the Registrar of Companies, National Capital Territory of Delhi & Haryana in terms of section 26 and 31 of the Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details please refer to the section titled "Material Contracts and Documents for Inspection" on page 99 of this Prospectus Tranche-I.

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

This Prospectus Tranche-I uses certain definitions and abbreviations which, unless the context indicates or implies otherwise, have the meaning as provided below. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

#### Company Related Terms

Term	Description
Articles/Articles of Association/our Articles	The articles of association of our Company, as amended.
Auditors/ Statutory Auditors	The statutory auditor of our Company, being M/s Bansal Sinha & Co.
Board/Board of Directors/our Board	The board of directors of our Company.
Company/IRFC/the Issuer/our Company/the Company/the Corporation/we/us/our	Indian Railway Finance Corporation Limited, a public limited company incorporated under the Companies Act 1956, having CIN U65910DL1986PLC026363 and its registered office and corporate office at UG Floor, East Tower, NBCC Place, Bhasham Pitamah Marg, Pragati Vihar, Lodhi Road, New Delhi 110 003, India.
Director(s)	The director(s) on our Board.
Memorandum/ Memorandum of Association/our Memorandum/MoA	The memorandum of association of our Company, as amended from time to time.
Registered and Corporate Office	UG Floor, East Tower, NBCC Place, Bhasham Pitamah Marg, Pragati Vihar, Lodhi Road, New Delhi 110 003, India.
RoC	Registrar of Companies, National Capital Territory of Delhi and Haryana.

#### Issue Related Terms

Term	Description
AK Capital	A.K. Capital Services Limited
Allotted/Allotment/Allot	The issue and allotment of the Bonds to successful Applicants, pursuant to this Issue
Allotment Advice	The communication sent to the Allottees conveying the details of Bonds allotted to the Allottees in accordance with the Basis of Allotment.
Allottee	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 in Bonds, pursuant to the terms of Shelf Prospectus, this Prospectus Tranche-I, Abridged Prospectus and Application Form.
Application	An application to subscribe to Bonds offered pursuant to the Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under this Prospectus Tranche-I.
Application Amount	The aggregate value of the Bonds applied for by the Applicant and as indicated in the Application Form for Tranche – I Issue.
Application Form	The form in terms of which the Applicant shall make an offer to subscribe to the Bonds through the ASBA or non-ASBA process, in terms of the Shelf Prospectus and Prospectus Tranche-I.
Application Supported by Blocked Amount/ASBA/ ASBA Application	An Application (whether physical or electronic) used by an ASBA Applicant to make an Application by authorizing the SCSB to block the Application Amount in the specified bank account maintained with such SCSB.
ASBA Account	An account maintained with a SCSB which will be blocked by such SCSB to the extent of the Application Amount mentioned in the Application Form of an ASBA Applicant.
ASBA Applicant	Any applicant who applies for the Bonds through the ASBA Process.
Bankers to the Issue / Escrow Collection Banks	The banks, which are clearing members and registered with SEBI as bankers to the Issue, with whom the Escrow Accounts and/or Public Issue Accounts and/or Refund Accounts will be opened in this case being Axis Bank Limited, HDFC Bank Limited, ICICI Bank Limited, IDBI Bank Limited, IndusInd Bank Limited, State Bank of India and Yes Bank Limited
Base Issue Size	Rs. 1,00,000 lakhs
Basis of Allotment	The basis on which the Bonds will be allotted to successful Applicants under the Issue and which is described in “ <i>Issue Procedure – Basis of Allotment</i> ” on page 94 of this Prospectus Tranche - I.

Term	Description
Bond Certificate(s)	Certificate issued to the Bondholder(s) in case the Applicant has opted for physical bonds on allotment or pursuant to rematerialisation of Bonds based on request from the Bondholder(s).
Bondholder(s)	Any person holding the Bonds and whose name appears on the beneficial owners list provided by the Depositories (in case of bonds held in dematerialized form) or whose name appears in the Register of Bondholders maintained by the Issuer/Registrar (in case of bonds held in physical form).
Bonds / Tax Free Bonds	Tax free, secured, redeemable, non-convertible Bonds in the nature of debentures of face value of ₹ 1,000 each, having tax benefits under Section 10(15)(iv)(h) of the Income Tax Act, 1961, as amended, proposed to be issued by Company in accordance with the CBDT Notification and under the terms of the Shelf Prospectus and Prospectus Tranche-I.
BSE	BSE Limited
CARE	Credit Analysis and Research Limited.
Category I*	<p><b>Category I*:</b></p> <p>Qualified Institutional Buyers as defined in SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 as amended including:</p> <ul style="list-style-type: none"> <li>• Foreign Portfolio Investors (“FPI”), Foreign Institutional Investor (“FI”) and sub-accounts (other than a sub account which is a foreign corporate or foreign individual) registered with SEBI, Qualified Foreign Investor (“QFI”), not being an individual and registered with SEBI;</li> <li>• Public Financial Institutions, scheduled commercial banks, state industrial development corporations, multilateral and bilateral development financial institutions which are authorised to invest in the Bonds;</li> <li>• Provident funds and pension funds with minimum corpus of ₹ 25 crores, which are authorised to invest in the Bonds;</li> <li>• Insurance companies registered with the IRDA;</li> <li>• National Investment Fund 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;</li> <li>• Insurance funds set up and managed by the army, navy or air force of the Union of India or set up and managed by the Department of Posts, India;</li> <li>• Mutual funds registered with SEBI; and</li> <li>• Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.</li> </ul> <p><i>* As per Section 186(7) of the Companies Act, 2013 a company shall not provide loan at a rate of interest lower than the prevailing yield of Government Security closest to the tenor of the loan. However, MCA through its General Circular No. 06/2015 dated April 9, 2015, has clarified that companies investing in tax-free bonds wherein the effective yield (effective rate of return) on the bonds is greater than the prevailing yield of one year, three year, five year and ten year Government Security closest to the tenor of the loan, there is no violation of sub-section (7) of section 186 of the Companies Act, 2013.</i></p>
Category II*	<ul style="list-style-type: none"> <li>• Companies within the meaning of sub-section 20 of Section 2 of the Companies Act, 2013;</li> <li>• Statutory bodies/corporations;</li> <li>• Cooperative banks;</li> <li>• Trusts including Public/ private/ charitable/religious trusts;</li> <li>• Limited liability partnership;</li> <li>• Regional rural banks;</li> <li>• Partnership firms in the name of partners;</li> <li>• Eligible QFIs and FPIs not being individuals</li> <li>• Association of Persons;</li> <li>• Societies registered under the applicable law in India and authorized to invest in Bonds; and</li> <li>• Any other domestic legal entities authorised to invest in the Bonds, subject to compliance with the relevant regulations applicable to such entities.</li> </ul> <p><i>* As per Section 186(7) of the Companies Act, 2013 a company shall not provide loan at a rate of interest lower than the prevailing yield of Government Security closest to the tenor of the loan. However, MCA through its General Circular No. 06/2015 dated April 9, 2015, has clarified that companies investing in tax-free bonds wherein the effective yield (effective rate of return) on the</i></p>

Term	Description
	<i>bonds is greater than the prevailing yield of one year, three year, five year and ten year Government Security closest to the tenor of the loan, there is no violation of sub-section (7) of section 186 of the Companies Act, 2013.</i>
Category III	<p><b>Category III:</b></p> <p>The following Investors applying for an amount aggregating to above ₹ 10 lakhs across all Series of Bonds in each Tranche Issue:</p> <ul style="list-style-type: none"> <li>• Resident Indian individuals;</li> <li>• Eligible NRIs on a repatriation or non – repatriation basis;</li> <li>• Hindu Undivided Families through the Karta; and</li> <li>• Eligible QFIs and FPIs being individuals;</li> </ul>
Category IV	<p>The following Investors applying for an amount aggregating to up to and including ₹ 10 lakhs across all Series of Bonds in each Tranche Issue:</p> <ul style="list-style-type: none"> <li>• Resident Indian individuals;</li> <li>• Eligible NRIs on a repatriation or non – repatriation basis;</li> <li>• Hindu Undivided Families through the Karta; and</li> <li>• Eligible QFIs and FPIs being individuals;</li> </ul>
Collection Centres	Collection Centres shall mean those branches of the Bankers to the Issue/ Escrow Collection Banks that are authorized to collect the Application Forms as per the Escrow Agreement to be entered into by us, Bankers to the Issue, Registrar and Lead Managers.
Consortium Agreement	Agreement dated November 19, 2015 entered amongst the Company and the Consortium Members to the Issue.
Consolidated Bond Certificate	The certificate issued by the Issuer to the Bondholder for the aggregate amount of the Bonds that are applied in physical form or rematerialized and held by such Bondholder under each series of Tranche Issue(s).
Consortium Members for the Issue	SBI Capital Markets Limited, A.K. Capital Services Limited, Edelweiss Financial Services Limited, ICICI Securities Limited, RR Investors Capital Services Private Limited., SBICAP Securities Limited, A. K. Stockmart Private Limited, Edelweiss Securities Limited and RR Equity Brokers Private Limited.
Credit Rating Agencies	For the Issue, credit rating agencies are CARE, CRISIL and ICRA.
CRISIL	CRISIL Limited
Debenture Trust Deed	Trust deed to be entered into between the Debenture Trustee and the Company.
Debenture Trustee	Trustee for the Bondholders, in this case being SBICAP Trustee Company Limited
Debenture Trustee Agreement	Debenture Trustee Agreement dated November 5, 2015 entered into between the Company and the Debenture Trustee.
Debt Listing Agreement	The listing agreement entered into between our Company and the relevant stock exchanges in connection with the listing of the debt securities of our Company.
Deemed Date of Allotment	Deemed Date of Allotment shall be the date on which the Board of Directors or Bond Committee thereof approves the Allotment of the Bonds for Tranche-I Issue or such date as may be determined by the Board of Directors or Bond Committee thereof and notified to the Stock Exchanges. All benefits relating to the Bonds including interest on Bonds (as specified for each tranche by way of Tranche Prospectus) shall be available to the Bondholders from the Deemed Date of Allotment of the respective Tranche Issue. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment.
Demographic Details	The demographic details of an Applicant, such as his address, bank account details, category, PAN etc. for printing on refund orders.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications, a list of which is available at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> or such other website as may be prescribed by the SEBI from time to time.
Designated Date	The date on which Application Amounts are transferred from the Escrow Account to the Public Issue Account or the Refund Account and ASBA Account to the Public Issue Account, as appropriate, and the Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Accounts to the Public Issue Account(s) following which the Board of Directors or any duly constituted committee of the Board of Directors shall allot the Bonds to the successful Applicants.
Designated Stock Exchange	BSE Limited
Direct Online Application	Applications made through an online interface maintained by the Stock Exchanges enabling direct application by investors to a public issue of their debt securities with an online payment facility in terms of circular (No. CIR/IMD/DF-1/20/2012) dated July 27, 2012

Term	Description
	issued by SEBI. This facility is available only for demat account holders who wish to hold the Bonds pursuant to the Issue in dematerialised form
DP/Depository Participant	A depository participant as defined under the Depositories Act, 1996
Draft Shelf Prospectus	The draft shelf prospectus dated November 6, 2015 filed by the Company with the BSE (Designated Stock Exchange) and the NSE in accordance with the provisions of SEBI Debt Regulations and shall be open for public comments, in accordance with the SEBI Debt Regulations.
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an Application or an invitation in the Issue and in relation to whom, the Shelf Prospectus and the Prospectus Tranche-I constitutes an invitation to subscribe the Bonds.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue (and where an offer or invitation under the Issue to such QFIs would not constitute, under applicable laws in such jurisdictions, an offer to the public generally to subscribe for or otherwise acquire the Bonds) and who have opened demat accounts with SEBI registered qualified depository participants.
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) into which the Members of the Syndicate and the Trading Members, as the case may be, will deposit Application Amounts from non-ASBA Applicants and in whose favour non-ASBA Applicants will issue cheques or bank drafts in respect of the Application Amount, while submitting the Application Form, in terms of the Shelf Prospectus and Prospectus Tranche-I and the Escrow Agreement.
Escrow Agreement	Agreement dated November 18, 2015 entered into amongst the Company, the Registrar to the Issue, the Lead Managers and the Escrow Collection Banks for collection of the Application Amounts and where applicable, refunds of the amounts collected from the Applicants (other than ASBA Applicants) on the terms and conditions thereof.
FII(s)	Foreign Institutional Investors as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India and authorised to invest in this Issue.
FPI(s)	Foreign Portfolio Investor as defined under the Securities And Exchange Board Of India (Foreign Portfolio Investors) Regulations, 2014 and registered with SEBI under applicable laws in India and authorised to invest in this issue.
ICRA	ICRA Limited.
Interest Payment Date/Coupon Payment Date	First Interest Payment date is on October 15, 2016 and subsequently on October 15 of every year except the last interest payment along with the redemption amount.
Issue	Public Issue by our Company of tax free, secured, redeemable, non-convertible Bonds in the nature of Debentures of face value of ₹ 1,000 each, having tax benefits under Section 10(15)(iv)(h) of the Income Tax Act, 1961, as amended, for an amount of ₹ 1,00,000 lakhs with an option to retain oversubscription upto ₹ 3,53,200 lakhs aggregating upto ₹ 4,53,200* lakhs (i.e. Shelf Limit) to be issued at par in one or more tranches in Fiscal 2016, on the terms and conditions as set out in Tranche Prospectus(es) for such Tranche Issue.  * In terms of the CBDT Notification, our Company has raised ₹ 1,13,900 Lakhs and ₹ 32,900 Lakhs on a private placement basis through Private Placement Offer Letters dated July 31, 2015 and August 21, 2015 respectively. Further, the Company may also raise Bonds through private placement route in one or more tranches during the process of the present Issue, except the period from Issue Opening Date till allotment of Bonds for the relevant Tranche Issue. The aggregate amount raised through the private placement route shall not exceed ₹ 1,80,000 Lakhs, i.e. upto 30% of the allocated limit for raising funds through the Bonds during the Fiscal 2016, at its discretion. Our Company shall ensure that Bonds issued through the public issue route and private placement route in Fiscal 2016 shall together not exceed the allocated limit ₹ 6,00,000 lakhs. In case our Company raises funds through private placements the Shelf Limit for the Issue shall get reduced by such amount raised.
Issue Closing Date/Tranche-I Issue Closing Date	December 21, 2015  * The Tranche - I Issue shall remain open for subscription from 10:00 A.M. to 5:00 P.M during the period indicated above, with an option for early closure or extension, as may be decided by the Board of Directors or the Bond Committee. In the event of such early closure or extension of the subscription period of the Issue, our Company shall ensure that public notice of such early closure or extension is published on or before the day of such early date of closure or the Issue Closing Date, as the case may be, through advertisement/s in at least one leading national daily newspaper.
Issue Opening Date/Tranche-I Issue Opening Date	December 8, 2015
Issue Period	The period between the Issue Opening Date/Tranche-I Issue Opening Date and the Issue Closing Date/ Tranche-I Issue Closing Date inclusive of both days, during which prospective Applicants may submit their Application.
Lead Managers/LMs	SBI Capital Markets Limited, A.K. Capital Services Limited, Edelweiss Financial Services Limited, ICICI Securities Limited, and RR Investors Capital Services Private Limited.
Market / Trading Lot	One Bond.

Term	Description
Maturity Amount/ Redemption Amount	In respect of Bonds Allotted to a Bondholder, the repayment of the face value of the Bonds along with interest that may have accrued as on the Redemption Date.
Notification/ CBDT Notification	Notification No. 59/2015 F. No. 178/77/2015-ITA-I dated July 6 , 2015 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India, by virtue of powers conferred upon it by Section 10 (15)(iv)(h) of the Income Tax Act, 1961 (43 of 1961).
NRI	A person resident outside India, as defined under the FEMA.
NSE	National Stock Exchange of India Limited.
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue.
Public Issue Account	Account opened with the Escrow Collection Bank/Bank(s) to receive monies from the Escrow Account(s) and the ASBA Accounts, on the Designated Date.
QFIs or Qualified Foreign Investor	Person, who is not resident in India, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding (Appendix A Signatories) or a signatory of a bilateral memorandum of understanding with SEBI. Provided that the person is not resident in a country listed in the public statements issued by FATF from time to time on (i) jurisdictions having a strategic Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) deficiencies to which counter measures apply, (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the FATF to address the deficiencies. For the purposes of this definition, 'Person' and "Resident in India" have the same meanings as ascribed to them in the Income Tax Act, 1961.
Qualified Foreign Investors Depository Participant or QFIs DP	Depository Participant for Qualified Foreign Investors.
Record Date	15 (fifteen) days prior to the relevant Interest Payment Date or relevant Redemption Date for Bonds issued under the relevant Tranche Prospectus. In the event the Record Date falls on a second or fourth Saturday, Sunday or a public holiday in New Delhi or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, the succeeding Working Day shall be considered as the Record Date for the payment of interest and the preceding Working Day shall be considered as Record Date for redemption of Bonds.
Redemption Date/ Maturity Date	For Tranche I Series I, the date falling 10 years from the Deemed Date of Allotment, Tranche I Series II the date falling 15 years from the Deemed Date of Allotment and for Tranche I Series III the date falling from 20 years from Deemed date of Allotment.
Reference G sec rate	The average of the base yield of G – sec for equivalent maturity reported by the Fixed Money Market and Derivative Association of India on a daily basis (working day) prevailing for two weeks ending on Friday immediately preceding the filing of the Tranche Prospectuses with the Designated Stock Exchange and the RoC.
Refund Account	The account opened with the Refund Bank/ Refund Banks, from which refunds, if any, of the whole or part of the Application Amount (excluding Application Amounts from ASBA Applicants) shall be made.
Refund Bank(s)	The Bankers to the Issue, with whom the Refund Account(s) will be opened, in this case being State Bank of India.
Register of Bondholders	The register of Bondholders maintained by the Issuer in case of Bonds held in physical form in accordance with the provisions of the Companies Act, 2013 and by the Depositories in case of Bonds held in dematerialised form, and/or the register of Bondholders maintained by the Registrar as more particularly detailed in " <i>Terms of the Issue – Register of Bondholders</i> " on page 53 of this Prospectus Tranche-I.
Registrar to the Issue or Registrar	Karvy Computershare Private Limited.
RTA Agreement	Agreement dated November 6, 2015 entered into between our Company and the Registrar to the Issue.
Resident Indian individual	Individual who is a person resident in India as defined under the Foreign Exchange Management Act, 1999.
Residual Shelf Limit	In relation to each Tranche Issue, this shall be the Shelf Limit less the aggregate amount of Bonds allotted under previous Tranche Issue(s) and aggregate amount of Bonds issued

Term	Description
	through private placement route, if any.
Security	The Bonds issued by the Company will be secured by creating a first <i>pari-passu</i> charge on the identified present and future movable assets of the Company comprising of rolling stock such as wagons, locomotives and coaches, as may be agreed between the Company and the Debenture Trustee, pursuant to the terms of the Debenture Trust Deed and applicable laws.
Self Certified Syndicate Banks or SCSBs	The banks registered with the SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 as amended offering services in relation to ASBA, a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> or at such other website as may be prescribed by SEBI from time to time.
Series Bond holder(s)	A holder of the Bond(s) of a particular Series issued under a Tranche Issue.
Series of Bonds	A series of Bonds which are identical in all respects including, but not limited to terms and conditions, listing and ISIN number (in the event that Bonds in a single Series of Bonds carry the same coupon rate) and as further referred to as an individual Series in the relevant Tranche Prospectus.
Shelf Limit	The aggregate limit of the Issue being ₹ 4,53,200 lakhs* to be issued as per terms of this Shelf Prospectus, through one or more tranches. * In terms of the CBDT Notification, our Company has raised ₹ 1,13,900 Lakhs and ₹ 32,900 Lakhs on a private placement basis through Private Placement Offer Letters dated July 31, 2015 and August 21, 2015 respectively. Further, the Company may also raise Bonds through private placement route in one or more tranches during the process of the present Issue, except the period from Issue Opening Date till allotment of Bonds for the relevant Tranche Issue. The aggregate amount raised through the private placement route shall not exceed ₹ 1,80,000 Lakhs, i.e. upto 30% of the allocated limit for raising funds through the Bonds during the Fiscal 2016, at its discretion. Our Company shall ensure that Bonds issued through the public issue route and private placement route in Fiscal 2016 shall together not exceed the allocated limit ₹ 6,00,000 lakhs. In case our Company raises funds through private placements Shelf Limit for the Issue shall get reduced by such amount raised.
Shelf Prospectus	The Shelf Prospectus dated December 2, 2015 to be filed by the Company with the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations.
Stock Exchanges	BSE and NSE
Syndicate ASBA	An Application submitted by an ASBA Applicant through the Members of the Syndicate and Trading Members.
Syndicate ASBA Application Locations	Application centers at Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat where the Members of the Syndicate and Trading Members shall accept ASBA Applications.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate and/or Trading Members, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the Members of the Syndicate or Trading Members and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> or at such other website as may be prescribed by SEBI from time to time.
Syndicate or Members of the Syndicate	Collectively, the Lead Managers, the Consortium Members for the Issue, the sub-consortium members, brokers and sub-brokers.
Trading Member(s)	Individuals or companies registered with SEBI as “trading members” under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992, and who hold the right to trade in stocks listed on stock exchanges, through which investors can buy or sell securities listed on stock exchanges, whose list is available on stock exchanges.
Tranche Issue	Issue of the Bonds pursuant to the respective Tranche Prospectus(es).
Tranche-I Issue	Public issue by Indian Railway Finance Corporation Limited of tax free, secured, redeemable, non-convertible bonds of face value of ₹ 1,000 each in the nature of debentures having tax benefits under section 10(15)(iv)(h) of the income tax act, 1961, as amended, (“Bonds”) for an amount of ₹ 1,00,000 lakhs (“Base Issue Size”) with an option to retain oversubscription upto ₹ 3,53,200 lakhs aggregating to ₹ 4,53,200 lakhs.
Tranche Prospectus	The tranche prospectus containing the details of Bonds including interest, other terms and conditions, recent developments, general information, objects of the issue, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts and documents for inspection of the relevant Tranche Issue.
“Transaction Registration Slip” or “TRS”	The acknowledgement slip or document issued by any of the Members of the Syndicate, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of registration of his application for the Bonds.
Tripartite Agreements	Agreement dated May 8, 2003 entered into between the Issuer, Registrar, CDSL and Agreement dated January 23, 2002, entered into between the Issuer, Registrar and NDSL, under the terms of which the Depositories agree to act as depositories for the securities issued by the Issuer in dematerialised form.

Term	Description
Working Days	All days excluding Sundays or a holiday of commercial banks in New Delhi/Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post Issue Period, i.e. period beginning from Issue Closing Date to listing of the Bonds, Working Days shall mean all days excluding Sundays or a holiday of commercial banks in New Delhi /Mumbai or a public holiday in India.

### Conventional/General Terms, Abbreviations and References to Other Business Entities

Abbreviation	Full Form
Companies Act/Companies Act, 2013	The Companies Act, 2013, as amended
AGM	Annual General Meeting
AS	Accounting Standards as issued by Institute of Chartered Accountants of India
CBDT	Central Board of Direct Taxes
CDSL	Central Depository Services (India) Limited
CRAR	Capital to Risk Assets Ratio
CSR	Corporate Social Responsibility
Debt Listing Agreement	The agreement for listing of debt securities on the BSE and NSE
DIN	Director Identification Number
DoEA	Department of Economic Affairs, Ministry of Finance, Government of India
DoFS	Department of Financial Services, Ministry of Finance, Government of India
Depository(ies)	CDSL and NSDL
Depositories Act	Depositories Act, 1996
DP/ Depository Participant	Depository Participant as defined under the Depositories Act, 1996
DRR	Debenture Redemption Reserve
DTC	Direct Tax Code
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999
FEMA 2000	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII	Foreign Institutional Investor (as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with the SEBI under applicable laws in India
FPI	Foreign Portfolio Investor (as defined under SEBI (Foreign Portfolio Investor) Regulations, 2014, as amended
FIMMDA	Fixed Income Money Market and Derivative Association of India
Financial Year/ Fiscal/ FY	Period of 12 months ended March 31 of that particular year
GDP	Gross Domestic Product
GoI or Government	Government of India
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act/IT Act	Income Tax Act, 1961
India	Republic of India
Indian GAAP	Generally accepted accounting principles followed in India
IRDA	Statutory body constituted under the Insurance Regulatory and Development Authority Act, 1999
IT	Information technology
ITAT	Income Tax Appellate Tribunal
LIBOR	London Inter-Bank Offer Rate
LLP Act	Limited Liability Partnership Act, 2008
MF/ Mutual Funds	Mutual Fund(s) registered under the SEBI (Mutual Fund) Regulations, 1996
MICR	Magnetic Ink Character Recognition
MoF	Ministry of Finance, GoI

Abbreviation	Full Form
MoR	Ministry of Railways, GoI
MCA	Ministry of Corporate Affairs, GoI
NBFC	Non-Banking Financial Company, as defined under applicable RBI guidelines
NBFC-ND	Non deposit taking NBFC, as defined under applicable RBI guidelines
NBFC – ND (SI)	Systematically important non deposit taking NBFC, as defined under applicable RBI guidelines
NECS	National Electronic Clearing System
NEFT	National Electronic Fund Transfer
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NR	Non-Resident
NRE	Non-Resident External Account
NRO	Non-Resident Ordinary Account
NRSR	Non-Resident (Special) Rupee Account
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PFI/Public Financial Institution	Public Financial Institution, as defined under sub-section 72 of Section 2 of the Companies Act, 2013
PIO	Person of Indian Origin
RBI	Reserve Bank of India
RFPI	Collectively FPI, FII and QFIs
₹ or Rupees or Indian Rupees	The lawful currency of India
RTGS	Real Time Gross Settlement
SARFAESI	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SEBI	Securities and Exchange Board of India
SEBI Act	SEBI Act, 1992
SEBI Debt Regulations	SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended.
SEBI (FII) Regulations	SEBI (Foreign Institutional Investors) Regulations, 1995
SEBI (FPI) Regulations	SEBI ( Foreign Portfolio Investors) Regulations, 2014
Securities Act	United States Securities Act, 1933
STRPP	Separately Transferable Redeemable Principal Parts
Trusts Act	Indian Trusts Act, 1882
UAN	Unique Application Number
Venture Capital Funds or VCFs	Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI

#### Industry/Business Related Terms, Definitions and Abbreviations:

Abbreviation	Full Form
CAGR	Compounded Annual Growth Rate. In this Prospectus Tranche-I, CAGR has been calculated on the following basis: $[(\text{Ending Value} / \text{Beginning Value})^{1/(\text{Number of Years})}] - 1$
CSO	Central Statistical Office
DPE	Department of Public Enterprises, Government of India
ECBs	External Commercial Borrowings
FCNR	Foreign Currency Non-Resident
IFC	Infrastructure Finance Company
Indian Railways	Department of the Government of India, under administration of the MoR
NPAs	Non-Performing Assets
Owned Funds	Paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any as defined under the Non- Banking Financial (Non - Deposit Accepting

Abbreviation	Full Form
	or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
Pipavav Railways	Pipavav Railway Corporation Limited
PSU	Public Sector Undertaking
RailTel	RailTel Corporation of India Limited
Rolling Stock	Rolling stock includes both powered and unpowered vehicles, for example locomotives, carriages, railroad cars, coaches, wagons, trucks, flats, containers, cranes, trollies of all kinds and other items of rolling stock components.
RVNL	Rail Vikas Nigam Limited
S&T Works	Signalling and Traffic Works
Standard Lease Agreement	The annual lease agreement entered between the Company and MoR for lease of Rolling Stock.
Yield	Ratio of interest income to the daily average of interest earning assets.

Notwithstanding anything contained herein, capitalized terms that have been defined in the sections titled “*Capital Structure*”, “*Regulations and Policies*”, “*History and Certain Corporate Matters*”, “*Our Management*”, “*Financial Indebtedness*” and “*Outstanding Litigation and Material Documents*” on pages 52, 78, 84, 89, 97 and 115 of the Shelf Prospectus and sections titled “Statement of Tax Benefits” and “Issue Procedure” on pages 30 and 67 of this Prospectus Tranche – I, shall have the meaning ascribed to them in these respective sections.

## CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

### Certain Conventions

All references in this Prospectus Tranche-I to “**India**” are to the Republic of India and its territories and possessions.

### Financial Data

Unless stated otherwise, the financial data in this Prospectus Tranche-I is derived from (i) our audited financial statements, prepared in accordance with Indian GAAP and the Companies Act for the financial years ended on March 31, 2011, 2012, 2013, 2014 and 2015; and (ii) limited review financial statements of the Company for the half year ended on September 30, 2015. Audit of the Financial Years ended on March 31, 2011 and March 31, 2012 were undertaken by M/s Dhawan & Co., Chartered Accountants. Audit of the Financial Years ended on March 31, 2013, March 31, 2014 and March 31, 2015 were undertaken by M/s. Bansal Sinha & Co., Statutory Auditors of the Company. Limited review of the unaudited financial results for the half year ended September 30, 2015 has been undertaken by M/s. Bansal Sinha & Co., Statutory Auditors of the Company. In this Prospectus Tranche-I, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

The current financial year of the Company commences on April 1 and ends on March 31 of the next year, so all references to particular “financial year”, “fiscal year” and “Fiscal” or “FY”, unless stated otherwise, are to the 12 months period ended on March 31 of that year.

The degree to which the Indian GAAP financial statements included in this Prospectus Tranche-I will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus Tranche-I should accordingly be limited.

### Currency and Unit of Presentation

In this Prospectus Tranche-I, references to “₹”, “Indian Rupees”, “INR” and “Rupees” are to the legal currency of India and references to “US\$”, “USD”, and “U.S. dollars” are to the legal currency of the United States of America, references to “Yen” and “JPY” are to the legal currency of Japan. For the purposes of this Prospectus Tranche-I data pertaining to the Company will be given in ₹ in lakhs. In the Prospectus Tranche-I, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off.

### Industry and Market Data

Any industry and market data used in this Prospectus Tranche-I consists of estimates based on data reports compiled by government bodies, professional organizations and analysts, data from other external sources and knowledge of the markets in which we compete. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable but it has not been independently verified by us or its accuracy and completeness is not guaranteed and its reliability cannot be assured. Although we believe the industry and market data used in this Prospectus Tranche-I is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data is presented in this Prospectus Tranche-I is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

### Exchange Rates

The exchange rates (in ₹) of the US\$,JPY and Euro as of fiscal years ended, 2011, 2012, 2013, 2014 and 2015 are provided below:

Currency	Fiscal Year ended					For half year ended September 30, 2015
	2011	2012	2013	2014	2015	
1 USD	45.14	50.93	54.36	60.49	63.06	66.30
1 JPY	0.5484	0.6212	0.5771	0.5903	0.5263	0.5549

<sup>^</sup> March 31, 2012 was a trading holiday; hence, exchange rates for last working day, i.e., March 30, 2012 have been used.

<sup>\*</sup> March 31, 2013 was a trading holiday; hence, exchange rates for last working day, i.e., March 28, 2013 have been used.

(Source: SBI T.T. Selling Rate)

## FORWARD-LOOKING STATEMENTS

Certain statements contained in this Prospectus Tranche-I that are not statements of historical fact constitute “forward-looking statements”. Investors can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek”, “should”, “will”, “would”, or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Prospectus Tranche-I that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- growth prospects of the Indian financial and railway sector and related policy developments;
- general, political, economic, social and business conditions in Indian and other global markets;
- our ability to successfully implement our strategy, growth, diversification and expansion plans;
- competition in the Indian and international markets;
- availability of adequate capital financing at reasonable terms;
- performance of the Indian debt and equity markets;
- changes made in the railway budget;
- changes in laws and regulations applicable to companies in India, including foreign exchange control regulations in India;
- volatility in interest rates at which the Company borrows from banks/financial institutions;
- credit and market risks, affecting our credit ratings and our cost of funds;
- our ability to comply with restrictive covenants under our indebtedness and to manage our business within those restrictions;
- concentration of our exposure on the railway sector; and
- other factors discussed in the Shelf Prospectus, including under “**Risk Factors**” on page 12 of the Shelf Prospectus.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “**Our Business**” on page 68 of the Shelf Prospectus and the material developments highlighted in the section titled “**Outstanding Litigation and Material Developments**” on page 115 of the Shelf Prospectus. The forward-looking statements contained in this Prospectus Tranche-I are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure Investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

## THE ISSUE

As authorised under the CBDT Notification, the aggregate value of the Bonds issued (having benefits under Section 10(15)(iv)(h) of the Income Tax Act) by the Company during the Fiscal 2016 through Public Issue and/or Private Placement shall not exceed ₹ 6,00,000 lakhs\*.

The Board of Directors, at their meeting held on March 11, 2015 have approved the Issue, in one or more tranche(s), of tax free bonds subject to direction issued by Ministry of Finance.

Our Company proposes to raise an amount of ₹ 1,00,000 lakhs with an option to retain oversubscription upto ₹ 3,53,200 lakhs aggregating upto ₹ 4,53,200 lakhs by present issue of Bonds.

\* *In terms of the CBDT Notification (defined hereinafter), our Company has raised ₹ 1,13,900 Lakhs and ₹ 32,900 Lakhs on a private placement basis through Private Placement Offer Letters dated July 31, 2015 and August 21, 2015 respectively. Further, the Company may also raise Bonds through private placement route in one or more tranches during the process of the present Issue, except the period from Issue Opening Date till allotment of Bonds for the relevant Tranche Issue. The aggregate amount raised through the private placement route shall not exceed ₹ 1,80,000 Lakhs, i.e. upto 30% of the allocated limit for raising funds through the Bonds during the Fiscal 2016, at its discretion. Our Company shall ensure that Bonds issued through the public issue route and private placement route in Fiscal 2016 shall together not exceed the allocated limit ₹ 6,00,000 lakhs. In case our Company raises funds through private placements, the Shelf Limit for the Issue shall get reduced by such amount raised.*

The following table summarizes the Issue details. This section should be read in conjunction with, and is qualified in its entirety by, more detailed information in “**Issue Structure**” & “**Terms of the Issue**” on page 44 and 51 of this Prospectus Tranche-I respectively.

### COMMON TERMS FOR ALL SERIES OF THE BONDS

<b>Issuer</b>	Indian Railway Finance Corporation Limited
<b>Mode of Issue and Nature of instrument</b>	Public Issue by Indian Railway Finance Corporation Limited (“Company” or “Issuer”) of Tax Free Secured Redeemable Non-Convertible Bonds in the nature of Debentures of face value of ₹1,000 each, having tax benefits under Section 10(15)(iv)(h) of the Income Tax Act, 1961, as amended, (“Bonds”), for an amount of ₹ 1,00,000 lakhs with an option to retain oversubscription upto ₹ 3,53,200 lakhs aggregating upto ₹ 4,53,200 lakhs (the “Issue”) to be issued at par in one or more tranches in the fiscal 2016, on the terms and conditions as set out in this Prospectus Tranche-I read with Shelf Prospectus.  <i>* In terms of the CBDT Notification (defined hereinafter), our Company has raised ₹ 1,13,900 Lakhs and ₹ 32,900 Lakhs on a private placement basis through Private Placement Offer Letters dated July 31, 2015 and August 21, 2015 respectively. Further, the Company may also raise Bonds through private placement route in one or more tranches during the process of the present Issue, except the period from Issue Opening Date till allotment of Bonds for the relevant Tranche Issue. The aggregate amount raised through the private placement route shall not exceed ₹ 1,80,000 Lakhs, i.e. upto 30% of the allocated limit for raising funds through the Bonds during the Fiscal 2016, at its discretion. Our Company shall ensure that Bonds issued through the public issue route and private placement route in Fiscal 2016 shall together not exceed the allocated limit ₹ 6,00,000 lakhs. In case our Company raises funds through private placements the Shelf Limit for the Issue shall get reduced by such amount raised.</i>
<b>Listing</b>	The Bonds are proposed to be listed on BSE and NSE within 12 Working Days of the Issue Closing Date of the Tranche-I Issue.  BSE is the Designated Stock Exchange for the Issue.
<b>Type of Instrument</b>	Tax free, secured, redeemable and non-convertible bonds in the nature of debentures.
<b>Seniority</b>	Secured
<b>Mode of Issue</b>	Public Issue
<b>Face Value</b>	₹ 1,000 per Bond
<b>Issue Price</b>	₹ 1,000 per Bond
<b>Credit Ratings</b>	1. CRISIL has reaffirmed the credit rating of “CRISIL AAA/Stable” to the debt program of Company (“Debt Programme”) vide its letter No. MB/FSR/IRFC/2015-16/1276 dated November 2, 2015 revalidated the said rating vide its letter No. VR/FSR/IRFC/2015-16/1377 dated November 27,

	<p>2015. 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.</p> <p>2. ICRA has assigned the credit rating of “[ICRA] AAA” (pronounced as “ICRA Triple A”) to the long term borrowing programme of the Company vide its letter no. D/RAT/2015-16/11/7 dated October 13, 2015 and revalidated the said rating vide its letter No. D/RAT/2015-16/11/8 dated November 17, 2015. 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.</p> <p>3. CARE has assigned the credit rating of “CARE AAA (pronounced as Triple A)” to the long term market borrowing programme vide its letter no. CARE/DRO/RL2015-16/1859 dated October 14, 2015 revalidated the said rating vide its letter No. CARE/DRO/RL/2015-16/2000 dated November 18, 2015. 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.</p> <p><b>Note:</b> These credit ratings are not a recommendation to buy, sell or hold securities and Investors should take their own decision. These ratings are subject to revision or withdrawal at any time by assigning rating agencies and should be evaluated independently of any other ratings. For the rationale for these ratings, see Appendix III of the Shelf Prospectus.</p>
<p><b>Eligible Investors</b></p>	<p><b>Category I*:</b></p> <p>Qualified Institutional Buyers as defined in SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 as amended including:</p> <ul style="list-style-type: none"> <li>• Eligible Foreign Portfolio Investors (“FPI”), Foreign Institutional Investor (“FII”) and sub-accounts (other than a sub account which is a foreign corporate or foreign individual) registered with SEBI, Qualified Foreign Investor (“QFI”), not being an individual and registered with SEBI;</li> <li>• Public Financial Institutions, scheduled commercial banks, state industrial development corporations, multilateral and bilateral development financial institutions which are authorised to invest in the Bonds;</li> <li>• Provident funds and pension funds with minimum corpus of ₹ 25 crores, which are authorised to invest in the Bonds;</li> <li>• Insurance companies registered with the IRDA;</li> <li>• National Investment Fund 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;</li> <li>• Insurance funds set up and managed by the army, navy or air force of the Union of India or set up and managed by the Department of Posts, India;</li> <li>• Mutual funds registered with SEBI; and</li> <li>• Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.</li> </ul> <p><i>* As per Section 186(7) of the Companies Act, 2013 a company shall not provide loan at a rate of interest lower than the prevailing yield of Government Security closest to the tenor of the loan. However, MCA through its General Circular No. 06/2015 dated April 9, 2015, has clarified that companies investing in tax-free bonds wherein the effective yield (effective rate of return) on the bonds is greater than the prevailing yield of one year, three year, five year and ten year Government Security closest to the tenor of the loan, there is no violation of sub-section (7) of section 186 of the Companies Act, 2013.</i></p> <p><b>Category II*:</b></p> <ul style="list-style-type: none"> <li>• Companies within the meaning of sub-section 20 of Section 2 of the Companies Act, 2013;</li> </ul>

	<ul style="list-style-type: none"> <li>• Statutory bodies/corporations;</li> <li>• Cooperative banks;</li> <li>• Trusts including Public/ private/ charitable/religious trusts;</li> <li>• Limited liability partnership;</li> <li>• Regional rural banks;</li> <li>• Partnership firms in the name of partners;</li> <li>• QFIs and FPIs not being individuals</li> <li>• Association of Persons;</li> <li>• Societies registered under the applicable law in India and authorized to invest in Bonds; and</li> <li>• Any other domestic legal entities authorised to invest in the Bonds, subject to compliance with the relevant regulations applicable to such entities.</li> </ul> <p><i>* As per Section 186(7) of the Companies Act, 2013 a company shall not provide loan at a rate of interest lower than the prevailing yield of Government Security closest to the tenor of the loan. However, MCA through its General Circular No. 06/2015 dated April 9, 2015, has clarified that companies investing in tax-free bonds wherein the effective yield (effective rate of return) on the bonds is greater than the prevailing yield of one year, three year, five year and ten year Government Security closest to the tenor of the loan, there is no violation of sub-section (7) of section 186 of the Companies Act, 2013.</i></p> <p><b>Category III:</b></p> <p>The following Investors applying for an amount aggregating to above ₹ 10 lakhs across all Series of Bonds in each Tranche Issue:</p> <ul style="list-style-type: none"> <li>• Resident Indian individuals;</li> <li>• Eligible NRIs on a repatriation or non – repatriation basis;</li> <li>• Hindu Undivided Families through the Karta; and</li> <li>• Eligible QFIs and FPIs being individuals.</li> </ul> <p><b>Category-IV:</b></p> <p>The following Investors applying for an amount aggregating to up to and including ₹ 10 lakhs across all Series of Bonds in each Tranche Issue:</p> <ul style="list-style-type: none"> <li>• Resident Indian individuals;</li> <li>• Eligible NRIs on a repatriation or non – repatriation basis;</li> <li>• Hindu Undivided Families through the Karta; and</li> <li>• Eligible QFIs and FPIs being individuals.</li> </ul>
<b>Issue Size and Option to retain over subscription</b>	₹ 1,00,000 lakhs with an option to retain oversubscription upto ₹ 3,53,200 lakhs aggregating to ₹ 4,53,200 lakhs
<b>Put / Call</b>	Not applicable
<b>Objects of the Issue and details of utilisation of proceeds</b>	Please refer to Section “ <b>Objects of the Issue</b> ” on page 27 of this Prospectus Tranche-I.
<b>Interest Payment Date</b>	First Interest Payment date is on October 15, 2016 and subsequently on October 15 of every year except the last interest payment along with the redemption amount.
<b>Interest on application money</b>	See “ <b>Terms of the Issue-Interest on Application Amount</b> ” on page 57 of this Prospectus Tranche-I.
<b>Interest on refund money</b>	5% p.a.
<b>Default interest rate</b>	As specified in the Debenture Trust Deed to be executed between the Company and the Trustee.
<b>Day count basis</b>	Actual/Actual/i.e. interest will be computed on a 365 days-a-year basis on the principal outstanding on the Bonds. Where the interest period (start date to end date) includes February 29, interest will be computed on 366 days-a-year basis, on the principal outstanding on the Bonds.
<b>Working Day</b>	All days, excluding Sundays or a holiday of commercial banks or a public holiday

<b>Convention</b>	in Delhi or Mumbai, except with reference to Issue Period and Record Date, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post Issue Period, i.e. period beginning from Issue Closing Date to listing of the Bonds, Working Days shall mean all days excluding Sundays or a holiday of commercial banks in New Delhi/Mumbai or a public holiday in India.
<b>Effect of holidays on payments</b>	If the date of payment of coupon/ interest rate specified does not fall on a Working Day, the coupon payment shall be made on the immediately succeeding Working Day along with the interest for such additional period. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next coupon/ Interest Payment Date. If the Redemption Date/ Maturity Date (also being the last Coupon/ Interest Payment Date) of any Series of Bonds falls on a day which is not a Working Day, the redemption proceeds shall be paid on the immediately preceding Working Day along with the interest accrued on the Bonds until but excluding the date of such payment.
<b>Step up/ step down coupon rate</b>	Not Applicable
<b>Discount at which Bond is issued and the effective yield as a result of such discount</b>	Not Applicable
<b>Minimum Application Size and in multiples thereof</b>	5 bonds (₹ 5,000), individually or collectively across all Series of Bonds and in multiples of 1 Bond (₹ 1,000) thereafter.
<b>Terms of Payment</b>	Full amount is payable on application
<b>Market Lot/Trading Lot</b>	One Bond
<b>Pay-in Date</b>	Application Date (Full Application Amount is payable on Application)
<b>Security</b>	<p>The Bonds issued by the Company will be secured by creating a first <i>pari-passu</i> charge on the movable assets of the Company comprising of rolling stock such as wagons, locomotives and coaches by a first <i>pari passu</i> charge, present and future, as may be agreed between the Company and the Debenture Trustee, pursuant to the terms of the Debenture Trust Deed and applicable laws.</p> <p>Further details pertaining to the Security are more particularly specified in the Debenture Trust Deed.</p>
<b>Security cover</b>	At least one time of the value of the total outstanding Bonds and interest accrued thereon.
<b>Transaction Documents</b>	<p>The Draft Shelf Prospectus, Shelf Prospectus, the Prospectus Tranche-I, Application Form, Abridged Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed and other security documents, if applicable, and various other documents/agreements/ undertakings, entered or to be entered by the Company with Lead Managers and/or other intermediaries for the purpose of this Issue including but not limited to the Debenture Trust Deed, the Debenture Trustee Agreement, the Escrow Agreement, the Agreement with the Registrar and the MoU with the Lead Managers and the Consortium Agreement.</p> <p>Refer to section titled “<b><i>Material Contracts and Documents for Inspection</i></b>” on page 99 of this Prospectus Tranche-I.</p>
<b>Nature of Indebtedness and Ranking/Seniority</b>	The claims of the Bondholders shall rank <i>pari-passu</i> inter-se and shall be superior to the claims of any unsecured creditors of the Company and subject to applicable statutory and/or regulatory requirements, rank <i>pari passu</i> to the claims of creditors of the Company secured against charge on the movable assets comprising of rolling stock such as wagons, locomotives and coaches.
<b>Conditions Precedent to Disbursement</b>	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedents to disbursement.
<b>Condition Subsequent to Disbursement</b>	As provided in Debenture Trust Deed to be executed between the Company and the Debenture Trustee.

<b>Depositories</b>	NSDL and CDSL
<b>Debenture Trustee and its responsibilities</b>	The debenture trustee for the Issue is SBICAP Trustee Company Limited. The role and responsibilities of the Debenture Trustee are mentioned in the Debenture Trustee Agreement.
<b>Registrar</b>	Karvy Computershare Private Limited
<b>Modes of payment of application money</b>	<ol style="list-style-type: none"> <li>1. At par cheques</li> <li>2. Demand Drafts</li> <li>3. ASBA</li> </ol>
<b>Modes of Payment of Interest Money / Settlement mode</b>	<ol style="list-style-type: none"> <li>1. Direct credit</li> <li>2. National Electronic Clearing System (“NECS”)</li> <li>3. Real Time Gross Settlement (“RTGS”)</li> <li>4. National Electronic Fund Transfer (“NEFT”)</li> <li>5. Cheques/Pay Order/ Demand Draft</li> </ol> <p>For further details in respect of the aforesaid modes, refer to section titled “<i>Terms of the Issue– Modes of Payment</i>” on page 61 of this Prospectus Tranche-I.</p>
<b>Issuance mode</b>	In dematerialized form or in physical form (except for Eligible QFIs, eligible FIIs and eligible FPIs, who will be allotted bonds only in dematerialized form), at the option of Applicants.
<b>Trading mode</b>	In dematerialized form only
<b>Issue Opening Date</b>	December 8, 2015
<b>Issue Closing Date</b>	<p>December 21, 2015</p> <p>The Issue shall remain open for subscription from 10:00 A.M. to 5:00 P.M during the period indicated above, with an option for early closure or extension, as may be decided by the Board of Directors or the Bond Committee. In the event of such early closure or extension of the subscription period of the Issue, our Company shall ensure that public notice of such early closure or extension is published on or before the day of such early date of closure or the Issue Closing Date, as the case may be, through advertisement/s in at least one leading national daily newspaper with wide circulation.</p>
<b>Deemed Date of Allotment</b>	Deemed Date of Allotment shall be the date on which the Directors of the Company or Bond Committee thereof approves the Allotment of the Bonds for Tranche-I Issue or such date as may be determined by the Board of Directors or Bond Committee thereof and notified to the stock exchanges. All benefits relating to the Bonds including interest on Bonds (as specified for each tranche by way of Tranche Prospectus) shall be available to the Investors from the Deemed Date of Allotment of the respective Tranche Issue. The actual Allotment of Bonds may take place on a date other than the Deemed Date of Allotment.
<b>Record Date</b>	The record date for the payment of interest or the Maturity Amount shall be 15 days prior to the date on which such amount is due and payable. In the event the Record Date falls on a second or fourth Saturday, Sunday or a Public Holiday in New Delhi or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, the succeeding Working Day shall be considered as the Record Date for the payment of interest and the preceding Working Day shall be considered as Record Date for redemption of Bonds.
<b>Cross Default</b>	As provided in Debenture Trust Deed to be executed between the Company and the Debenture Trustee.
<b>Lead Managers</b>	SBI Capital Markets Limited, A.K. Capital Services Limited, ICICI Securities Limited, Edelweiss Financial Services Limited and RR Investors Capital Services Private Limited.
<b>Consortium Members for the Issue</b>	SBI Capital Markets Limited, A.K. Capital Services Limited, Edelweiss Financial Services Limited, ICICI Securities Limited, RR Investors Capital Services Private Limited., SBICAP Securities Limited, A. K. Stockmart Private Limited, Edelweiss Securities Limited and RR Equity Brokers Private Limited.
<b>Governing law</b>	The laws of the Republic of India
<b>Jurisdiction</b>	The courts of New Delhi shall have exclusive jurisdiction for the purposes of the Issue

<b>Event of Default</b>	As provided in Debenture Trust Deed to be executed between the Company and the Debenture Trustee.
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**Note:** Participation by any of the above-mentioned Investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them does not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and/or regulatory provisions.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of Bonds pursuant to the Issue.

## SPECIFIC TERMS FOR EACH SERIES OF BONDS

The terms of each Series of Bonds are set out below:

Options	Series of Bonds Category I, II, III <sup>#</sup>		
	Tranche I Series IA	Tranche I Series IIA	Tranche I Series IIIA
<b>Coupon Rate (%) p.a.</b>	7.07	7.28	7.25
<b>Annualized Yield (%)</b>	7.07	7.28	7.25
Options	Series of Bonds Category IV <sup>#</sup>		
	Tranche I Series IB	Tranche I Series IIB	Tranche I Series IIIB
<b>Coupon Rate (%) p.a.</b>	7.32	7.53	7.50
<b>Annualized Yield (%)</b>	7.32	7.53	7.50
Common Terms	Series of Bonds Category I, II, III & IV <sup>#</sup>		
<b>Tenor</b>	10 Years	15Years	20 Years
<b>Redemption Date</b>	At the end of 10 Years from the Deemed Date of Allotment	At the end of 15 Years from the Deemed Date of Allotment	At the end of 20 Years from the Deemed Date of Allotment
<b>Redemption Amount (₹/ Bond)</b>	Repayment of the Face Value plus any interest that may have accrued at the Redemption Date		
<b>Redemption Premium/ Discount</b>	Not applicable		
<b>Frequency of Interest Payment</b>	Annual		
<b>Minimum Application Size and in multiple thereof</b>	5 bonds (₹ 5,000), individually or collectively across all Series of Bonds and in multiples of 1 Bond (₹ 1,000) thereafter.		
<b>Face Value (₹/Bond)</b>	₹ 1,000		
<b>Issue Price (₹/Bond)</b>	₹ 1,000		
<b>Mode of Interest Payment</b>	For various modes of interest payment, see “ <i>Terms of the Issue – Modes of Payment</i> ” on page 61 of this Prospectus Tranche - I.		
<b>Coupon Payment Date</b>	First Interest Payment date is on October 15, 2016 and subsequently on October 15 of every year except the last interest payment along with the redemption amount.		
<b>Reset Process</b>	Not Applicable		
<b>Coupon Type</b>	Fixed		
<b>Interest on Application Money</b>	See <i>Terms of the Issue-Interest on Application Amount</i> ” on page 57 of this Prospectus Tranche-I.		
<b>Discount at which Bonds are issued and effective yield as a result of such discount</b>	Not applicable		
<b>Nature of Indebtedness and Ranking</b>	The claims of the Bondholders shall rank pari passu inter-se and shall be superior to the claims of any unsecured creditors of the Company and subject to applicable statutory and/or regulatory requirements, rank pari passu to the claims of creditors of the Company secured against charge on the movable assets comprising of rolling stock such as wagons, locomotives and coaches.		

<sup>#</sup> In pursuance of CBDT Notification and for avoidance of doubts, it is clarified as under:

- The coupon rates indicated under Tranche I Series IB, Tranche I Series IIB and Tranche I Series IIIB shall be payable only on the Portion of Bonds allotted to Category IV in the Issue. Such coupon is payable only if on the Record Date for payment of interest, the Bonds are held by investors falling under Category IV.
- In case the Bonds allotted against Tranche I Series IB, Tranche I Series IIB and Tranche I Series IIIB are transferred by Category IV to Category I, Category II and/or Category III, the coupon rate on such Bonds shall stand at par with coupon rate applicable on Tranche I Series IA, Tranche I Series IIA and Tranche I Series IIIA respectively.

- c. *If the Bonds allotted against Tranche I Series IB, Tranche I Series IIB and Tranche I Series IIIB are sold/ transferred by the RIIs to investor(s) who fall under the RII category as on the Record Date for payment of interest, then the coupon rates on such Bonds shall remain unchanged;*
- d. *Bonds allotted against Tranche I Series IB, Tranche I Series IIB and Tranche I Series IIIB shall continue to carry the specified coupon rate if on the Record Date for payment of interest, such Bonds are held by investors falling under Category IV;*
- e. *If on any Record Date, the original Category IV allottee(s)/ transferee(s) hold the Bonds under Tranche I Series IB, Tranche I Series IIB and Tranche I Series IIIB for an aggregate face value amount of over ₹ 10 lakhs, then the coupon rate applicable to such Category IV allottee(s)/transferee(s) on Bonds under Tranche I Series IB, Tranche I Series IIB and Tranche I Series IIIB shall stand at par with coupon rate applicable on Tranche I Series IA, Tranche I Series IIA and Tranche I Series IIIA respectively;*
- f. *Bonds allotted under Tranche I Series IA, Tranche I Series IIA and Tranche I Series IIIA shall carry coupon rates indicated above till the respective maturity of Bonds irrespective of Category of holder(s) of such Bonds;*
- g. *For the purpose of classification and verification of status of the Category IV of Bondholders, the aggregate face value of Bonds held by the Bondholders in all the Series of Bonds, allotted under the Tranche-I Issue shall be clubbed and taken together on the basis of PAN.*

*The Company would allot Tranche I Series IA/IB Bonds (depending upon the category of applicants) to all valid applications, wherein the applicants have not indicated their choice of the relevant series of Bonds in their Application Form.*

*The MCA has, through its circular (General Circular No. 06/2015) dated April 9, 2015, clarified that in such cases wherein the effective yield(effective rate of return) on the bonds is greater than the prevailing yield of one year, three year, five year or ten year Government Security closest to the tenor of the loan, there is no violation of sub-section (7) of section 186 of the Companies Act, 2013*

## GENERAL INFORMATION

Our Company was incorporated on December 12, 1986 under the Companies Act, 1956 as a public limited company registered with the Registrar of Companies, National Capital Territory of Delhi and Haryana and received our certificate for commencement of business on December 23, 1986. The GoI, Ministry of Railways, incorporated our Company as a financial arm of Indian Railways, for the purpose of raising the necessary resources for meeting the developmental needs of the Indian Railways. The President of India along with twelve (12) other nominees is holding 100% of our equity share capital.

For further details see section titled “*History and Certain Corporate Matter*” on page 84 of the Shelf Prospectus.

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

Our Company was registered with the RBI under Section 45-IA of RBI Act as a Non-Banking Finance Company without accepting public deposits vide certificate of registration no. B-14.00013 dated February 16, 1998. The Company was later classified under the category “Infrastructure Finance Company” by the RBI through a fresh certificate of registration bearing no. B-14.00013 dated November 22, 2010.

The Government of India, acting through Ministry of Finance has authorized our Company by CBDT Notification, to issue tax free, secured redeemable, non-convertible bonds of ₹ 1,000 each aggregating to ₹ 6,00,000 lakhs for the Financial year 2015-16.

The Board of Directors, at their meeting held on March 11, 2015 have approved the Issue, in one or more tranche(s), of tax free bonds subject to directions issued by Ministry of Finance.

### Registered and Corporate Office

UG Floor, East Tower,  
NBCC Place, Bhisham Pitamah Marg,  
Pragati Vihar, Lodhi Road,  
New Delhi 110 003, India  
**Tel.:** +91 11 2436 9766/69  
**Facsimile:** +91 11 2436 6710  
**Website:** www.irfc.nic.in

For details on changes in our Registered and Corporate Office, see “*History and Certain Corporate Matters*” on page 84 of the Shelf Prospectus.

### Registration

Details	Registration/Identification number
Company Number	26363
Corporate Identity Number	U65910DL1986PLC026363
RBI Registration Number classifying Company as Infrastructure Finance Company	B-14.00013

### Address of the Registrar of Companies

The Registrar of Companies  
National Capital Territory of Delhi and Haryana  
4<sup>th</sup> Floor, IFCI Tower, 61, Nehru Place  
New Delhi 110 019, India  
**Tel:** +91 (11) 2623 5704  
**Facsimile:** +91 (11) 2623 5702

## **Director Finance/Chief Financial Officer**

Our Company has designated Director Finance as Chief Financial Officer. The finance functions are being headed by Mr. Niraj Kumar who is our Director Finance, whose particulars are detailed below:

### **Mr. Niraj Kumar**

Director (Finance)

UG Floor, East Tower,

NBCC Place, Bhisham Pitamah Marg,

Pragati Vihar, Lodhi Road,

New Delhi 110 003, India

**Tel.:** +91 11 2436 9789

**Facsimile:** +91 11 2436 3576

**Email:** df@irfc.nic.in

**Website:** www.irfc.nic.in

## **Compliance Officer**

### **Mr. Ashutosh Samantaray**

Jt. General Manager (F&A)

UG Floor, East Tower,

NBCC Place, Bhisham Pitamah Marg,

Pragati Vihar, Lodhi Road, New Delhi -110 003

**Tel.:** +91 11 2436 9766/69

**Facsimile:** +91 11 2436 8070

**Email:** dmgr@irfc.nic.in

**Website:** www.irfc.nic.in

**Investors may contact the Compliance Officer, Company Secretary or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted Bonds in the respective beneficiary account or non-receipt of Bond Certificates/ Consolidated Bond Certificates, as applicable, or refund orders and interest on Application Amount etc.**

**All grievances relating to the Issue if addressed to the Registrar to the Issue, should contain full details such as name, Application Form number, address of the Applicant, number of Bonds applied for, amount paid on application, Depository Participant and the collection center of the Members of the Syndicate where the Application was submitted.**

**All grievances related to ASBA process where the application is submitted to a Member of the Syndicate should be addressed to the Registrar to the Issue with a copy to the relevant Member of the Syndicate and the relevant SCSB.**

**All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of Bonds applied for, amount blocked on Application and the Designated Branch or the collection center of the SCSB where the Application Form was submitted by the ASBA Applicant.**

**All grievances arising out of Applications for the Bonds made through the Online Stock Exchanges Mechanism or through Trading Members may be addressed directly to the respective Stock Exchanges.**

## **Company Secretary**

### **Mr. S K Ajmani**

Company Secretary & GM (Term Loans)

UG Floor, East Tower,

NBCC Place, Bhisham Pitamah Marg,

Pragati Vihar, Lodhi Road,

New Delhi 110 003, India

**Tel.:** +91 11 2436 9766/69

**Facsimile:** +91 11 2436 8070

**Email:** gmb@irfc.nic.in

**Website:** www.irfc.nic.in

## LEAD MANAGERS TO THE ISSUE

### **SBI Capital Markets Limited**

202, Maker Tower E,  
Cuffe Parade,  
Mumbai 400 005  
**Tel:** +91 22 2217 8300  
**Facsimile:** +91 22 2218 8332  
**Email:** irfctaxfree2015@sbicaps.com  
**Investor Grievance Email:**  
investor.relations@sbicaps.com  
**Website:** www.sbicaps.com  
**Contact Person:** Mr. Aditya Deshpande  
**Compliance Officer:** Mr. Bhaskar Chakraborty  
**SEBI Registration No.:** INM000003531

### **A. K. Capital Services Limited**

30-39 Free Press House, 3<sup>rd</sup> Floor,  
Free Press Journal Marg, 215,  
Nariman Point, Mumbai 400021  
**Tel:** +91 + 91 22 6754 6500/6634 9930  
**Facsimile:** +91 22 6610 0594  
**Email:** irfctfbonds4@akgroup.co.in  
**Investor Grievance Email:**  
investor.grievance@akgroup.co.in  
**Website:** www.akcapindia.com  
**Contact Person:** Ms. Shilpa Pandey  
**Compliance Officer:** Ms. Kanchan Singh  
**SEBI Registration No.:** INM000010411

### **Edelweiss Financial Services Limited\***

Edelweiss House, Off CST Road  
Kalina, Mumbai – 400 098  
**Tel :** +91 22 4086 3535  
**Facsimile:** +91 22 4086 3610  
**Email :** irfctf2015@edelweissfin.com  
**Investor Grievance Email:**  
customerservice.mb@edelweissfin.com  
**Website :** www.edelweissfin.com  
**Contact Person:** Mr Lokesh Singhi  
**Compliance Officer:** Mr. B. Renganathan  
**SEBI Registration No.:** INM0000010650

### **ICICI Securities Limited**

ICICI Centre  
H.T. Parekh Marg  
Churchgate, Mumbai 400 020  
**Tel :** +91 22 2288 2460  
**Facsimile:** +91 22 2282 6580  
**Email :** irfc.taxfreebonds@icicisecurities.com  
**Investor Grievance Email:**  
customercare@icicisecurities.com  
**Website :** www.icicisecurities.com  
**Contact Persons:** Mr. Amit Joshi / Mr. Anurag Byas  
**Compliance Officer:** Mr. Subir Saha  
**SEBI Registration No.:** INM000011179

### **RR Investors Capital Services Private Limited**

47, M.M. Road, Rani Jhansi Marg,  
Jhandewalan, New Delhi - 110055  
**Tel :** +91 11 2363 6362/63  
**Facsimile:** +91 11 2363 6746  
**Email :** irfctaxfree2015@rrfcl.com  
**Investor Grievance Email:** investors@rrfcl.com  
**Website:** www.rrfinance.com/www.rrfcl.com  
**Contact Person:** Mr. Anurag Awasthi  
**Compliance Officer:** Mr. Ravi Kant Goyal  
**SEBI Registration No.:** INM000007508

#### **NOTE:**

- \*1. Edelweiss Financial Services Limited, along with other merchant bankers, have filed an Appeal before Securities Appellate Tribunal against the Adjudicating order dated November 28, 2014 passed by SEBI in the matter of IPO of CARE Limited.*
- 2. Edelweiss Financial Services Limited, along with other merchant bankers, have received a Show Cause Notice dated September 20, 2013 issued by SEBI in the matter of IPO of Electrosteel Steels Limited*

## DEBENTURE TRUSTEE

### **SBICAP Trustee Company Limited,**

Apeejay House, 6<sup>th</sup> Floor, 3, Dinshaw Wachha Road,  
Churchgate, Mumbai 400 020  
**Tel:** +91 22 4302 5555  
**Facsimile:** +91 22 2204 0465  
**Contact Person/ Compliance Officer:** Mr. Ajit Joshi  
**Email:** corporate@sbicaptrustee.com  
**Website:** www.sbicaptrustee.com  
**SEBI Registration No.:** IND000000536

**SBICAP Trustee Company Limited has given its consent *vide* letter dated November 3, 2015 to the Issuer for its appointment under regulation 4(4) of SEBI Debt Regulations and in all the subsequent periodical communications sent to the holders of debt securities.**

All the rights and remedies of the Bondholders under this Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Issue without having it referred to the Bondholders. All Investors under this Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by the Issuer for this Issue to act as their trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by the Issuer to the Bondholders/Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge the Issuer pro tanto from any liability to the Bondholders. For further details, please see section “*Terms of the Issue*”.

#### **REGISTRAR TO THE ISSUE**

##### **Karvy Computershare Private Limited**

Karvy Selenium Tower B,  
Plot No. 31-32, Gachibowli Financial District  
Nanakramguda, Hyderabad  
**Tel:** +91 40 6716 2222;  
**Fascimile:** +91 40 2343 1551  
**Email:** einward.ris@karvy.com;  
**Investor Grievance Email:** irfcbonds@karvy.com  
**Website:** <http://karisma.karvy.com>;  
**Contact Person:** Mr. M Murli Krishna  
**SEBI Registration No.:** INR000000221

#### **STATUTORY AUDITORS**

##### **M/s. Bansal Sinha & Co.,**

Chartered Accountants,  
18/19, Old Rajinder Nagar,  
New Delhi 110 060.  
**Tel:**+91 11 2585 3424  
**Email:** bsc@bansalsinha.com  
**Firm Registration No.:** 006184N  
**Contact Person:** Mr. C.A. Tanupriya Gupta

M/s. Bansal Sinha & Co. Chartered Accountants were appointed as the Statutory Auditor of our Company by way of letter dated August 2, 2013 from the office of Comptroller and Auditor General of India, and resolution passed in the annual general meeting of the Company on September 20, 2013.

#### **LEGAL ADVISORS TO THE ISSUE**

##### **M.V. Kini & Co.**

Kini House,  
6/39 Jangpura B,  
New Delhi – 110014,  
**Tel:** +91 11 2437 1038/39/40  
**Fax:** +91 11 2437 9484  
**Email:** irftaxfree2015-16@mvkini.com  
**Website:** [www.mvkini.com](http://www.mvkini.com)  
**Contact Person:** Mr. Ashish Suman / Ms. Vidisha Krishan

#### **ESCROW COLLECTION BANKS / BANKERS TO THE ISSUE**

<b>Axis Bank Limited</b> Ground Floor, Statesman House 148, Barakhamba Road New Delhi – 110 001 <b>Telephone:</b> +91 95828 00072/9891846758 <b>Facsimile:</b> +91 11 2331 1054	<b>ICICI Bank Limited</b> Capital Market Division, 1 <sup>st</sup> Floor, 122, Mistry Bhavan Dinshaw Vachha Road, Backbay Reclamation Churchgate, Mumbai – 400 020 <b>Telephone:</b> +91 22 2285 9922
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<p><b>Email:</b> newdelhi.operationshead@axisbank.com, gaurav.tandon@axisbank.com <b>Website:</b> www.axisbank.com <b>Contact person:</b> Ms. Geetanjali Rawat Mr. Gaurav Tandon <b>SEBI Registration No.:</b> INBI00000017</p>	<p><b>Facsimile:</b> +91 22 2261 1138 <b>Email:</b> Rishav.bagrecha@icicibank.com <b>Website:</b> www.icicibank.com <b>Contact person:</b> Mr. Rishav Bagrecha <b>SEBI Registration No.:</b> INBI00000004</p>
<p><b>IDBI Bank Limited</b> Unit No. 2, Corporate Park Sion Trombay Road Chembur, Mumbai – 400 071 <b>Telephone:</b> +91 22 6690 8402 <b>Facsimile:</b> +91 22 6690 8424 <b>Email:</b> ipoteam@idbi.co.in <b>Website:</b> www.idbinabank.com <b>Contact person:</b> Mr. Satish Vasudeo Joshi <b>SEBI Registration No.:</b> INBI00000076</p>	<p><b>IndusInd Bank Limited</b> IndusInd Bank Limited, Cash Management Services PNA House, 4th Floor, Plot No. 57 &amp; 57/1, Road No. 17, Near SRL, MIDC, Andheri(East) Mumbai- 400093 <b>Telephone:</b> +91 22 6106 9228 <b>Facsimile:</b> +91 22 6106 9315 <b>Email:</b> sanjay.vasarkar@indusind.com <b>Website:</b> www.indusind.com <b>Contact Person:</b> Mr. Sanjay Vasarkar <b>SEBI Registration No. :</b> INBI00000002</p>
<p><b>State Bank of India</b> Capital Market Branch Videocon Heritage (Killick House) Ground Floor, Charanjit Rai Marg, Fort, Mumbai 400 001 <b>Telephone:</b> +91 22 2209 4932 <b>Facsimile:</b> +91 22 2209 4921 <b>Email:</b> nib.11777@sbi.co.in <b>Website:</b> www.statebankofindia.com <b>Contact person:</b> Mr. R Subramaniam <b>SEBI Registration No. :</b> INBI00000038</p>	<p><b>HDFC Bank Limited</b> FIG – OPS Department, Lodha, I Think Techno Campus, O-3 Level, Next to Kanjurmarg Railway Station, Kanjurmarg (East) Mumbai – 400 042 <b>Telephone:</b> +91 22 3075 2928 <b>Facsimile:</b> +91 22 2579 9801 <b>Email:</b> uday.dixit@hdfcbank.com, figdelhi@hdfcbank.com, sameer.chowdhry@hdfcbank.com <b>Website:</b> www.hdfcbank.com <b>Contact person:</b> Mr. Uday Dixit <b>SEBI Registration No.:</b> INBI00000063</p>
<p><b>Yes Bank Limited</b> 3rd Floor, Building No. 8, Tower A, DLF Cyber City, Gurgaon-122 002 <b>Telephone:</b> +91 124 4619 119/205, + 91 93110 98476 <b>Facsimile:</b> +91 124 4147 193 <b>Email:</b> dlbtiservices@yesbank.in <b>Website:</b> www.yesbank.in <b>Contact person:</b> Mr. Varun Kathuria Mr. Qumarey Khan <b>SEBI Registration No. :</b> INBI00000935</p>	

## REFUND BANK

### State Bank of India

Capital Market Branch  
Videocon Heritage (Killick House)  
Ground Floor, Charanjit Rai Marg,  
Fort, Mumbai 400 001  
**Telephone:** +91 22 2209 4932  
**Facsimile:** +91 22 2209 4921  
**Email:** nib.11777@sbi.co.in  
**Website:** www.statebankofindia.com  
**Contact person:** Mr. R Subramaniam  
**SEBI registration no. :** INBI00000038

## Self Certified Syndicate Banks

The list of Designated Branches that have been notified by SEBI to act as SCSBs for the ASBA process is provided on <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> or at such other website as may be prescribed by SEBI from time to time. For more information on the Designated Branches collecting ASBA Applications, see the above mentioned web-link.

## Syndicate SCSB Branches

In relation to ASBA Applications submitted to the Members of the Syndicate for the Issue or the Trading Members of the Stock Exchange only in the Syndicate ASBA Application Locations, the list of branches of the SCSBs at the Syndicate ASBA Application Locations named by the respective SCSBs to receive deposits of ASBA Applications from such Members of the Syndicate for the Issue or the Trading Members of the Stock Exchanges is provided on website of SEBI or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting ASBA Applications from Members of the Syndicate or the Trading Members of the Stock Exchanges only in the Syndicate ASBA Application Locations, see the above mentioned web-link.

## CONSORTIUM MEMBERS FOR THE ISSUE

In addition to Lead Managers, following are also Consortium Members of the Issue

<b>SBICAP Securities Limited</b> 191, 19th Floor, Maker Tower-'F', Cuffe Parade, Mumbai 400005 <b>Corr. Address:</b> Marathon Futurex, 12 <sup>th</sup> Floor, A&B Wing, N M Joshi Marg, Lower Parel, Mumbai 400013 <b>Tel:</b> +91 22 4227 3390/ 093246 34624; <b>Facsimile:</b> +91 22 4227 3390 <b>Email:</b> archana.dedhia@sbicapsec.com <b>Investors Grievance E-mail:</b> complaints@sbicapsec.com <b>Website:</b> www.sbismart.com <b>Contact Person:</b> Ms.Archana Dedhia <b>SEBI Registration No.:</b> BSE: INB 011053031 NSE: INB 231052938	<b>A. K. Stockmart Private Limited</b> 30-39, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai 400 021 <b>Tel:</b> +91 22 6754 6500 ; <b>Facsimile:</b> +91 22 6754 4666 <b>E-mail:</b> ankit@akgroup.co.in <b>Investor Grievance E-mail Id:</b> stockmart@akgroup.co.in <b>Website:</b> www.akcapindia.com <b>Contact Person:</b> Mr. Ankit Gupta/Mr. Sanjay Shah <b>SEBI Registration No.:</b> BSE: INB011269538 NSE: INB231269532
<b>Edelweiss Securities Limited</b> 2 <sup>nd</sup> Floor, M. B. Towers, Plot No. 5, Road No. 2, Banjara Hills, Hyderabad 500 034 <b>Tel:</b> +91 22 6747 1342 <b>Fax:</b> +91 22 6747 1347 <b>E-mail:</b> irfctf2015@edelweissfin.com <b>Investor Grievance Email:</b> Customercare@edelweissfin.com <b>Website:</b> www.edelweissfin.com <b>Contact Person:</b> Mr. Prakash Boricha <b>SEBI Registration No.:</b> BSE INB011193332 NSE INB231193310 MCX-SX INB261193396	<b>RR Equity Brokers Private Limited</b> 47, M.M Road, Rani Jhansi Marg, Jhandewalan, New Delhi - 110055 <b>Tel:</b> +91 11 2363 6362/63 <b>Fax:</b> +91 11 23636746 <b>E-mail:</b> jeetesh@rrfcl.com <b>Investor Grievance E-mail Id:</b> investors@rrfcl.com <b>Website:</b> www.rrfinance.com/www.rrfcl.com <b>Contact Person:</b> Mr. Jeetesh Kumar <b>SEBI Registration No.:</b> BSE INB011219632 NSE INB231219636

## Bankers to the Company

<b>Corporation Bank</b> 3, Ansal Chambers-I, Bhikaji Cama Place New Delhi-110066 <b>Tel:</b> +91 11 2619 3911, 2610 6905/6053 <b>Fax:</b> +91 11 2618 1211	<b>Vijaya Bank</b> No. 31/C DDA Complex, Opp. Moolchand Hospital, Defence Colony, New Delhi-110024 <b>Tel:</b> 93129 41105, +91 11 24615925, 2465 8127, <b>Fax:</b> +91 11 2462 3775
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**Email:** cb0373@corpbank.co.in  
**Website :** www.corpbank.com  
**Contact Person:** Mr. Tennti Ramchandra Rao

**Email:** vb6005@vijayabank.co.in  
**Website :** www.vijayabank.com  
**Contact Person:** Mr. Venkateswarlu Jala, AGM

### **Credit Rating Agencies**

#### **CRISIL Limited**

CRISIL House, Central Avenue  
Hiranandani Business Park, Powai,  
Mumbai 400 076  
**Tel:** +91 22 3342 3000  
**Fax:** +9122 3342 3050  
**E-mail:** rajat.bahl@crsil.com  
**Website:** www.crsil.com  
**Contact Person:** Mr. Rajat Bahl  
**SEBI Registration No.:** IN/CRA/001/1999

#### **ICRA Limited**

Building No. 8, 2<sup>nd</sup> Floor, Tower A,  
DLF Cyber City, Phase- II,  
Gurgaon 122 002  
**Tel:** +91 124 454 5310  
**Fax:** +91 124 4050424  
**E-mail:** amit.gupta@icraindia.com  
**Investor Grievance e-mail:**  
**Website:** www.icra.in  
**Contact Person:** Mr. Amit Kumar Gupta  
**SEBI Registration No.:** IN/CRA/008/2015

#### **Credit Analysis & Research Limited**

13<sup>th</sup> Floor, E-1 Block,  
Videocon Tower, Jhandewalan Extension,  
New Delhi - 110055  
**Tel:** +91 11 4533 3200  
**Fax:** +91 11 4533 3238  
**E-mail:** Gaurav.dixit@careratings.com  
**Website:** www.careratings.com  
**Contact Person:** Mr. Gaurav Dixit  
**SEBI Registration No.:** IN/CRA/004/1999

### **Credit Rating and Rationale**

1. CRISIL has reaffirmed the credit rating of “CRISIL AAA/Stable” to the debt program of (“Debt Programme”) vide its letter No. MB/FSR/IRFC/2015-16/1276 dated November 2, 2015 revalidated the said rating vide its letter No. VR/FSR/IRFC/2015-16/1377 dated November 27, 2015. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations.
2. ICRA Limited (“ICRA”) has assigned the credit rating of “[ICRA] AAA” to the long term borrowing programme of the Company vide its letter no. D/RAT/2015-16/11/7 dated October 13, 2015 and revalidated the said rating vide its letter No. D/RAT/2015-16/11/8 dated November 17, 2015. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations.
3. Credit Analysis & Research Limited (“CARE”) has assigned the rating of “CARE AAA” to the long term market borrowing programme of the Company vide its letter no. CARE/DRO/RL2015-16/1859 dated October 14, 2015 revalidated the said rating vide its letter No. CARE/DRO/RL/2015-16/2000 dated November 18, 2015.

Further, our Company undertakes that the rating rationale/credit rating letter issued by the aforesaid rating agencies would not be older than one month on the date of opening of the Issue.

For details in relation to the rationale for the credit rating by CRISIL, ICRA and CARE, see Appendix III of the Shelf Prospectus. Further, kindly note these ratings are not a recommendation to buy, sell or hold securities and Investors should take their own decision. These ratings are subject to revision or withdrawal at any time by the assigning rating agency (ies) and should be evaluated independently of any other ratings.

### **Expert Opinion**

Except for the letter dated October 14, 2015 by CARE, the report dated November 5, 2015 on our reformatted financial information for the financial year ending March 31, 2011, March 31, 2012, March 31, 2013, March 31, 2014 and March 31, 2015 and limited review for the half year ended September 30, 2015 and statement of tax benefits dated November 5, 2015 issued by M/s. Bansal Sinha & Co. Chartered Accountants, Statutory Auditors of the Company, the Company has not obtained any expert opinion.

### **Minimum Subscription**

The SEBI Circular bearing reference no. CIR/IMD/DF/12/2014 dated 17 June, 2014 provides that the issuers issuing tax-free bonds, as specified by CBDT, shall be exempted from requirement of specifying the minimum subscription limit. Accordingly no minimum subscription limit has been specified for the present Issue.

### **Arrangers**

There are no arrangers for the present Issue.

### **Underwriting**

This Issue is not underwritten.

### **Issue Programme**

<b>ISSUE PROGRAMME*</b>	
<b>ISSUE OPENS ON</b>	<b>ISSUE CLOSES ON</b>
December 8, 2015	December 21, 2015

Applications shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time), or such extended time as may be permitted by the Stock Exchanges during the Issue Period on all days between Monday and Friday, both inclusive barring public holidays, at the Collection Centers or with the Members of the Syndicate or Trading Members at the Syndicate ASBA Application Locations and the Designated Branches of SCSBs as mentioned on the Application Form. On the Issue Closing Date, Applications shall be accepted only between 10.00 a.m. and 3.00 p.m. and shall be uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchanges. It is clarified that the Applications not uploaded in the electronic application system of the Stock Exchanges would be rejected.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, some Applications may not be uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on working day, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor the Lead Managers, Consortium Members or Trading Members of the Stock Exchanges is liable for any failure in uploading the Applications due to failure in any software/hardware system or otherwise.

*\* The subscription list for the Issue shall remain open for subscription, from 10:00 A.M. to 5:00 P.M (Indian Standard Time) during the period indicated above, with an option for early closure or extension, as may be decided by the Board of Directors or the Bond Committee. In the event of such early closure or extension of the subscription list of the Issue, our Company shall ensure that public notice of such early closure or extension is published on or before the day of such early date of closure or the Issue Closing Date, as the case may be, through advertisement/s in at least one leading National daily newspaper with wide circulation.*

## OBJECTS OF THE ISSUE

### Issue Proceeds

The Company shall issue Bonds for an amount of ₹ 1,00,000 lakhs with an option to retain oversubscription upto ₹ 3,53,200 lakhs aggregating upto ₹4,53,200 lakhs in one or more tranche(s) by way of public issue, on or prior to March 31, 2016 pursuant to CBDT Notification dated July 6, 2015 which authorised the Company to raise Bonds aggregating up to ₹6,00,000\* lakhs in the financial year 2015-16 through public issue and/or private placement.

The Board of Directors, at their meeting held on March 11, 2015 have approved the Issue, in one or more tranche(s), of tax free bonds subject to directions issued by Ministry of Finance.

*\* In terms of the CBDT Notification (defined hereinafter), our Company has raised ₹ 1,13,900 Lakhs and ₹ 32,900 Lakhs on a private placement basis through Private Placement Offer Letters dated July 31, 2015 and August 21, 2015 respectively. Further, the Company may also raise Bonds through private placement route in one or more tranches during the process of the present Issue, except the period from Issue Opening Date till allotment of Bonds for the relevant Tranche Issue. The aggregate amount raised through the private placement route shall not exceed ₹ 1,80,000 Lakhs, i.e. upto 30% of the allocated limit for raising funds through the Bonds during the Fiscal 2016, at its discretion. Our Company shall ensure that Bonds issued through the public issue route and private placement route in Fiscal 2016 shall together not exceed the allocated limit ₹ 6,00,000 lakhs. In case our Company raises funds through private placements Shelf Limit for the Issue shall get reduced by such amount raised.*

### Utilisation of Issue Proceeds

The funds raised through this Issue will be utilized towards financing the acquisition of rolling stock which will be leased to the MoR in line with present business activities. The utilisation of Issue Proceeds shall be in compliance with various guidelines/regulations/clarifications issued by RBI, SEBI or any other statutory authority from time to time.

For further details in relation to the aforesaid business and associated risk, see sections titled “*Our Business*” and “*Risk Factors*” beginning on page 68 and 12 of the Shelf Prospectus, respectively.

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

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

### Purpose for which there is a requirement of funds

As mentioned above.

### Funding Plan

Not applicable

### Summary of the project appraisal report

Not applicable

### Schedule of implementation of the Project

Not Applicable

### Variation in terms of contract or objects

Our Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of the Objects for which the Shelf Prospectus and Prospectus Tranche-I is issued, except as may be prescribed under the applicable laws and under Section 27 of the Companies Act, 2013.

### Interim use of Proceeds

The Board of Directors of the Company, in accordance with the policies formulated by them from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, the Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market Mutual Funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities or inter corporate loans as may be approved by the Board. Such investment would be in accordance with the investment policies approved by the Board or any committee thereof from time to time.

### Monitoring of Utilization of Funds

In terms of the SEBI Debt Regulations, there is no requirement for appointment of a monitoring agency in relation to the use of proceeds of the Issue. Our Board of Directors shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in our financial statements for the relevant fiscal commencing from Fiscal 2016, the utilisation of the proceeds of the Issue under a separate head along with any details in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue. We shall utilize the proceeds of the Issue only upon the execution of the documents for creation of security as stated in this Prospectus Tranche-I in the section titled “*Terms of the Issue - Security*” on page 62 of the Prospectus Tranche-I and upon the listing of the Bonds.

### Proposed Issue Expenses

A portion of the Issue proceeds will be used to meet Issue expenses. The following are the proposed issue expenses.

Particulars	Amount (₹ in lakhs)	Percentage of proceeds of the Issue (in %)	Percentage of total expenses of the Issue (in %)
<b>Fees payable to Intermediaries</b>			
Registrar to the Issue	30.92	0.01	1.24
Legal Advisors	3.89	0.00	0.16
Debenture Trustee	0.25	0.00	0.01
Printing and Stationary	110.35	0.02	4.42
Advertising and marketing	5.25	0.00	0.21
Lead Managers’ Fees, Brokerage* and Selling Commission	1948.76	0.43	78.10
Other Miscellaneous Expenses	395.95	0.09	15.87
<b>Total</b>	<b>2495.37*</b>	<b>0.55</b>	<b>100.00</b>

\* The Company shall pay processing fees to the SCSBs for ASBA forms procured by Lead Managers/Consortium Members/Sub-Consortium Members/Brokers/ Sub-brokers/Trading Members and submitted to SCSBs for blocking the Application Amount of the Applicant, at the rate of ₹15 per Application Form procured, as finalised by the Company. However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA processing fee. Further, in terms of CBDT Notification for this public issue of Bonds, the issue expenses shall not exceed 0.65% of the Issue Size.

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Prospectus Tranche - I Issue and the number of Allottees, market conditions and other relevant factors.

### Benefit / Interest Accruing To Directors/KMP Out of the Objects of the Issue

No benefit or interest accrues to Directors or Key Managerial Person of the Company out of Issue Proceeds

### Undertakings with respect to Issue Proceeds

The Company undertakes the following:

1. That in accordance with the SEBI Debt Regulations, it will not utilize the issue proceeds for providing loans to or acquisition of shares of any person who is part of the same group or who is under the same management;

2. Other than as mentioned in the section titled "Objects of the Issue", the Issue proceeds shall not be utilized towards full or part consideration for the purchase or any direct or indirect acquisition, including by way of a lease, of any immovable property;
3. It will not use the proceeds of the Issue for the purchase of any business or in the purchase of any interest in any business whereby the Company shall become entitled to the capital or profit or losses or both in such business exceeding 50% thereof.
4. No part of the proceeds from this Issue will be paid by us as consideration to our Directors, Key Managerial Personnel.
5. The amount earmarked for General Corporate Purposes shall not exceed 25% of the amount raised by our Company in this Issue

We propose to issue Bonds to Eligible NRIs, FPIs, FIIs and Eligible QFIs on a non-repatriable as well as repatriable basis. Under the provisions of the Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000, as amended, any monies borrowed from a person resident outside India cannot be used:

- (a) for any purpose except in one's own business other than (i) the business of chit fund, (ii) as Nidhi Company, (iii) agricultural or plantation activities or real estate business; or construction of farm houses; or (iv) trading in Transferable Development Rights (TDRs); or
- (b) for any investment, whether by way of capital or otherwise, in any company or partnership firm or proprietorship concern or any entity, whether incorporated or not, or for the purpose of re-lending.

To ensure compliance with the aforementioned, the Company shall open and maintain separate escrow accounts with the Escrow Collection Bank(s) in connection with all Application Amounts received from Eligible NRIs, FIIs and Eligible QFIs and other non-resident Applicants across all Categories ("**Non Resident Escrow Account**"). All Application Amounts received from Eligible NRIs, FPIs, FIIs, Eligible QFIs and other non-resident Applicants shall be deposited in the Non Resident Escrow Account maintained with each Escrow Collection Bank(s). Upon creation of security as disclosed in this Prospectus Tranche-I, the Escrow Collection Bank(s) shall transfer the monies from the Non Resident Escrow Accounts to a separate bank account ("**Non Resident Public Issue Account**") which shall be different from the Public Issue Account. The Company shall at all times ensure that any monies kept in the Non Resident Public Issue Account shall be utilised only in accordance with and subject to the restrictions contained in the Foreign Exchange Management (Borrowing and Lending in Rupee) Regulations, 2000, and other applicable statutory and/or regulatory requirements.

The Issue Proceeds from Bonds allotted to Banks will not be utilized for any purpose which may be in contravention of the RBI guidelines on bank financing to NBFCs including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI regulations.

## STATEMENT OF TAX BENEFITS

*Under the current tax laws, the following possible tax benefits, inter alia, will be available to the Bond Holder. This is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the Bond, under the current tax laws presently in force in India. The benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto. The Bond Holder is advised to consider in his own case the tax implications in respect of subscription to the Bond after consulting his tax advisor as alternate views are possible. Interpretation of provisions where under the contents of this statement of tax benefit is formulated may be considered differently by income tax authority, government, tribunals or court. We are not liable to the Bond Holder in any manner for placing reliance upon the contents of this statement of tax benefits.*

### A. INCOME TAX

#### 1. Interest from Bond do not form part of Total Income.

- a) In exercise of power conferred by item (h) of sub clause (iv) of clause (15) of Section 10 of the Income Tax Act, 1961, the Central Government vide notification no 59/2015.F.No.178/27/2015- (ITA.1) dated 6th July, 2015 authorizes Indian Railway Finance Corporation Ltd. to issue during the Financial year 2015-16, tax free, secured, redeemable, non-convertible bonds of rupee 1,000 each for the aggregate amount not exceeding ₹ 6,00,000 lakhs subject to the other following conditions that –
- (i) Retail Individual Investors, Qualified Institutional Buyers, Corporates and High Net Worth Individuals shall be eligible to subscribe to the bonds.
    - 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.
    - 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 rupees ten lakh in each issue and individual investors investing more than rupees ten lakh shall be classified as High Net worth Individuals.
  - (ii) It shall be mandatory for the subscribers of such bonds to furnish their permanent account number to the issuer.
  - (iii) The holder of such bonds must register his or her name and holding with the issuer.
  - (iv) The tenure of the bonds shall be ten, fifteen or twenty years.
  - (v) There shall be a ceiling on the coupon rates based on the reference Government security (G-sec) rate;
  - (vi) 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.
  - (vii) The ceiling coupon rate for AAA rated issuers shall be the reference G-sec rate less 55 basis points in case of Retail Individual Investor and reference G-sec less 80 basis points in case of other investor segments, like Qualified Institutional Buyers(QIB's), Corporates and High Net worth Individuals.
  - (viii) In case the rating of the issuer entity is AA+, the ceiling rate shall be 10 basis points above the ceiling rate for AAA rated entities as given in the clause (vii).
  - (ix) In case the rating of the issuer entity is AA or AA-, the ceiling rate shall be 20 basis points above the ceiling rate for AAA rated entities as given in the clause (vii).
  - (x) 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;
  - (xi) The higher rate of interest, applicable to retail investors, shall not be available in case the bonds are transferred by Retail investors to non retail investors.

(xii) At least 70% of aggregate amount of bonds shall be raised through public issue. 40% of such public shall be earmarked for retail investors.

- b) Total issue expenses shall not exceed 0.65% of the issue size in case of public issue and in case of private placement, it shall not exceed 0.25% of the issue size.

The issue expense would include all expenses relating to the issue like brokerage, advertisement, printing, registration etc.

- c) Section 10(15)(iv)(h) to be read with Section 14A(1) provides that in computing the total income of a previous year of any person, interest payable by any public sector company in respect of such bonds or debentures and subject to such conditions, including the condition that the holder of such bonds or debentures registers his name and the holding with that company, as the Central Government may, by notification in the Official Gazette, specify in this behalf shall not be included;

Further, as per Section 14 A(1), no deduction shall be allowed in respect of expenditure incurred by the assessee in relation to said interest, being exempt under the Income Tax Act, 1961.

Section 2(36A) of the IT Act defines Public Sector Company as any corporation established by or under any state Central, State, Provincial Act or a Government company as defined under Section 2(45) of the Companies Act, 2013. Indian Railway Finance Corporation is a public sector company as it is a Government company as defined under Section 2(45) of the Companies Act, 2013.

- d) Accordingly, pursuant to the aforesaid notification, interest from bond will be exempt from income tax.
- e) Since the interest Income on these bonds is exempt, no Tax Deduction at Source is required. However, interest on application money would be liable for TDS as well as tax as per present tax laws.

## **2. CAPITAL GAIN**

- a) Under section 2 (29A) of the I.T. Act, read with section 2 (42A) of the I.T. Act, a listed Bond is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

Under section 112 of the I.T. Act, capital gains arising on the transfer of long term capital assets being listed securities are subject to tax at the rate of 20% of capital gains calculated after reducing indexed cost of acquisition or 10% of capital gains without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition/indexed cost of acquisition of the bonds from the sale consideration.

However as per third proviso to section 48 of Income tax act, 1961, benefits of indexation of cost of acquisition under second proviso of section 48 of Income tax Act, 1961 is not available in case of bonds and debenture, except capital indexed bonds. Thus, long term capital gain tax can be considered 10% on listed bonds without indexation.

Securities Transaction Tax (“STT”) is a tax being levied on all transactions in specified securities done on the stock exchanges at rates prescribed by the Central Government from time to time. STT is not applicable on transactions in the Bonds.

In case of an individual or HUF, being a resident, where the total income as reduced by the long term capital gains is below the maximum amount not chargeable to tax i.e. ₹ 2,50,000 in case of all individuals, ₹ 3,00,000 in case of resident senior citizens and ₹ 500,000 in case of resident very senior citizens, the long term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate of ten per cent in accordance with and the proviso to sub-section (1) of section 112 of the I.T. Act.

A 2% education cess and 1% secondary and higher education cess on the total income tax (including surcharge for corporate only) is payable by all categories of tax payers.

The above tax rates and rates of cess are the current applicable rates and subject to change

- b) Short-term capital gains on the transfer of listed bonds, where bonds are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provision of the I.T. Act.

The provisions related to minimum amount not chargeable to tax, surcharge and education cess described at Para 2 (a) above would also apply to such short-term capital gains.

- c) Under Section 54 EC of the I.T. Act and subject to the conditions and to the extent specified therein, long term capital gains arising to the bondholders on transfer of their bonds in the company shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified bonds are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. Where the benefit of Section 54 EC of the I.T. Act has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under Section 80 C of the I.T. Act. The investment made in the notified bonds by an assessee in any financial year cannot exceed ₹ 50 lacs.
- d) As per the provisions of section 54F of the Income Tax Act, 1961 and subject to conditions specified therein, any long-term capital gains (not being residential house) arising to Bond Holder who is an individual or Hindu Undivided Family, are exempt from capital gains tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis.

Provided that the said Bond Holder should not own more than one residential house at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the Bond Holder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired or constructed.

The net consideration which is not appropriated towards the purchase of new asset made within one year before the date on which the transfer of original asset (bonds) took place, or which is not utilized for the purchase or construction of new house before the date of furnishing the return of income under Section 139, shall be deposited by him before furnishing such return in an account in bank or institution as may be specified in, and utilized in accordance with, any scheme which the Central Government may by notification in Official Gazette, frame in this behalf. The amount if any, already used for the purchase or construction of the new house together with the amount so deposited shall be deemed to be the cost of the new asset. Provided that if the amount deposited under this sub-Section is not utilised wholly or partly for the purchase or construction of the new asset within the period specified in sub-Section (1), then, such unutilized amount shall be charged under Section 45 as income of the previous year in which the period of three years from the date of the transfer of the original asset expires; and (ii) the bondholder shall be entitled to withdraw the unutilised amount in accordance with the scheme aforesaid.

- e) The income by way of short term capital gains or long term capital gains (not covered under Section 10(38) of the IT Act) realized by FIIs on sale of security in the Company would be taxed at the following rates as per Section 115AD of the I.T. Act.
- Short term capital gains- 30% (plus applicable surcharge and education cess).
  - Long term capital gains - 10% without cost indexation (plus applicable surcharge and education cess)

As per section 90(2) of the IT Act, the provision of the IT Act would not prevail over the provision of the tax treaty applicable to the non-resident to the extent such tax treaty provisions are more beneficial to the non resident. Thus, a non resident can opt to be governed by the beneficial provisions of an applicable tax treaty.

The above tax rates and rates of cess are the current applicable rates and subject to change.

- f) Under section 195 of the Income Tax Act, Income Tax shall be deducted from sum payable to non residents on the long term capital gain and short term capital gain arising on sale and purchase of bonds at the rate specified in the Finance Act of the relevant year or the rate or rates of the income tax specified in an agreement entered into by the Central Government under section 90, or an agreement notified by the Central Government under section 90A, as the case may be.

However under section 196D, No deduction of tax shall be made from income arising by way of capital gain to Foreign Institutional Investors.

### **3. BONDS HELD AS STOCK IN TRADE**

In case the Bonds are held as stock in trade, the income on transfer of bonds would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act, 1961.

### **4. TAXATION ON GIFT**

As per section 56(2) (vii) of the I.T. Act, in case where individual or Hindu undivided Family receives bond from any person on or after 1st October, 2009

- A. without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such bonds/debentures or;
- B. for a consideration which is less than the aggregate fair market value of the Bond by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such property as exceeds such consideration;

shall be taxable as the income of the recipient.

Provided further that this clause shall not apply to any sum of money or any property received—

- a) from any relative; or
- b) on the occasion of the marriage of the individual; or
- c) under a will or by way of inheritance; or
- d) in contemplation of death of the payer or donor, as the case may be; or
- e) from any local authority as defined in the Explanation to clause (20) of section 10; or
- f) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of section 10; or
- g) from any trust or institution registered under section 12AA.

\*For definition of relative please refer clause V of the aforesaid section.

### **B. WEALTH TAX**

Wealth-tax Act, 1957 has been abolished w.e.f. April 1, 2015 hence no wealth tax shall be levied on investment in bonds.

For & on behalf of  
*Bansal Sinha & Co.,*  
*Chartered Accountants*  
*Firm Registration No.: 006184N*

*Tanupriya Gupta*  
*(Partner)*  
*Membership No. 511757*

Place: New Delhi  
Dated: 05 -11-2015

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

As per the terms of the CBDT Notification, the aggregate value of the Bonds (having benefits under Section 10(15)(iv)(h) of the Income Tax Act) by the Company during the Fiscal 2016 shall not exceed ₹6,00,000\* lakhs through public issue and private placement.

The Board of Directors, at their meeting held on March 11, 2015 have approved the Issue, in one or more tranche(s), of tax free bonds subject to directions issued by Ministry of Finance.

\* *In terms of the CBDT Notification (defined hereinafter), our Company has raised ₹ 1,13,900 Lakhs and ₹ 32,900 Lakhs on a private placement basis through Private Placement Offer Letters dated July 31, 2015 and August 21, 2015 respectively. Further, the Company may also raise Bonds through private placement route in one or more tranches during the process of the present Issue, except the period from Issue Opening Date till allotment of Bonds for the relevant Tranche Issue. The aggregate amount raised through the private placement route shall not exceed ₹ 1,80,000 Lakhs, i.e. upto 30% of the allocated limit for raising funds through the Bonds during the Fiscal 2016, at its discretion. Our Company shall ensure that Bonds issued through the public issue route and private placement route in Fiscal 2016 shall together not exceed the allocated limit ₹ 6,00,000 lakhs. In case our Company raises funds through private placements the Shelf Limit for the Issue shall get reduced by such amount raised.*

As per Section 31 of the Companies Act, 2013, any class of companies as prescribed by SEBI, may file a Shelf Prospectus. Regulation 6A of the SEBI Debt Regulations prescribes those class of companies or entities who may file a Shelf Prospectus and includes amongst other, the companies which have been authorized by the CBDT to make public issue of tax free secured bonds. As stated above, the CBDT vide its Notification no.59/2015 dated July 6, 2015 has authorised our Company to issue tax free, secured, redeemable, non-convertible bonds. Therefore, our Company is eligible as per the SEBI Debt Regulations to file for a Shelf Prospectus.

Subject to the Memorandum and Articles of Association of our Company, the Shareholders of our Company have passed a special resolution on September 16, 2015 under Section 180 (1)(c) of the Companies Act, 2013 and rules made thereunder, as amended from time to time, authorising the Board to borrow from time to time to the extent it deems requisite for the purpose of the business provided that the total amount upto which the moneys may be borrowed by the Board and outstanding at any one time shall not exceed a total amount of ₹ 1,50,00,000 lakhs. The aggregate values of Bonds offered under the Issue is within overall limits of ₹1,50,00,000 lakhs.

### Eligibility to make the Issue

The Company, the persons in control of the Company or its promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force.

### Consents

Consents in writing from the Directors, the Compliance Officer, the Company Secretary, the Statutory Auditors, Bankers to the Company, Lead Managers, Registrar to the Issue, Legal Advisors to the Issue, Credit Rating Agencies, Escrow Collection Banks, Refund Bank, Consortium Members and the Debenture Trustee, to act in their respective capacities, have been obtained and shall be filed along with a copy of Prospectus Tranche-I with the RoC.

The Company has appointed SBICAP Trustee Company Limited as Debenture Trustee under regulation 4(4) of the SEBI Debt Regulations. The Debenture Trustee has given its consent to the Company for its appointment under Regulation 4(4) and also in all the subsequent periodical communications sent to the holders of debt securities.

### Expert Opinion

Except for the letter dated October 14, 2015 by CARE, the report dated November 5, 2015 on our reformatted financial information for the financial year ending, 2011, 2012, 2013, 2014 and 2015 and limited review report for the half year ended September 30, 2015 and statement of tax benefits dated November 5, 2015 issued by Bansal, Sinha & Co., Chartered Accountants, Statutory Auditors of the Company, the Company has not obtained any expert opinion.

## **Common Form of Transfer**

There shall be a common form of transfer for the Bonds held in physical form and relevant provisions of the Companies Act and all other applicable laws shall be duly complied with in respect of all transfer of the Bonds and registration thereof. Bonds held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant Depository Participants of the transferor or transferee and any other applicable laws and rules notified in respect thereof.

## **Minimum Subscription**

The SEBI Circular bearing reference no. CIR/IMD/DF/12/2014 dated 17 June, 2014 provides that the issuers issuing tax-free bonds, as specified by CBDT, shall be exempted from the minimum subscription limit. Accordingly, there is no minimum subscription for the present Issue.

## **Filing of the Shelf Prospectus and Prospectus Tranche-I**

A copy of the Shelf Prospectus and the Prospectus Tranche-I will be filed with RoC in accordance with Section 26 and Section 31 of the Companies Act, 2013 and the Shelf Prospectus shall be valid for a period not exceeding one year from the Tranche- I Issue Opening Date.

## **Reservation or Discount**

In terms of the CBDT Notification, 40% of the total Issue size shall be earmarked towards Investors from Category IV. Apart from such reservation, there is no reservation in this Issue nor will any discount be offered in this Issue, to any category of investors.

## **Debenture Redemption Reserve**

Section 71 of the Companies Act, 2013, read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, requires that any company that intends to issue debentures must create a DRR for the purpose of redemption of debentures, in accordance with the following conditions: (a) the DRR shall be created out of the profits of our Company available for payment of dividend, (b) the DRR shall be equivalent to at least 25% of the amount raised through public issue of debentures in accordance with the SEBI Debt Regulations in case of NBFCs registered with the RBI and no DRR is required in the case of privately placed debentures. Accordingly our Company is required to create a DRR of 25% of the value of the Bonds issued through the Issue. In addition, as per Rule 18 (7) (e) of the Companies (Share Capital and Debentures) Rules, 2014, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the Bonds. Every company required to create or maintain DRR shall before the 30th day of April of each year, deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March, following any one or more of the following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The amount deposited or invested, as the case may be, shall not be utilised for any purpose other than for the repayment of debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15% of the amount of debentures maturing during the 31st day of March of that year. This may have a bearing on the timely redemption of the Bonds by our Company.

## **Details regarding our Company and other listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 which made any capital issue during the last three years**

Our Company is a public sector enterprise, as such, there are no identifiable companies under the same management. Further, as regards issue of equity share capital during the last three years by our company, please refer to the section titled "*Capital Structure*" on page 52 of the Shelf Prospectus. For details of past public issues of bonds/ NCD, please refer to the section titled "*Other Regulatory and Statutory Disclosures*" on page 34 of this Prospectus Tranche-I.

### Previous Public or Rights Issues by the Company during last five years

Our Company had made public issue of tax free secured redeemable non-convertible bonds of face value of ₹1,000 each in the nature of debentures having tax benefits under Section 10 (15) (iv)(h) of the Income Tax Act, 1961, as amended for an amount of ₹ 3,00,000 lakhs with an option to retain oversubscription upto an aggregate amount of ₹ 6,30,000 lakhs through a Shelf Prospectus dated January 19, 2012 (“**2012 Bonds Issue**”). The opening date of the issue was January 27, 2012 and the closing date was February 3, 2012. The tax free bonds under the issue were allotted on February 23, 2012. Dispatch of refunds pursuant to the issue of bonds was made on February 25, 2012 and trading at BSE and NSE commenced on March 2, 2012.

Pursuant to the said public issue of tax free bonds, our Company had raised an amount aggregating to ₹ 6,26,889 lakhs.

Our Company had made public issue of tax free secured redeemable non-convertible bonds of face value of ₹ 1,000 each in the nature of debentures having tax benefits under Section 10 (15)(iv)(h) of the Income Tax Act, 1961, as amended through a shelf prospectus and prospectus tranche – 1 dated December 21, 2012 and prospectus tranche – 2 dated February 14, 2013 (“**2013 Bonds Issue**”) upto the shelf limit of ₹8,88,640 lakhs. The opening date of the issue under tranche – 1 was January 21, 2013 and the closing date was February 8, 2013 and the opening date of the issue under tranche – 2 was February 25, 2013 and the closing date was March 15, 2013. The tax free bonds under the tranche – 1 and tranche – 2 were allotted on February 19, 2013 and March 23, 2013 respectively. Dispatch of refunds pursuant to the tranche – 1 and tranche – 2 was made on February 20, 2013 and March 26, 2013 respectively. The trading at BSE and NSE for tranche – 1 and tranche – 2 commenced on February 22, 2013 and April 1, 2013 respectively.

Pursuant to the said public issue of tax free bonds, our Company had raised an amount aggregating to ₹ 5,80,244.45 lakhs.

### 2014 Bonds Issue

Our Company had made public issue of tax free secured redeemable non-convertible bonds of face value of ₹ 1,000 each in the nature of debentures having tax benefits under Section 10 (15)(iv)(h) of the Income Tax Act, 1961, as amended through a shelf prospectus and prospectus tranche – 1 dated December 19, 2013 and prospectus tranche – 2 dated February 24, 2014 (“**2014 Bonds Issue**”) upto the shelf limit of ₹8,66,300 lakhs. The opening date of the issue under tranche – 1 was January 6, 2014 and the closing date was February 7, 2014 and the opening date of the issue under tranche – 2 was February 28, 2014 and the closing date was March 14, 2014. The tax free bonds under the tranche – 1 and tranche – 2 were allotted on February 18, 2014 and March 26, 2014 respectively. Dispatch of refunds pursuant to the tranche – 1 and tranche – 2 was completed on February 20, 2014 and March 27, 2014 respectively. The trading at BSE and NSE for tranche – 1 and tranche – 2 commenced on February 21, 2014 and March 28, 2014 respectively.

Pursuant to the said public issue of tax free bonds, our Company had raised an amount aggregating to ₹ 5,82,833.92 lakhs.

### Change in auditors of our Company during the last three years

There has been no change in statutory auditors for last three years except as stated below:

Name	Address	Date of appointment/ resignation	Auditor of the Company since
Bansal Sinha & Co.	18/19, Old Rajinder Nagar, New Delhi 110 060.	Appointed by way of letter from the office of Comptroller and Auditor General of India dated July 25, 2012 and resolution passed in the annual general meeting of the Company held on August 28, 2012, For subsequent years he has been reappointed as statutory auditor	August 28, 2012

### Auditor Remarks

There are no reservations or qualifications or adverse remarks of auditors in respect of our Financial Statements in the last five financial years from the date of this Prospectus Tranche-I. For further details please refer to Appendix I of Shelf Prospectus.

## Revaluation of assets

Our Company has not revalued its assets in the last five years.

## Utilisation of Proceeds

For details of utilization of Issue proceeds, see section titled “*Objects of the Issue*” on page 27 of this Prospectus Tranche-I. We shall utilize the Issue proceeds only upon creation of security as stated in this Prospectus Tranche-I in the section titled — “*Terms of the Issue - Security*” on page 62 of this Prospectus Tranche-I and after permission or consent for creation of security pursuant to the terms of the Debenture Trust Deed sought to be provided as security. The Issue proceeds shall not be utilized for providing loan to or acquisition of shares of any person who is part of the same group or who is under the same management. Further, the end-use of the proceeds of the Issue, duly certified by the statutory auditors of the Company, shall be reported in the annual reports of our Company and other reports issued by our Company to relevant regulatory authorities, as applicable.

## Utilisation of Proceeds from earlier Public Issues

Funds collected from earlier public issues has been utilised as per objects of the issue provided in the respective offer documents.

## Lending Policy

Our Company is the dedicated market borrowing arm of MoR. It funds extra budgetary resources requirement of MoR as mandated by them every year. For further details, please refer to the “**Our Business**” on page 68 of the Shelf Prospectus.

## Classification of loans/advances given to associates, entities/person relating to Board, Senior Management, Promoter, others, etc.;

Nil

## Classification of loans/advances given to according to type of loans, sectors, maturity profile geographical classification of borrowers, etc.;

Our Company has exposure only to railway sector in India. Besides meeting the extra budgetary resources requirements of MoR, our Company also meets the debt financing needs of RVNL as mandated by MoR each year. The funding to MoR is done by way of financial leasing having a tenor of upto 30 years including primary lease period of 15 years followed by secondary lease period of another 15 years. The loan to RVNL is for a period of 15 years and repayable in 12 equated annual instalments after an initial moratorium of 3 years.

## Details of Utilization of Proceeds from Previous Issues and Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its guidelines on Corporate Governance for NBFCs, from time to time.

Sr. No.	Details of the Issue	Amount Mobilised (₹ in lakhs)	Name of the Borrower	Amount advanced/disbursed (₹ in lakhs)	Utilisation
1.	Public Issue of tax free bonds during FY 2011-12	6,26,889.00	MoR	6,26,889.00	Has been utilised towards acquisition of Rolling stock for leasing the same to MoR
2.	Public Issue of tax free bonds during FY 2012-13 Tranche-I	5,37,339.07	MoR	5,37,339.07	Has been utilised towards acquisition of Rolling stock for leasing the same to MoR
3.	Public Issue of tax free bonds during FY 2012-	42,905.38	MoR	42,905.38	Has been utilised towards acquisition of Rolling stock for

Sr. No.	Details of the Issue	Amount Mobilised (₹ in lakhs)	Name of the Borrower	Amount advanced/disbursed (₹ in lakhs)	Utilisation
	13 Tranche-II				leasing the same to MoR
4.	Public Issue of tax free bonds during FY 2013-14 Tranche-I	4,08,312.15	MoR	4,08,312.15	Has been utilised towards acquisition of Rolling stock for leasing the same to MoR
5.	Public Issue of tax free bonds during FY 2013-14 Tranche-II	1,74,521.77	MoR	1,74,521.77	Has been utilised towards acquisition of Rolling stock for leasing the same to MoR

**Details of loans, overdue and classified as non-performing in accordance with RBI guidelines.**

Nil

**Details regarding material Contracts other than the contracts entered in the ordinary course of business and the material contracts entered within the previous 2 Years.**

Nil

**Lending to Group Companies**

Not Applicable

**Statement by the Board of Directors:**

- (i) All monies received out of Tranche - I Issue of the Bonds to the public shall be transferred to a separate bank account other than the bank account referred to in Section 40 of the Companies Act, 2013 and shall not be utilised for any purpose other than
  - (a) for adjustment against allotment of securities where the securities have been permitted to be dealt with in the stock exchange or stock exchanges specified in the prospectus; or
  - (b) for the repayment of monies within the time specified by the SEBI, received from Applicants in pursuance of the Prospectus Tranche-I, where the Company is for any other reason unable to Allot Bonds;
- (ii) Details of all monies utilised out of Tranche – I Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies were utilised; and
- (iii) Details of all unutilised monies out of the Tranche – I Issue referred to in sub-item (i), if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested.
- (iv) The allotment letters shall be issued or application money shall be refunded within 15 (fifteen) days from the closure of the Tranche-I Issue or such lesser time as may be specified by SEBI or else the Application money shall be refunded to the Applicants forthwith, failing which interest shall be due to be paid to the Applicants at the rate of 15% per annum for the delayed period;
- (v) Our Company has obtained all no-objections from any debenture trustees/ lenders, required for creating Security.
- (vi) The funds raised by us from our previous bonds issues have been utilised for our business as stated in respective offer documents;

**Names of signatories to the Memorandum of Association of our Company and the number of shares subscribed by them:**

Given below are the name of the signatories of the Memorandum of Associations of our Company and the number of equity shares subscribed by them at the time of signing of the Memorandum of Association.

<b>Sr. No</b>	<b>Name of Signatory</b>	<b>Number of Equity Shares of ₹ 1000 each</b>
1.	President of India through Shri. Prakash Narain, S/o Late Shri Narsingh Narain, R/o 25 Chankyapuri, New Delhi	1
2.	Shri Prakash Narain, S/o Late Shri Narsingh Narain, R/o 25 Chankyapuri, New Delhi	1
3.	Shri Srinivasa Ramaswamy S/o Late shri Srinivasa Ayyangar, R/o C-11/54, Moti Bagh, New Delhi	1
4.	Shri Saroj Kumar Mitra S/o Late Shri M. N. Mitra, R/o Suite No. 3, Railway Officers Rest House, State Entry Road, New Delhi	1
5.	Shri Satish Mohan Vaish, S/o Late Mitthan Lal Vaish, R/o 14, Railway Colony, Sardar Patel Marg, New Delhi	1
6.	Shri Raj Kumar Jain, S/o Late Shri Moti Lal Jain, R/o C11/80, Bapa Nagar, New Delhi	1
7.	Shri Rameshwar Prasad Singh, S/o Late Shri Suraj Nath Singh, R/o 1, Chelmsford Road, New Delhi	1
8.	Shri Amar Nath Wanchoo, S/o Dr. Kailash Nath Wanchoo, R/o Banglow No. 2, Northen Railway Officers Colony, S.P. Marg, New Delhi	1

**DISCLAIMER OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BEDEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED 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 THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKERS, SBI CAPITAL MARKETS LIMITED, A.K. CAPITAL SERVICES LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED, ICICI SECURITIES LIMITED AND RR INVESTORS CAPITAL SERVICES PRIVATE LIMITED, HAVE CERTIFIED THAT DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKERS IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS, SBI CAPITAL MARKETS LIMITED, A.K. CAPITAL SERVICES LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED, ICICI SECURITIES LIMITED AND RR INVESTORS CAPITAL SERVICES PRIVATE LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED DECEMBER 2, 2015 WHICH READS AS FOLLOWS:**

- 1. WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA (BOARD). WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE OFFER DOCUMENT AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE TRANCHE-I ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE BONDS OFFERED THROUGH THIS TRANCHE-I ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE WILL BE PUBLISHED.
3. WE CONFIRM THAT THE OFFER DOCUMENT CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SEBI DEBT REGULATIONS.
4. WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013 TO THE EXTENT NOTIFIED AND APPLICABLE AS ON THIS DATE AND RULES MADE THEREUNDER, ALL APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956 SECURITIES CONTRACTS, (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.
5. WE CONFIRM THAT NO COMMENTS WERE RECEIVED ON THE DRAFT SHELF PROSPECTUS DATED NOVEMBER 06, 2015 UPLOADED ON THE WEBSITE OF BSE LIMITED (BSE) (THE DESIGNATED STOCK EXCHANGE) ON NOVEMBER 09, 2015.

#### **DISCLAIMER CLAUSE OF BSE**

BSE LIMITED ("THE EXCHANGE") HAS GIVEN VIDE ITS LETTER DATED NOVEMBER 18, 2015, PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

- a) WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR
- b) WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR
- c) TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY 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 FOR ANY OTHER REASON WHATSOEVER.

#### **DISCLAIMER CLAUSE OF NSE**

AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED (HEREINAFTER REFERRED TO AS NSE). NSE HAS GIVEN VIDE LETTER REF.: NSE/LIST/50585 DATED NOVEMBER 18, 2015 PERMISSION TO THE ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS DRAFT OFFER DOCUMENT FOR ITS LIMITED INTERNAL

**PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS ISSUER. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER 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 ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS 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 CLAIMS 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.**

#### **Disclaimer Clause of the RBI**

**THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED FEBRUARY 16, 1998 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, THE RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/ DISCHARGE OF LIABILITY BY THE COMPANY.**

#### **Disclaimer in Respect of Jurisdiction**

The Issue is being made in India, to:

Foreign Portfolio Investors, Foreign Institutional Investors and sub-accounts registered with SEBI; Public Financial Institutions, scheduled commercial banks, multilateral and bilateral development financial institutions, state industrial development corporations, which are authorised to invest in the Bonds; Provident funds and pension funds with minimum corpus of ₹ 25 crores, which are authorised to invest in the Bonds; Insurance companies registered with the IRDA; National Investment Fund 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; Insurance funds set up and managed by the army, navy or air force of the Union of India or set up and managed by the Department of Posts, India; Mutual funds registered with SEBI; and Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.

Companies within the meaning of sub-section 20 of Section 2 of the Companies Act, 2013; Statutory bodies/corporations; Cooperative banks; Trusts including Public/ private charitable/religious trusts; Limited liability partnership; Regional rural banks; Partnership firms; FPIs, FIIs and QFIs, not being an individual; Association of Persons; Societies registered under the applicable law in India and authorized to invest in Bonds; and Any other legal entities incorporated in India and authorised to invest in the Bonds, subject to compliance with the relevant regulations applicable to such entities.

Resident Indian individuals; Hindu Undivided Families through the Karta; Non Resident Indians on repatriation as well as non-repatriation basis.; and eligible FPIs, QFIs being an individual, applying for an amount aggregating to above ₹10 lakhs across all Series of Bonds in each Tranche Issue.

Resident Indian individuals; Hindu Undivided Families through the Karta; Non Resident Indians on repatriation as well as non-repatriation basis; and eligible FPIs, QFIs, being an individual, applying for an amount aggregating upto and including ₹ 10 lakhs across all Series of Bonds in each Tranche Issue.

The Shelf Prospectus and Prospectus Tranche-I will not, however constitute offers to sell or an invitation to subscribe for the Bonds offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Shelf Prospectus and the Prospectus Tranche-I comes is required to inform himself or herself about, and to observe, any such restrictions.

## **US disclaimer**

Nothing in this Prospectus Tranche-I constitutes an offer of securities for sale in the United States or any other jurisdiction where it is unlawful to do so. The Bonds have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (“Securities Act”), or the securities laws of any state of the United States or other jurisdiction and the Bonds may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on Section 3(c)(7) thereof. This Prospectus Tranche-I may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Each other purchaser of the Bonds will be required to represent and agree, among other things, that (i) such purchaser is a non-U.S. person acquiring the Bonds in an "offshore transaction" in accordance with Regulation S, and (ii) any reoffer, resale, pledge or transfer of the Bonds by such purchaser will not be made to a person in the United States or to a person known by the undersigned to be a U.S. Person, in each case in accordance with all applicable securities laws.

## **EU disclaimer**

No offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue or otherwise in respect of the Bonds, in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue or otherwise in respect of the Bonds.

Any forwarding, distribution or reproduction of this document in whole or in part is unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions of the Bonds and the information contained in this Prospectus Tranche-I read with Shelf Prospectus.

In addition, please refer to the Section titled “Regulations and Policies- Foreign Tax Account Compliance Act (“FATCA”)” on Page 83 of the Shelf Prospectus.

## **Track record of past public issues handled by the Lead Managers**

The details of the track record of the Lead Managers to the Issue, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, has been disclosed on the respective websites of the Lead Managers to the Issue.

## **Listing**

The Bonds are proposed to be listed on BSE and NSE. BSE shall be the Designated Stock Exchange for the Issue.

If the permission to list and trade the Bonds is not granted by BSE and NSE, our Company shall forthwith repay, without interest, all such moneys received from the Applicant in pursuance of the Tranche Prospectus and Section 40 of the Companies Act, 2013. If default is made, our Company and every officer in default will liable to fine as prescribed in Section 40 of the Companies Act, 2013.

Our Company shall use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at BSE and NSE will be taken within 12 Working Days from the Issue Closing Date.

## **Dividend**

The details of the dividend paid by our Company in the past 5 financial years are as under:

March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
4.24%	4.18%	4.68%	4.76%	6.24%

The total dividend paid for the financial year 2014-15 was ₹ 15,200 lakhs. For details please refer to Appendix I i.e. “*Financial Statement*”

#### **Mechanism for redressal of Investor grievances**

Karvy Computershare Private Limited has been appointed as the Registrar to the Issue to ensure that Investor grievances are handled expeditiously and satisfactorily and to effectively deal with Investor complaints.

All grievances relating to the Issue should be addressed to the Registrar to the Issue and the Compliance Officer or Company Secretary giving full details of the Applicant, number of Bonds applied for, amount paid on application series/option applied for and Member of the Syndicate/Trading Member/SCSB to whom the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series/option applied for, number of Bonds applied for, amount blocked on Application.

All grievances arising out of Applications for the Bonds made through Trading Members may be addressed directly to the relevant Stock Exchange.

## SECTION VI – ISSUE INFORMATION

### ISSUE STRUCTURE

As authorised under the CBDT Notification, the aggregate value of the Bonds issued (having benefits under Section 10(15)(iv)(h) of the Income Tax Act) by the Company during the Fiscal 2016 through Public Issue and/or Private Placement shall not exceed ₹ 6,00,000 lakhs\*.

The Board of Directors, at their meeting held on March 11, 2015 have approved the Issue, in one or more tranche(s), of tax free bonds subject to direction issued by Ministry of Finance.

Our Company proposes to raise an amount of ₹ 1,00,000 lakhs with an option to retain oversubscription upto ₹ 3,53,200 lakhs aggregating upto ₹ 4,53,200 lakhs by present issue of Bonds.

\* *In terms of the CBDT Notification (defined hereinafter), our Company has raised ₹ 1,13,900 Lakhs and ₹ 32,900 Lakhs on a private placement basis through Private Placement Offer Letters dated July 31, 2015 and August 21, 2015 respectively. Further, the Company may also raise Bonds through private placement route in one or more tranches during the process of the present Issue, except the period from Issue Opening Date till allotment of Bonds for the relevant Tranche Issue. The aggregate amount raised through the private placement route shall not exceed ₹ 1,80,000 Lakhs, i.e. upto 30% of the allocated limit for raising funds through the Bonds during the Fiscal 2016, at its discretion. Our Company shall ensure that Bonds issued through the public issue route and private placement route in Fiscal 2016 shall together not exceed the allocated limit ₹ 6,00,000 lakhs. In case our Company raises funds through private placements during the process of the present Issue, except during the Issue period the Shelf Limit for the Issue shall get reduced by such amount raised.*

The following are the key terms of the Bonds. This section should be read in conjunction with, and is qualified in its entirety by more detailed information in “**Terms of the Issue**” on page 51 of this Prospectus Tranche-I.

The key common terms and conditions of the Bonds are as follows:

**Note:** *Participation by any of the above-mentioned Investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them does not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and/or regulatory provisions.*

*Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/ approvals in connection with applying for, subscribing to, or seeking allotment of Bonds pursuant to the Issue.*

### COMMON TERMS FOR ALL SERIES OF BONDS

The terms of each Series of Bonds are set out below:

<b>Issuer</b>	Indian Railway Finance Corporation Limited
<b>Mode of issue and nature of instrument</b>	<p>Public Issue by Indian Railway Finance Corporation Limited (“Company” or “Issuer”) of Tax Free Secured Redeemable Non-Convertible Bonds in the nature of Debentures of face value of ₹1,000 each, having tax benefits under Section 10(15)(iv)(h) of the Income Tax Act, 1961, as amended, (“Bonds”), for an amount of ₹ 1,00,000 lakhs with an option to retain oversubscription upto ₹ 3,53,200 lakhs aggregating upto ₹ 4,53,200 lakhs (the “Issue”) to be issued at par in one or more tranches in the fiscal 2016, on the terms and conditions as set out in this Prospectus Tranche-I read with Shelf Prospectus</p> <p><i>* In terms of the CBDT Notification (defined hereinafter), our Company has raised ₹ 1,13,900 Lakhs and ₹ 32,900 Lakhs on a private placement basis through Private Placement Offer Letters dated July 31, 2015 and August 21, 2015 respectively. Further, the Company may also raise Bonds through private placement route in one or more tranches during the process of the present Issue, except the period from Issue Opening Date till allotment of Bonds for the relevant Tranche Issue. The aggregate amount raised through the private placement route shall not exceed ₹ 1,80,000 Lakhs, i.e. upto 30% of the allocated limit for raising funds through the Bonds during the Fiscal 2016, at its discretion. Our Company shall ensure that Bonds issued through the public issue route and private placement route in Fiscal 2016 shall together not exceed the allocated limit ₹ 6,00,000 lakhs. In case our Company raises funds through private placements the Shelf Limit for the Issue shall get reduced by such amount raised.</i></p>

<b>Listing</b>	<p>The Bonds are proposed to be listed on BSE and NSE within 12 Working Days of the Issue Closing Date of the Tranche-I Issue.</p> <p>BSE is the Designated Stock Exchange for the Issue.</p>
<b>Type of Instrument</b>	Tax free, secured, redeemable and non-convertible bonds in the nature of debentures.
<b>Seniority</b>	Secured
<b>Mode of Issue</b>	Public Issue
<b>Face Value</b>	₹ 1,000 per Bond
<b>Issue Price</b>	₹ 1,000 per Bond
<b>Credit Ratings</b>	<ol style="list-style-type: none"> <li>1. CRISIL has reaffirmed the credit rating of “CRISIL AAA/Stable” to the debt program of (“Debt Programme”) vide its letter No. MB/FSR/IRFC/2015-16/1276 dated November 2, 2015 revalidated the said rating vide its letter No. VR/FSR/IRFC/2015-16/1377 dated November 27, 2015. 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.</li> <li>2. ICRA has assigned the credit rating of “ICRA] AAA” (pronounced as “ICRA Triple A”) to the long term borrowing programme of the Company vide its letter no. 2015-16/11/7 dated October 13, 2015 and revalidated the said rating vide its letter No. D/RAT/2015-16/11/8 dated November 17, 2015. 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.</li> <li>3. CARE has assigned the credit rating of “CARE AAA (pronounced as Triple A)” to the long term market borrowing programme of the Company vide its letter no. CARE/DRO/RL2015-16/1859 dated October 14, 2015 revalidated the said rating vide its letter No. CARE/DRO/RL/2015-16/2000 dated November 18, 2015. 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.</li> </ol> <p><b>Note:</b> These credit ratings are not a recommendation to buy, sell or hold securities and Investors should take their own decision. These ratings are subject to revision or withdrawal at any time by assigning rating agencies and should be evaluated independently of any other ratings. For the rationale for these ratings, see Appendix III of the Shelf Prospectus.</p>
<b>Eligible Investors</b>	<p><b>Category I*:</b></p> <p>Qualified Institutional Buyers as defined in SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 as amended including:</p> <ul style="list-style-type: none"> <li>• Eligible Foreign Portfolio Investors (“<b>FPI</b>”), Foreign Institutional Investor (“<b>FII</b>”) and sub-accounts (other than a sub account which is a foreign corporate or foreign individual) registered with SEBI, Qualified Foreign Investor (“<b>QFI</b>”), not being an individual and registered with SEBI;</li> <li>• Public Financial Institutions, scheduled commercial banks, state industrial development corporations multilateral and bilateral development financial institutions, which are authorised to invest in the Bonds;</li> <li>• Provident funds and pension funds with minimum corpus of ₹ 25 crores, which are authorised to invest in the Bonds;</li> <li>• Insurance companies registered with the IRDA;</li> <li>• National Investment Fund 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;</li> <li>• Insurance funds set up and managed by the army, navy or air force of the Union of India or set up and managed by the Department of Posts, India;</li> <li>• Mutual funds registered with SEBI; and</li> </ul>

	<ul style="list-style-type: none"> <li>Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.</li> </ul> <p><i>* As per Section 186(7) of the Companies Act, 2013 a company shall not provide loan at a rate of interest lower than the prevailing yield of Government Security closest to the tenor of the loan. However, MCA through its General Circular No. 06/2015 dated April 9, 2015, has clarified that companies investing in tax-free bonds wherein the effective yield (effective rate of return) on the bonds is greater than the prevailing yield of one year, three year, five year and ten year Government Security closest to the tenor of the loan, there is no violation of sub-section (7) of section 186 of the Companies Act, 2013.</i></p> <p><b>Category II*:</b></p> <ul style="list-style-type: none"> <li>Companies within the meaning of sub-section 20 of Section 2 of the Companies Act, 2013;</li> <li>Statutory bodies/corporations;</li> <li>Cooperative banks;</li> <li>Trusts including Public/ private/ charitable/religious trusts;</li> <li>Limited liability partnership;</li> <li>Regional rural banks;</li> <li>Partnership firms in the name of partners;</li> <li>QFIs and FPIs not being individuals</li> <li>Association of Persons;</li> <li>Societies registered under the applicable law in India and authorized to invest in Bonds; and</li> <li>Any other domestic legal entities authorised to invest in the Bonds, subject to compliance with the relevant regulations applicable to such entities.</li> </ul> <p><i>* As per Section 186(7) of the Companies Act, 2013 a company shall not provide loan at a rate of interest lower than the prevailing yield of Government Security closest to the tenor of the loan. However, MCA through its General Circular No. 06/2015 dated April 9, 2015, has clarified that companies investing in tax-free bonds wherein the effective yield (effective rate of return) on the bonds is greater than the prevailing yield of one year, three year, five year and ten year Government Security closest to the tenor of the loan, there is no violation of sub-section (7) of section 186 of the Companies Act, 2013.</i></p> <p><b>Category III:</b></p> <p>The following Investors applying for an amount aggregating to above ₹ 10 lakhs across all Series of Bonds in each Tranche Issue:</p> <ul style="list-style-type: none"> <li>Resident Indian individuals;</li> <li>Eligible NRIs on a repatriation or non – repatriation basis;</li> <li>Hindu Undivided Families through the Karta; and</li> <li>Eligible QFIs and FPIs being individuals.</li> </ul> <p><b>Category-IV:</b></p> <p>The following Investors applying for an amount aggregating to up to and including ₹ 10 lakhs across all Series of Bonds in each Tranche Issue:</p> <ul style="list-style-type: none"> <li>Resident Indian individuals;</li> <li>Eligible NRIs on a repatriation or non – repatriation basis;</li> <li>Hindu Undivided Families through the Karta; and</li> <li>Eligible QFIs and FPIs being individuals.</li> </ul>
<b>Issue Size and Option to retain over subscription</b>	₹ 1,00,000 lakhs with an option to retain oversubscription upto ₹ 3,53,200 lakhs aggregating to ₹ 4,53,200 lakhs
<b>Put / Call</b>	Not applicable

<b>Objects of the Issue and details of utilisation of proceeds</b>	Please refer to Section “ <i>Objects of the Issue</i> ” on page 27 of this Prospectus Tranche-I.
<b>Interest Payment Date</b>	First Interest Payment date is on October 15, 2016 and subsequently on October 15 of every year except the last interest payment along with the redemption amount.
<b>Interest on application money</b>	See “ <i>Terms of the Issue-Interest on Application Amount</i> ” on page 57 of this Prospectus Tranche-I.
<b>Interest on refund money</b>	5% p.a.
<b>Default interest rate</b>	As specified in the Debenture Trust Deed to be executed between the Company and the Trustee.
<b>Day count basis</b>	Actual / Actual/ i.e. interest will be computed on a 365 days-a-year basis on the principal outstanding on the Bonds. Where the interest period (start date to end date) includes February 29, interest will be computed on 366 days-a-year basis, on the principal outstanding on the Bonds.
<b>Working Day Convention</b>	All days, excluding Sundays or a holiday of commercial banks or a public holiday in Delhi or Mumbai, except with reference to Issue Period and Record Date, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post Issue Period, i.e. period beginning from Issue Closing Date to listing of the Bonds, Working Days shall mean all days excluding Sundays or a holiday of commercial banks in Delhi or Mumbai or a public holiday in India.
<b>Effect of holidays on payments</b>	If the date of payment of coupon/ interest rate specified does not fall on a Working Day, the coupon payment shall be made on the immediately succeeding Working Day along with the interest for such additional period. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next coupon/ Interest Payment Date. If the Redemption Date/ Maturity Date (also being the last Coupon/ Interest Payment Date) of any Series of Bonds falls on a day which is not a Working Day, the redemption proceeds shall be paid on the immediately preceding Working Day along with the interest accrued on the Bonds until but excluding the date of such payment.
<b>Step up/ step down coupon rate</b>	Not Applicable
<b>Discount at which Bond is issued and the effective yield as a result of such discount</b>	Not Applicable
<b>Minimum Application Size and in multiples thereafter.</b>	5 bonds (₹ 5,000), individually or collectively across all Series of Bonds and in multiples of 1 Bond (₹ 1,000) thereafter.
<b>Terms of Payment</b>	Full amount is payable on application
<b>Market Lot/Trading Lot</b>	One Bond
<b>Pay-in Date</b>	Application Date (Full Application Amount is payable on Application)
<b>Security</b>	<p>The Bonds issued by the Company will be secured by creating a first <i>pari-passu</i> charge on the movable assets of the Company comprising of rolling stock such as wagons, locomotives and coaches by a first <i>pari passu</i> charge, present and future, as may be agreed between the Company and the Debenture Trustee, pursuant to the terms of the Debenture Trust Deed and applicable laws.</p> <p>Further details pertaining to the Security are more particularly specified in the Debenture Trust Deed.</p>
<b>Security cover</b>	At least one time of the value of the total outstanding Bonds and interest accrued thereon.
<b>Transaction Documents</b>	The Draft Shelf Prospectus, Shelf Prospectus, the Prospectus Tranche-I, Application Form, Abridged Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed and other security documents, if applicable, and various other documents/agreements/undertakings, entered or to be

	<p>entered by the Company with Lead Managers and/or other intermediaries for the purpose of this Issue including but not limited to the Debenture Trust Deed, the Debenture Trustee Agreement, the Escrow Agreement, the Agreement with the Registrar and the MoU with the Lead Managers and the Consortium Agreement.</p> <p>Refer to section titled “<i>Material Contracts and Documents for Inspection</i>” on page 99 of this Prospectus Tranche-I.</p>
<b>Nature of Indebtedness and Ranking/Seniority</b>	The claims of the Bondholders shall rank pari passu inter-se and shall be superior to the claims of any unsecured creditors of the Company and subject to applicable statutory and/or regulatory requirements, rank pari passu to the claims of creditors of the Company secured against charge on the movable assets comprising of rolling stock such as wagons, locomotives and coaches.
<b>Conditions Precedent to Disbursement</b>	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedents to disbursement.
<b>Condition Subsequent to Disbursement</b>	As provided in Debenture Trust Deed to be executed between the Company and the Debenture Trustee.
<b>Depositories</b>	NSDL and CDSL
<b>Debenture Trustee and its responsibilities</b>	The debenture trustee for the Issue is SBICAP Trustee Company Limited. The role and responsibilities of the Debenture Trustee are mentioned in the Debenture Trustee Agreement.
<b>Registrar</b>	Karvy Computershare Private Limited
<b>Modes of payment of application money</b>	<ol style="list-style-type: none"> <li>1. At par cheques</li> <li>2. Demand Drafts</li> <li>3. ASBA</li> </ol>
<b>Modes of Payment of Interest Money / Settlement mode</b>	<ol style="list-style-type: none"> <li>1. Direct credit</li> <li>2. National Electronic Clearing System (“NECS”)</li> <li>3. Real Time Gross Settlement (“RTGS”)</li> <li>4. National Electronic Fund Transfer (“NEFT”)</li> <li>5. Cheques/Pay Order/ Demand Draft</li> </ol> <p>For further details in respect of the aforesaid modes, refer to section titled “<i>Terms of the Issue– Modes of Payment</i>” on page 61 of this Prospectus Tranche-I.</p>
<b>Issuance mode</b>	In dematerialized form or in physical form ( except for Eligible QFIs, eligible FIIs and eligible FPIs who will be allotted bonds only in dematerialized form), at the option of Applicants.
<b>Trading mode</b>	In dematerialized form only
<b>Issue Opening Date</b>	December 8, 2015
<b>Issue Closing Date</b>	<p>December 21, 2015</p> <p>The Issue shall remain open for subscription from 10:00 A.M. to 5:00 P.M during the period indicated above, with an option for early closure or extension, as may be decided by the Board of Directors or the Bond Committee. In the event of such early closure or extension of the subscription period of the Issue, our Company shall ensure that public notice of such early closure or extension is published on or before the day of such early date of closure or the Issue Closing Date, as the case may be, through advertisement/s in at least one leading national daily newspaper with wide circulation.</p>
<b>Deemed Date of Allotment</b>	Deemed Date of Allotment shall be the date on which the Directors of the Company or Bond Committee thereof approves the Allotment of the Bonds for Tranche-I Issue or such date as may be determined by the Board of Directors or Bond Committee thereof and notified to the stock exchanges. All benefits relating to the Bonds including interest on Bonds (as specified for each tranche by way of Tranche Prospectus) shall be available to the Investors from the Deemed Date of Allotment of the respective Tranche Issue. The actual Allotment of Bonds may take place on a date other than the Deemed Date of Allotment.
<b>Record Date</b>	The record date for the payment of interest or the Maturity Amount shall be 15

	days prior to the date on which such amount is due and payable. In the event the Record Date falls on a second or fourth Saturday, Sunday or a Public Holiday in New Delhi or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, the succeeding Working Day shall be considered as the Record Date for the payment of interest and the preceding Working Day shall be considered as Record Date for redemption of Bonds.
<b>Cross Default</b>	As provided in Debenture Trust Deed to be executed between the Company and the Debenture Trustee.
<b>Lead Managers</b>	SBI Capital Markets Limited, A.K. Capital Services Limited, ICICI Securities Limited, Edelweiss Financial Services Limited and RR Investors Capital Services Private Limited.
<b>Consortium Members for the Issue</b>	SBI Capital Markets Limited, A.K. Capital Services Limited, Edelweiss Financial Services Limited, ICICI Securities Limited, RR Investors Capital Services Private Limited., SBICAP Securities Limited, A. K. Stockmart Private Limited, Edelweiss Securities Limited and RR Equity Brokers Private Limited.
<b>Governing law</b>	The laws of the Republic of India
<b>Jurisdiction</b>	The courts of New Delhi shall have exclusive jurisdiction for the purposes of the Issue
<b>Event of Default</b>	As provided in Debenture Trust Deed to be executed between the Company and the Debenture Trustee.

#### SPECIFIC TERMS FOR EACH SERIES OF BONDS

Options	Series of Bonds Category I, II, III <sup>#</sup>		
	Tranche I Series IA	Tranche I Series IIA	Tranche I Series IIIA
<b>Coupon Rate (%) p.a.</b>	7.07	7.28	7.25
<b>Annualized Yield (%) p.a.</b>	7.07	7.28	7.25
Options	Series of Bonds Category IV <sup>#</sup>		
	Tranche I Series IB	Tranche I Series IIB	Tranche I Series IIIB
<b>Coupon Rate (%) p.a.</b>	7.32	7.53	7.50
<b>Annualized Yield (%) p.a.</b>	7.32	7.53	7.50
Common Terms	Series of Bonds Category I, II, III & IV <sup>#</sup>		
<b>Tenor</b>	10 Years	15 Years	20Years
<b>Redemption Date</b>	At the end of 10 Years from the Deemed Date of Allotment	At the end of 15 Years from the Deemed Date of Allotment	At the end of 20 Years from the Deemed Date of Allotment
<b>Redemption Amount (₹/ Bond)</b>	Repayment of the Face Value plus any interest that may have accrued at the Redemption Date		
<b>Redemption Premium/ Discount</b>	Not applicable		
<b>Frequency of Interest Payment</b>	Annual		
<b>Minimum Application Size and in multiples thereof</b>	5 bonds (₹ 5,000), individually or collectively across all Series of Bonds and in multiples of 1 Bond (₹ 1,000) thereafter.		
<b>Face Value (₹/Bond)</b>	₹ 1,000		
<b>Issue Price (₹/Bond)</b>	₹ 1,000		
<b>Mode of Interest Payment</b>	<i>For various modes of interest payment, see "Terms of the Issue – Modes of Payment" on page 61 of this Prospectus Tranche-I.</i>		
<b>Coupon Payment Date</b>	First Interest Payment date is on October 15, 2016 and subsequently on October 15 of every year except the last interest payment along with the redemption amount.		
<b>Reset Process</b>	Not Applicable		
<b>Coupon Type</b>	Fixed		

<b>Interest on Application Money</b>	See <i>Terms of the Issue-Interest on Application Amount</i> ” on page 57 of this Prospectus Tranche-I.
<b>Discount at which Bonds are issued and effective yield as a result of such discount</b>	Not applicable
<b>Nature of Indebtedness and Ranking</b>	The claims of the Bondholders shall rank pari-passu inter-se and shall be superior to the claims of any unsecured creditors of the Company and subject to applicable statutory and/or regulatory requirements, rank pari passu to the claims of creditors of the Company secured against charge on the movable assets comprising of rolling stock such as wagons, locomotives and coaches.

# In pursuance of CBDT Notification and for avoidance of doubts, it is clarified as under:

- a. The coupon rates indicated under Tranche I Series IB, Tranche I Series IIB and Tranche I Series III B shall be payable only on the Portion of Bonds allotted to Category IV in the Issue. Such coupon is payable only if on the Record Date for payment of interest, the Bonds are held by investors falling under Category IV.
- b. In case the Bonds allotted against Tranche I Series IB, Tranche I Series IIB and Tranche I Series III B are transferred by Category IV to Category I, Category II and/or Category III, the coupon rate on such Bonds shall stand at par with coupon rate applicable on Tranche I Series IA, Tranche I Series IIA and Tranche I Series IIIA respectively.
- c. If the Bonds allotted against Tranche I Series IB, Tranche I Series IIB and Tranche I Series III B are sold/ transferred by the RIIs to investor(s) who fall under the RII category as on the Record Date for payment of interest, then the coupon rates on such Bonds shall remain unchanged;
- d. Bonds allotted against Tranche I Series IB, Tranche I Series IIB and Tranche I Series III B shall continue to carry the specified coupon rate if on the Record Date for payment of interest, such Bonds are held by investors falling under Category IV;
- e. If on any Record Date, the original Category IV allottee(s)/ transferee(s) hold the Bonds under Tranche I Series IB, Tranche I Series IIB and Tranche I Series III B for an aggregate face value amount of over ₹ 10 lacs, then the coupon rate applicable to such Category IV allottee(s)/transferee(s) on Bonds under Tranche I Series IB, Tranche I Series IIB and Tranche I Series III B shall stand at par with coupon rate applicable on Tranche I Series IA, Tranche I Series IIA and Tranche I Series IIIA respectively;
- f. Bonds allotted under Tranche I Series IA, Tranche I Series IIA and Tranche I Series IIIA shall carry coupon rates indicated above till the respective maturity of Bonds irrespective of Category of holder(s) of such Bonds;
- g. For the purpose of classification and verification of status of the Category IV of Bondholders, the aggregate face value of Bonds held by the Bondholders in all the Series of Bonds, allotted under the Tranche-I Issue shall be clubbed and taken together on the basis of PAN.

The Company would allot Tranche I Series IA/IB Bonds (depending upon the category of applicants) to all valid applications, wherein the applicants have not indicated their choice of the relevant series of Bonds in their Application Form.

The MCA has, through its circular (General Circular No. 06/2015) dated April 9, 2015, clarified that in such cases wherein the effective yield (effective rate of return) on the bonds is greater than the prevailing yield of one year, three year, five year or ten year Government Security closest to the tenor of the loan, there is no violation of sub-section (7) of section 186 of the Companies Act, 2013

For further details, see the section titled “**Issue Procedure**” on page 67 of this Prospectus Tranche-I.

## TERMS OF THE ISSUE

The Bonds being offered as part of the Issue are subject to the provisions of the SEBI Debt Regulations, the Companies Act, 2013, the Income Tax Act, the CBDT Notification, the terms of this Shelf Prospectus, Prospectus Tranche-I, the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, RBI, Stock Exchanges, the GoI, and other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the Bonds.

### 1. Authority for the Issue

As per the terms of the CBDT Notification, the aggregate volume of the issue of Bonds (having benefits under Section 10(15)(iv)(h) of the Income Tax Act) by the Company through Public Issue and Private Placement during the Fiscal 2016 shall not exceed ₹ 6,00,000\* lakhs.

The Board of Directors, at their meeting held on March 11, 2015 have approved the Issue, in one or more tranche(s), of tax free bonds subject to directions issued by Ministry of Finance. Further shareholders of the Company, in AGM held on, September 16, 2015 has authorised Board to raise ₹ 1, 50,00,000 lakhs under Section 180(1)(c) of the Companies Act, 2013.

Our Company proposes to raise the Bonds for an amount of ₹ 1,00,000 lakhs with an option to retain oversubscription upto ₹ 3,53,200 lakhs aggregating upto ₹ 4,53,200.00 lakhs\* through this Issue during Fiscal 2016.

*\* In terms of the CBDT Notification (defined hereinafter), our Company has raised ₹ 1,13,900 Lakhs and ₹ 32,900 Lakhs on a private placement basis through Private Placement Offer Letters dated July 31, 2015 and August 21, 2015 respectively. Further, the Company may also raise Bonds through private placement route in one or more tranches during the process of the present Issue, except the period from Issue Opening Date till allotment of Bonds for the relevant Tranche Issue. The aggregate amount raised through the private placement route shall not exceed ₹ 1,80,000 Lakhs, i.e. upto 30% of the allocated limit for raising funds through the Bonds during the Fiscal 2016, at its discretion. Our Company shall ensure that Bonds issued through the public issue route and private placement route in Fiscal 2016 shall together not exceed the allocated limit ₹ 6,00,000 lakhs. In case our Company raises funds through private placements the Shelf Limit for the Issue shall get reduced by such amount raised.*

### 2. Issue and status of Bonds

2.1. Public issue of Bonds of face value of ₹ 1,000.00 each in the nature of secured, redeemable, non-convertible debentures, having benefits under Section 10(15) (iv) (h) of the Income Tax Act, for an amount of ₹ 1,00,000 lakhs with an option to retain oversubscription upto ₹ 3,53,200 lakhs aggregating up to ₹ 4,53,200.00 lakhs\* in one or more tranches in Fiscal 2016.

*\* In terms of the CBDT Notification (defined hereinafter), our Company has raised ₹ 1,13,900 Lakhs and ₹ 32,900 Lakhs on a private placement basis through Private Placement Offer Letters dated July 31, 2015 and August 21, 2015 respectively. Further, the Company may also raise Bonds through private placement route in one or more tranches during the process of the present Issue, except the period from Issue Opening Date till allotment of Bonds for the relevant Tranche Issue. The aggregate amount raised through the private placement route shall not exceed ₹ 1,80,000 Lakhs, i.e. upto 30% of the allocated limit for raising funds through the Bonds during the Fiscal 2016, at its discretion. Our Company shall ensure that Bonds issued through the public issue route and private placement route in Fiscal 2016 shall together not exceed the allocated limit ₹ 6,00,000 lakhs. In case our Company raises funds through private placements the Shelf Limit for the Issue shall get reduced by such amount raised.*

2.2. The Bonds shall be secured pursuant to a Debenture Trust Deed and underlying security documents. The Bondholders are entitled to the benefit of the Debenture Trust Deed and are bound by and are deemed to have notice of all the provisions of the Debenture Trust Deed.

2.3. The Bonds are proposed to be secured by a first pari-passu charge on the movable assets of the Company comprising of rolling stock such as wagons, locomotives and coaches, present and future, as may be agreed between the Company and the Debenture Trustee, pursuant to the terms of the Debenture Trust Deed to be entered amongst them and applicable laws.

2.4. The claims of the Bondholders shall rank pari passu inter-se and shall be superior to the claims of any unsecured creditors of the Company and subject to applicable statutory and/or regulatory

requirements, rank pari passu to the claims of creditors of the Company secured against charge on the movable assets comprising of rolling stock such as wagons, locomotives and coaches.

### 3. **Form, face value, title and listing etc.**

#### 3.1.1. **Form of Allotment**

The Allotment of the Bonds shall be in a dematerialized form or in physical form (except for Eligible QFIs, eligible FIIs and eligible FPIs, who will be allotted bonds only in dematerialized form). Our Company has made depository arrangements with CDSL and NSDL for the issuance of the Bonds in dematerialized form, pursuant to the tripartite agreement dated May 8, 2003 among our Company, the Registrar and CDSL and the tripartite agreement dated January 23, 2002 among our Company, the Registrar and NSDL (collectively “**Tripartite Agreements**”).

Our Company shall take necessary steps to credit the Depository Participant account of the Applicants with the number of Bonds allotted in dematerialized form. The Bondholders holding the Bonds in dematerialised form shall deal with the Bonds in accordance with the provisions of the Depositories Act, and/or rules as notified by the Depositories from time to time.

3.1.2. The Bondholders may rematerialize the Bonds issued in dematerialised form, at any time after Allotment, in accordance with the provisions of the Depositories Act and/or rules as notified by the Depositories from time to time.

3.1.3. In case of Bonds held in physical form, whether on Allotment or on rematerialization of Bonds allotted in dematerialised form, our Company will issue one certificate for each Series of Bonds to the Bondholder for the aggregate amount of the Bonds that are held by such Bondholder (each such certificate, a “**Consolidated Bond Certificate**”). In respect of the Consolidated Bond Certificate(s), our Company will, on receipt of a request from the Bondholder within 30 Working Days of such request, split such Consolidated Bond Certificate(s) into smaller denominations in accordance with the applicable regulations/rules/act, subject to a minimum denomination of one Bond. No fees will be charged for splitting any Consolidated Bond Certificate(s) and any stamp duty, if payable, will be paid by the Bondholder. The request to split a Consolidated Bond Certificate shall be accompanied by the original Consolidated Bond Certificate(s) which will, on issuance of the split Consolidated Bond Certificate(s), be cancelled by our Company.

#### 3.1.4. **Manner of allotment**

3.1.4.1. Allotment of the Bonds will be dematerialised form or in physical (except for eligible FPIs/FIIs/ eligible QFIs who shall be allotted Bonds in dematerialised form). In terms of Bonds issued in dematerialised form, our Company will take requisite steps to credit the demat accounts of all Bondholders who have applied for the Bonds in dematerialised form within 12 Working Days from the Tranche-I Issue Closing Date.

3.1.4.2 Our Company may also issue Letters of Allotment to all Bondholders who have applied for the Bonds in physical form within 12 Working Days from the Tranche-I Issue Closing Date. Subsequent to the payment of the consolidated stamp duty on the Bonds, and upon the issuance of the order from the Collector evidencing the payment of such consolidated stamp duty, our Company and the Registrar shall dispatch Consolidated Bond Certificates to all Bondholders holding Letters of Allotment (in terms of the Register of Bondholders as maintained by the Registrar), no later than six months from the date of Allotment (in accordance with Section 56 of the Companies Act, 2013). Upon receipt by Bondholders of such Consolidated Bond Certificates as dispatched by the Registrar and the Company, the Letters of Allotment shall stand cancelled without any further action. Prospective Bondholders should note that once Consolidated Bond Certificates have been duly dispatched to all Bondholders who had applied for Bonds in physical form, our Company shall stand discharged of any liabilities arising out of any fraudulent transfer of the Bonds purported to be effected through Letters of Allotment.

### 3.2. **Face Value**

The face value of each Bond is ₹ 1,000.

### 3.3. **Title**

#### 3.3.1 In case of:

- (i) the Bond held in the dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depositories; and
- (ii) the Bond held in physical form, the person for the time being appearing in the Register of Bondholders as Bondholder,

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such persons the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated Bond Certificate issued in respect of the Bonds and no person will be liable for so treating the Bondholder.

3.3.2 No transfer of title of a Bond will be valid unless and until entered on the Register of Bondholders or the register of beneficial owners, maintained by the Depositories and/or our Company or the Registrar to the Issue prior to the Record Date. In the absence of transfer being registered, interest and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the Register of Bondholders maintained by the Depositories and /or our Company and/or the Registrar to the Issue, as the case may be. In such cases, claims, if any, by the purchasers of the Bonds will need to be settled with the seller of the Bonds and not with our Company or the Registrar to the Issue.

### 3.4. **Listing**

The Bonds are proposed to be listed on the BSE and NSE. The designated stock exchange for the Issue is BSE.

If the permission to list and trade the Bonds is not granted by BSE and NSE, our Company shall forthwith repay, without interest, all such moneys received from the Applicant. If such monies are not repaid within period specified under Companies Act, 2013. Our Company and every officer in default shall be liable to pay interest at 15% per annum for delayed period on application money.

Our Company shall use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at BSE and NSE will be taken within 12 Working Days from the Issue Closing Date.

### 3.5. **Market Lot**

The Bonds shall be allotted in dematerialised form or physical (except for Eligible QFIs/eligible FIIs/eligible FPIs, who will be allotted bonds only in dematerialized form). As per the SEBI Debt Regulations, the trading of the Bonds shall be in dematerialised form only. Since, the trading of Bonds is in dematerialized form, the tradable lot for the Bonds is one Bond (“**Market Lot**”).

### 3.6. **Procedure for rematerialisation of Bonds**

Bondholders who wish to hold the Bonds in physical form, after having opted for Allotment in dematerialised form may do so by submitting a request to their Depository Participant, in accordance with the applicable procedure stipulated by the Depository Participant.

## 4. **Transfer of the Bonds, issue of Consolidated Bond Certificates, etc.**

### 4.1. **Register of Bondholders**

Our Company shall maintain at its Registered Office or such other place, as permitted by Section 94 of

the Companies Act, 2013 a Register of Bondholders containing such particulars of the legal owners of the Bonds. Further, in accordance with the Section 88 of the Companies Act, 2013 the register of beneficial owners maintained by Depositories for any Bond in dematerialised form under Section 11 of the Depositories Act shall also be deemed to be a register of Bondholders for this purpose.

## 4.2. **Transfers**

### 4.2.1 ***Transfer of Bonds held in dematerialised form:***

In respect of Bonds held in the dematerialised form, transfers of the Bonds may be affected, only through the Depositories where such Bonds are held, in accordance with the provisions of the Depositories Act and/or rules as notified by the Depositories from time to time. The Bondholder shall give delivery instructions containing details of the prospective purchaser's Depository Participant's account to his Depository Participant. If a prospective purchaser does not have a Depository Participant account, the Bondholder may rematerialize his or her Bonds and transfer them in a manner as specified in 4.2.2 below.

### 4.2.2 ***Transfer of Bonds in physical form:***

The Bonds may be transferred in a manner as may be prescribed by our Company for the registration of transfer of Bonds as per relevant law. Purchasers of Bonds are advised to send the Consolidated Bond Certificate to our Company or to such persons as may be notified by our Company from time to time. If a purchaser of the Bonds in physical form intends to hold the Bonds in dematerialised form, the Bonds may be dematerialized by the purchaser through his or her Depository Participant in accordance with the provisions of the Depositories Act and/or rules as notified by the Depositories from time to time.

The buyer(s) should ensure that the transfer formalities are completed prior to the Record Date, failing which the interest and/or Maturity Amount for the Bonds shall be paid to the person whose name appears in the register of Bondholders maintained by the Depositories. In such cases, any claims shall be settled inter se between the parties and no claim or action shall be brought against the Company or the Lead Managers or the Registrar to the Issue.

## 4.3. **Formalities free of charge**

Registration of a transfer of Bonds and issuance of new Consolidated Bond Certificates will be effected without charge by or on behalf of our Company, but on payment (or the giving of such indemnity as our Company may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer, and our Company being satisfied that the requirements concerning transfers of Bonds, have been complied with.

## 4.4 **Debenture Redemption Reserve (“DRR”)**

Pursuant to Section 71 of the Companies Act, 2013 read with Rule 18 of Companies (Share and Debentures) Rules, 2014, any company that intends to issue debentures needs to create a DRR with following conditions (a) the DRR shall be created out of the profits of the company available for payment of dividend, (b) the DRR shall be equivalent to atleast 25% of the amount raised through public issue of debentures in accordance with the SEBI Debt Regulations in case of NBFCs registered with the RBI and no DRR is required in case of privately placed debentures.

Accordingly our Company is required to create DRR of 25% of the value of Bonds issued through the Tranche-I Issue. In addition, as per Rule 18(7) (e) of Companies (Share Capital and Debentures) Rules, 2014, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the Bonds. Every company required to maintain or create DRR shall before the 30th day of April of each year, deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March, following any one or more of the following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of section 20 of

the Indian Trusts Act, 1882. The amount deposited or invested, as the case may be, shall not be utilised for any purpose other than for the repayment of debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15% of the amount of debentures maturing during the 31st day of March of that year.

**5. Application Amount**

The Bonds are being issued at par and full amount of face value per Bond is payable on application. In case of ASBA Applicants, the full amount of face value of Bonds applied for will be blocked in the relevant ASBA Account maintained with the SCSB. Eligible Applicants can apply for any amount of the Bonds subject to a minimum application size of 5 Bonds (₹ 5,000), across any of the Series(s) or a combination thereof. The Applicants will be allotted the Bonds in accordance with the Basis of Allotment finalised by the Board of Directors/ Bond Committee.

**6. Deemed Date of Allotment**

Deemed Date of Allotment shall be the date on which the Board of Directors of our Company or the Bond Committee approves the Allotment of the Bonds for each Tranche Issue or such date as may be determined by the Board of Directors or Bond Committee and notified to the stock exchanges. All benefits under the Bonds including payment of interest (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) will accrue to the Bondholders from the Deemed Date of Allotment of the respective Tranche Issue. Actual Allotment may occur on a date other than the Deemed Date of Allotment.

**7. Subscription**

**7.1. Period of Subscription**

The Issue shall remain open for the period mentioned below:

<b>Issue Opens on</b>	December 8, 2015
<b>Issue Closes on</b>	December 21, 2015

Applications shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time), or such extended time as may be permitted by the Stock Exchanges during the Issue Period on all days between Monday and Friday, both inclusive barring public holidays, at the Collection Centres or with the Members of the Syndicate or Trading Members at the Syndicate ASBA Application Locations and the Designated Branches of SCSBs as mentioned on the Application Form. On the Issue Closing Date, Applications shall be accepted only between 10.00 a.m. and 3.00 p.m. and shall be uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchanges. It is clarified that the Applications not uploaded in the electronic application system of the Stock Exchanges would be rejected.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, some Applications may not be uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on working days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor the Lead Managers, Consortium Members or Trading Members of the Stock Exchanges is liable for any failure in uploading the Applications due to failure in any software/hardware system or otherwise.

The subscription list for the Issue shall remain open for subscription, from 10:00 A.M. to 5:00 P.M during the period indicated above, with an option for early closure or extension, as may be decided by the Board of Directors or the Bond Committee. In the event of such early closure or extension of the subscription list of the Issue, our Company shall ensure that public notice of such early closure or extension is published on or before the day of such early date of closure or the Issue Closing Date, as the case may be, through advertisement/s in at least one leading National daily newspaper with wide circulation.

## 7.2. **Underwriting**

The Issue is not underwritten

## 7.3. **Minimum Subscription**

The SEBI Circular bearing reference no. CIR/IMD/DF/12/2014 dated 17 June, 2014 provides that the issuers issuing tax-free bonds, as specified by CBDT, shall be exempted from requirement of specifying the minimum subscription limit. Accordingly, no minimum subscription limit has been specified for the present Issue.

## 8. **Interest**

### 8.1. **Interest**

For Bondholders falling under Category I, II and III, the Bonds under Tranche I Series IA, Tranche I Series IIA and Tranche I Series IIIA shall carry interest at the coupon rate of 7.07% p.a., 7.28% p.a. and 7.25% p.a. respectively payable from, and including, the Deemed Date of Allotment up to, but excluding, their respective Maturity Dates, payable on the “Interest Payment Date”, to the Bondholders as of the relevant Record Date. The effective yield to Category I, II and III Bondholders would be 7.07% p.a., 7.28% p.a. and 7.25% p.a. for the Tranche I Series IA, Tranche I Series IIA and Tranche I Series IIIA respectively.

For Bondholders falling under Category IV, the Bonds under Tranche I Series IB, Tranche I Series IIB and Tranche I Series IIIB shall carry interest at the coupon rate of 7.32% p.a., 7.53% p.a. and 7.50% p.a. respectively payable from, and including, the Deemed Date of Allotment up to, but excluding, their respective Maturity Dates, payable on the Interest Payment Date”, to the Bondholders as of the relevant Record Date. The effective yield to Category IV Bondholders would be 7.32% p.a., 7.53% p.a. and 7.50% p.a. for the Tranche I Series IB, Tranche I Series IIB and Tranche I Series IIIB respectively.

The coupon rates indicated under Tranche I Series IB, Tranche I Series IIB and Tranche I Series IIIB shall be payable only on the Portion of Bonds allotted to Category IV in the Issue. Such coupon is payable only if on the Record Date for payment of interest, the Bonds are held by investors falling under Category IV.

In case the Bonds allotted against Tranche I Series IB, Tranche I Series IIB and Tranche I Series IIIB are transferred by Category IV to Category I, Category II and/or Category III, the coupon rate on such Bonds shall stand at par with coupon rate applicable on Tranche I Series IA, Tranche I Series IIA and Tranche I Series IIIA respectively.

If the Bonds allotted against Tranche I Series IB, Tranche I Series IIB and Tranche I Series IIIB are sold/ transferred by the Category IV to investor(s) who fall under the Category IV as on the Record Date for payment of interest, then the coupon rates on such Bonds shall remain unchanged;

Bonds allotted against Tranche I Series IA, Tranche I Series IIA and Tranche I Series IIIA shall continue to carry the specified coupon rate if on the Record Date for payment of interest, such Bonds are held by investors falling under Category IV;

If on any Record Date, the original Category IV allottee(s)/ transferee(s) hold the Bonds under Tranche I Series IB, Tranche I Series IIB and Tranche I Series IIIB for an aggregate face value amount of over ₹ 10 lacs, then the coupon rate applicable to such Category IV allottee(s)/transferee(s) on Bonds under Tranche I Series IB, Tranche I Series IIB, Tranche I Series IIIB shall stand at par with coupon rate applicable on Tranche I Series IA, Tranche I Series IIA and Tranche I Series IIIA respectively;

Bonds allotted under Tranche I Series IA, Tranche I Series IIA and Tranche I Series IIIA shall carry coupon rates indicated above till the respective maturity of Bonds irrespective of Category of holder(s) of such Bonds;

For the purpose of classification and verification of status of the Category IV of Bondholders, the aggregate face value of Bonds held by the Bondholders in all the Series of Bonds, allotted under the Tranche-I Issue shall be clubbed and taken together on the basis of PAN.

## 8.2. **Day count convention**

Interest on the Bonds shall be computed on an actual/ actual basis i.e. on the principal outstanding on the Bonds as per the SEBI Circular bearing no. CIR/IMD/DF/18/2013 dated October 29, 2013.

## 8.3. **Interest on Application Amounts**

### 8.3.1. ***Interest on application monies received which are used towards Allotment of Bonds***

We shall pay interest on Application Amounts on the amount Allotted, subject to deduction of income tax under the provisions of the Income Tax Act, as applicable, to any Applicants to whom Bonds are allotted (except for ASBA Applicants) pursuant to the Issue from the date of realization of the cheque(s)/demand draft(s)/or any other mode upto one day prior to the Deemed Date of Allotment, at the rate of 7.07% p.a., 7.28% p.a. and 7.25% p.a. on Tranche I Series IA, Tranche I Series IIA and Tranche I Series IIIA respectively for Allottees under Category I, Category II and Category III Portion, and at the rate of 7.32% p.a., 7.53% p.a. and 7.50% p.a. on Tranche I Series IB, Tranche I Series IIB and Tranche I Series IIIB respectively for Allottees under Category IV Portion.

A tax deduction certificate will be issued for the amount of income tax so deducted.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the applicants. Alternatively, interest warrants will be dispatched along with the Letter(s) of Allotment at the sole risk of the applicant, to the sole/ first applicant.

### 8.3.2. ***Interest on application monies received which are liable to be refunded***

We shall pay interest on Application Amounts which is liable to be refunded to the Applicants (other than Application Amounts received after the Issue Closing Date, and ASBA Applicants) subject to deduction of income tax under the provisions of the Income Tax Act, as applicable, from the date of realization of the cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment, at the rate @ 5% per annum. Such interest shall be paid along with the monies liable to be refunded. Interest warrant will be dispatched/credited (in case of electronic payment) along with the letter(s) of refund at the sole risk of the Applicant, to the sole/first Applicant.

A tax deduction certificate will be issued for the amount of income tax so deducted.

Provided that, notwithstanding anything contained hereinabove, our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid Applications or Applications liable to be rejected, and/or (b) applications which are withdrawn by the applicant. See the section titled "***Issue Procedure - Rejection of Applications***" on page 91 of this Prospectus Tranche-I.

## 9. **Redemption**

9.1. The face value of the Bonds will be redeemed at par, on the respective Maturity Dates of each of the Bond Series.

### 9.2. **Procedure for Redemption by Bondholders**

The procedure for redemption is set out below:

9.2.1. **Bonds held in electronic form:**

No action is required on the part of Bondholders at the time of maturity of the Bonds.

9.2.2. **Bonds held in physical form:**

No action will ordinarily be required on the part of the Bondholder at the time of redemption, and the Maturity Amount will be paid to those Bondholders whose names appear in the Register of Bondholders maintained by our Company on the Record Date fixed for the purpose of redemption without there being a requirement for the surrender of the physical Consolidated Bond Certificate(s). However, our Company may require the Consolidated Bond Certificate(s), duly discharged by the sole holder or all the joint-holders (signed on the reverse of the Consolidated Bond Certificate(s)) to be surrendered for redemption on Maturity Date and sent by the Bondholders by registered post with acknowledgment due or by hand delivery to the Registrar to the Issue or the Company or to such persons at such addresses as may be notified by the Company from time to time. Bondholders may be requested to surrender the Consolidated Bond Certificate(s) in the manner stated above, not more than three months and not less than one month prior to the Maturity Date so as to facilitate timely payment. Our Company shall stand discharged of any liabilities arising out of any fraudulent transfer of the Bonds or non-registration of transfer of Bonds with our Company.

10. **Payments**

10.1 **Payment of Interest on Bonds**

Payment of interest on the Bonds will be made to those Bondholders whose name appears first in the Register of Bondholders/List of beneficial owners maintained by the Depositories and/or our Company and/or the Registrar to the Issue, as the case may be as, on the Record Date.

10.2. **Record Date**

The Record Date for the payment of interest or the Maturity Amount shall be 15 days prior to the date on which such amount is due and payable or such other date as may be notified by the Company. In case of redemption of Bonds, the trading in the Bonds shall remain suspended between the Record Date and the date of redemption. In the event the Record Date falls on a second or fourth Saturday, Sunday or a public holiday in New Delhi or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, the succeeding Working Days will be considered as the Record Date for the payment of interest and the preceding Working Day shall be considered as Record Date for redemption of Bonds.

10.3. **Effect of holidays on payments**

If the date of payment of coupon/ interest rate specified does not fall on a Working Day, the coupon payment shall be made on the immediately succeeding Working Day along with the interest for such additional period. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next coupon/ Interest Payment Date. If the Redemption Date/ Maturity Date (also being the last Coupon/ Interest Payment Date) of any Series of Bonds falls on a day which is not a Working Day, the redemption proceeds shall be paid on the immediately preceding Working Day along with the interest accrued on the Bonds until but excluding the date of such payment.

Set forth below is an illustration for guidance in respect of the day count convention and effect of holidays on payments. For the purpose of this Illustration, we have considered effect of holidays on cash flows only for Tranche I Series IA and Tranche I Series IB Bonds. The effect of holidays on cash flows for the other Series of Bonds shall be similar. **INVESTORS SHOULD NOTE THAT THIS EXAMPLE IS SOLELY FOR ILLUSTRATIVE PURPOSES AND IS NOT SPECIFIC TO THE ISSUE.**

### Illustration One

<b>Name of Issuer</b>	Indian Railway Finance Corporation
<b>Face Value of the Bonds (in ₹)</b>	1000
<b>Series of Bonds</b>	Tranche I Series IA
<b>Deemed Date of Allotment</b>	December 30, 2015
<b>Redemption/Maturity Date</b>	December 30, 2025
<b>Coupon/Interest Rate</b>	7.07%
<b>Frequency of Coupon/Interest Payment with specified dates</b>	First Interest on October 15, 2016 and subsequently on October 15 every year except the last interest payment along with the redemption amount which will happen on December 30, 2025
<b>Day Count Convention</b>	Actual / Actual

Cash Flows	Interest Payment Date	Actual No. of days between two interest payments	Amount (in ₹)
1	October 15, 2016	290.00	56.02
2	October 16, 2017	366.00	70.89
3	October 15, 2018	364.00	70.51
4	October 15, 2019	365.00	70.70
5	October 15, 2020	366.00	70.70
6	October 15, 2021	365.00	70.70
7	October 15, 2022	365.00	70.70
8	October 16, 2023	366.00	70.89
9	October 15, 2024	365.00	70.51
10	December 30, 2025	441.00	85.42
11	December 30, 2025	-	1,000.00
<b>Total</b>			<b>1,707.04</b>

### Illustration Two

<b>Name of Issuer</b>	Indian Railway Finance Corporation
<b>Face Value of the Bonds (in ₹)</b>	1000
<b>Series of Bonds</b>	Tranche I Series IB
<b>Deemed Date of Allotment</b>	December 30, 2015
<b>Redemption/Maturity Date</b>	December 30, 2025
<b>Coupon/Interest Rate</b>	7.32%
<b>Frequency of Coupon/Interest Payment with specified dates</b>	First Interest on October 15, 2016 and subsequently on October 15 every year except the last interest payment along with the redemption amount which will happen on December 30, 2025
<b>Day Count Convention</b>	Actual / Actual

Cash Flows	Interest Payment Date	Actual No. of days between two interest payments	Amount (in ₹)
1	October 15, 2016	290.00	58.00
2	October 16, 2017	366.00	73.40
3	October 15, 2018	364.00	73.00
4	October 15, 2019	365.00	73.20
5	October 15, 2020	366.00	73.20
6	October 15, 2021	365.00	73.20
7	October 15, 2022	365.00	73.20
8	October 16, 2023	366.00	73.40
9	October 15, 2024	365.00	73.00
10	December 30, 2025	441.00	88.44
11	December 30, 2025	-	1000
<b>Total</b>			<b>1,732.04</b>

**Notes:**

If the date of payment of coupon/ interest rate specified does not fall on a Working Day, the coupon payment shall be made on the immediately succeeding Working Day along with the interest for such additional period. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next coupon/ Interest Payment Date.

If the Redemption Date/ Maturity Date (also being the last Coupon/ Interest Payment Date) of any Series of Bonds falls on a day which is not a Working Day, the redemption proceeds shall be paid on the immediately preceding Working Day along with the interest accrued on the Bonds until but excluding the date of such payment.

1. The 1st, 5st and 9th coupon payment has been calculated based on a year consisting of 366 days.

**Assumptions**

1. We have not considered the effect of public holidays as it is difficult to ascertain for future dates. For the purpose of illustration, it is assumed that only Sundays are non Working Days
2. The Deemed Date of Allotment is assumed to be December 30, 2015; and
3. For Cash Flows under Series IB, it is assumed that on all the Record Dates, the Bondholder falls in the Retail Individual Investor Category/Category IV and the Coupon rate remains unchanged at 7.32% per annum.

**THE AGGREGATE COUPON/INTEREST PAYABLE TO EACH BONDHOLDER SHALL BE ROUNDED OFF TO THE NEAREST RUPEE AS PER THE FIXED INCOME MONEY MARKET AND DERIVATIVES ASSOCIATION HANDBOOK ON MARKET PRACTICES.**

- 10.4. Whilst our Company will use the electronic mode for making payments, where facilities for electronic mode of payments are not available to the Bondholder or where the information provided by the Applicant is insufficient or incomplete, our Company proposes to use other modes of payment to make payments to the Bondholders, including through the dispatch of cheques through courier, or registered post to the address provided by the Bondholder and appearing in the Register of Bondholders maintained by the Depositories and/or our Company and/or the Registrar to the Issue, as the case may be as, on the Record Date. In the case of payment on maturity being made on surrender of the Consolidated Bond Certificate(s), our Company will make payments or issue payment instructions to the Bondholders within 30 days from the date of receipt of the duly discharged Consolidated Bond Certificate(s). Our Company shall pay interest as specified in the Tranche Prospectus, over and above the coupon rate of the relevant Bonds, in the event that such payments are delayed beyond a period of eight days after our Company becomes liable to pay such amounts (except if such delays are on account of delay in postal channels of the country).
- 10.5. Our Company's liability to the Bondholders including for payment or otherwise shall stand extinguished from the Maturity Date or on dispatch of the amounts paid by way of principal and/or interest to the Bondholders. Further, our Company will not be liable to pay any interest, income or compensation of any kind accruing subsequent to the Maturity Date.

**11. Manner and Mode of Payment****11.1. Manner of Payment:**

All payments to be made by our Company to the Bondholders shall be made in any of the following manners:

**11.1.1. For Bonds applied or held in electronic form:**

The bank details will be obtained from the Depositories for payments. Investors who have applied or who are holding the Bond in electronic form are advised to immediately update their

bank account details as appearing on the records of their Depository Participant. Failure to do so could result in delays in credit of the payments to Investors at their sole risk and neither the Lead Managers nor our Company shall have any responsibility and undertake any liability for such delays on part of the Investors.

#### 11.1.2. ***For Bonds held in physical form***

The bank details will be obtained by the Registrar to the Issue from the Application Form or cheque copy attached for effecting payments.

In case of Applications other than those made through the ASBA process, the unutilised portion of the Application Amounts will be refunded to the Applicant within 12 (twelve) Working Days of the Issue Closing Date through any of the following modes:

#### 11.2. **Modes of Payment**

- i. **Direct Credit** – Applicants having bank accounts with the Refund Bank shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by us.
- ii. **NECS** – Payment of refund would be done through NECS for Applicants having an account at any of the centres as notified by RBI. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as available from the Depositories. The payment of refunds through this mode will be done for Applicants having a bank account at any centre where NECS facility has been made available (subject to availability of all information for crediting the refund through NECS).
- iii. **NEFT** – Payment of refund shall be undertaken through NEFT wherever the Applicant's bank has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. In case of online payment or wherever the Investors have registered their nine digit MICR number and their bank account number with the depository participant while opening and operating the demat account, the MICR number and their bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- iv. **RTGS** – If the refund amount exceeds ₹ 2.00 lakhs, Applicants have the option to receive refund through RTGS. Charges, if any, levied by the refund bank(s) for the same would be borne by us. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.
- v. For all other Applicants (not being ASBA Applicants), refund orders will be dispatched through speed post/ registered post, at Applicants' own risk. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/ first Applicants and payable at par at places where Application are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

Our Company shall not be responsible for any delay to the Bondholder receiving credit of interest or refund or Maturity Amount so long as our Company has initiated the process in time.

#### 11.3. **Printing of bank particulars**

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be provided for printing on the orders/warrants. Applications without these details are liable to be rejected. However, in relation to Applications for dematerialised Bonds, these particulars will be taken directly from the Depositories. In case of Bonds held in physical form either on account of rematerialisation or transfer, the Bondholders are advised to submit their bank account details with the Registrar to the Issue before the Record Date, failing which the amounts will be dispatched to the postal address of the Bondholders. Bank account particulars will be printed on the orders/warrants which can then be deposited only in the account specified.

12. **Special Tax Benefit**

For the details of tax benefits, see the section titled “*Statement of Tax Benefits*” on page 30 of this Prospectus Tranche-I.

13. **Taxation**

The Bonds are tax free in nature and the interest on the Bonds will not form part of the total income. For further details, see the section titled “*Statement of Tax Benefits*” on page 30 of this Prospectus Tranche-I.

14. **Security**

The Bonds to be issued are proposed to be secured by creating a first pari-passu charge on the movable assets of the Company comprising of rolling stock such as wagons, locomotives and coaches, present and future, as may be agreed between the Company and the Debenture Trustee, pursuant to the terms of the Debenture Trust Deed and applicable laws.

15. **Events of default**

15.1 The Debenture Trustee at its discretion may, or if so requested in writing by the holders of not less than 75% in principal amount of the Bonds then outstanding or if so directed by a Special Resolution shall (subject to being indemnified and/or secured by the Bondholders to its satisfaction), give notice to our Company specifying that the Bonds and/or any particular Series of Bonds, in whole but not in part are and have become due and repayable at the early redemption amount on such date as may be specified in such notice, among other things, if any of the events listed in 15.2 below occur.

15.2. The complete list of events of default shall be as specified in the Debenture Trust Deed.

15.3. The early redemption amount payable on the occurrence of an event of default shall be as detailed in the Debenture Trust Deed.

15.4. If an event of default occurs which is continuing, the Debenture Trustee may with the consent of the Bondholders, obtained in accordance with the provisions of the Debenture Trust Deed, and with a prior written notice to our Company, take action in terms of the Debenture Trust Deed.

15.5. In case of default in the redemption of Bonds, in addition to the payment of interest and all other monies payable hereunder on the respective due dates, our Company shall also pay interest on the defaulted amounts.

16. **Bondholders’ rights, nomination, etc.**

16.1. **Rights of Bondholders**

Some of the significant rights available to the Bondholders are as follows:

a) Bondholder is not a shareholder: The Bondholders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company.

b) The Company will maintain at its Registered Office or such other place as permitted by law a register of Bondholders (“Register of Bondholders”) containing such particulars as required by Section 88 of the Companies Act, 2013. In terms of Section 88 of the Companies Act, 2013, the Register of Bondholders maintained by a Depository for any Bond in dematerialised form under Section 11 of the Depositories Act will be deemed to be a Register of Bondholders for this purpose

c) The Bonds shall not, except as provided in the Companies Act, confer on Bondholders any rights or privileges available to members of our Company including the right to receive notices or annual reports of, or to attend and / or vote, at the Company’s general meeting(s). However, if any resolution affecting the rights of the Bondholders is to be placed before the

shareholders, such resolution will first be placed before the concerned registered Bondholders for their consideration. In terms of Section 136(1) of the Companies Act, 2013, Bondholders shall be entitled to a copy of the balance sheet on a specific request made to the Company.

- d) The rights, privileges and conditions attached to the Bonds may be varied, modified and/or abrogated with the consent in writing of the Bondholders of at least three-fourths of the outstanding amount of the Bonds or with the sanction of a special resolution passed at a meeting of the concerned Bondholders. However, such consent or resolution shall not be operative against our Company in the event that such consent or resolution is not acceptable to the Company.
- e) The registered Bondholder or in case of joint-holders, the person whose name stands first in the Register of Bondholders shall be entitled to vote in respect of such Bonds, either by being present in person or, where proxies are permitted, by proxy, at any meeting of the concerned Bondholders summoned for such purpose and every such Bondholder shall be entitled to one vote on a show of hands and on a poll, his or her voting rights shall be in proportion to the outstanding nominal value of Bonds held by him or her on every resolution placed before such meeting of the Bondholders.
- f) Bonds may be rolled over with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Bonds or with the sanction of a Special Resolution passed at a meeting of the concerned Bondholders after providing at least 21 days prior notice for such roll-over and in accordance with the SEBI Debt Regulations. Our Company shall redeem the Bonds of all the Bondholders, who have not given their positive consent to the roll-over .

The above rights of Bondholders are merely indicative. The final rights of the Bondholders will be as per the terms of the Shelf Prospectus, Prospectus Tranche-I and Debenture Trust Deed to be executed by our Company with the Debenture Trustee.

Special Resolution for the purpose of this section is a resolution passed at a meeting of Bondholders of at least three-fourths of the outstanding amount of the Bonds, present and voting.

## 16.2. **Succession**

Where Bonds are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the Bondholder(s) in accordance with the applicable laws. It will be sufficient for our Company to delete the name of the deceased Bondholder after obtaining satisfactory evidence of his death, provided that a third person may call on our Company to register his name as successor of the deceased Bondholder after obtaining evidence such as probate of a will for the purpose of proving his title to the Bonds. In the event of demise of the sole or first holder of the Bonds, our Company will recognize the executors or administrator of the deceased Bondholders, or the holder of the succession certificate or other legal representative as having title to the Bonds only if such executor or administrator obtains and produces probate of will or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The Board of Directors of our Company in their absolute discretion may, in any case, dispense with production of probate of will or letter of administration or succession certificate or other legal representation.

## 16.3. **Nomination Facility to Bondholder**

16.3.1. In accordance with Section 72 of the Companies Act, 2013 the sole Bondholder or first Bondholder, along with other joint Bondholders (being individual(s)) may nominate any one person (being an individual) who, in the event of death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Bond. A person, being a nominee, becoming entitled to the Bond by reason of the death of the Bondholders, shall be entitled to the same rights to which he will be entitled if he were the registered holder of the Bond. Where the nominee is a minor, the Bondholders may make a nomination to appoint any person to become entitled to the Bond(s), in the event of his death, during the minority. A nomination shall stand rescinded on sale of a Bond by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When the Bond is held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the

Bondholders. Fresh nominations can be made only in the prescribed form available on request at our Company's administrative office or at such other addresses as may be notified by our Company.

- 16.3.2. The Bondholders are advised to provide the specimen signature of the nominee to our Company to expedite the transmission of the Bond(s) to the nominee in the event of demise of the Bondholders. The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.
- 16.3.3. Any person who becomes a nominee under any applicable laws shall on the production of such evidence as may be required by our Company's Board or the Bond Committee, as the case may be, elect either:
- (a) to register himself or herself as the holder of the Bonds; or
  - (b) to make such transfer of the Bonds, as the deceased holder could have made.
- 16.3.4. Notwithstanding anything stated above, Applicants who are allotted bonds in dematerialised form need not make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bondholder will prevail. If the Bondholders require changing their nomination, they are requested to inform their respective Depository Participant. For Applicants who opt to hold the Bonds in physical form, the Applicants are required to fill in the details for 'nominees' as provided in the Application Form.
- 16.3.5. Further, our Company's Board or the Bond Committee as the case may be, may at any time give notice requiring any nominee of the deceased holder to choose either to be registered himself or herself or to transfer the Bonds, and if the notice is not complied with, within a period of 90 days, our Company's Board or the Bond Committee, as the case may be, may thereafter withhold payment of all interests or other monies payable in respect of the Bonds, until the requirements of the notice have been complied with.

## 17. **Debenture Trustee**

- 17.1 Our Company has appointed SBICAP Trustee Company Limited to act as the Trustee for the Bondholders. Our Company intends to enter into a Debenture Trust Deed with the Debenture Trustee, the terms of which will govern the appointment and functioning of the Debenture Trustee and shall specify the powers, authorities and obligations of the Debenture Trustee. Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the Bondholders the principal amount on the Bonds on the relevant Maturity Date and also that it will pay the interest due on Bonds on the rate specified under this Prospectus Tranche-I.
- 17.2 The Bondholders shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of their agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the Bonds as the Trustee may in their absolute discretion deem necessary or require to be done in the interest of the Bondholders. Any payment made by our Company to the Debenture Trustee on behalf of the Bondholders shall discharge our Company *pro tanto* to the Bondholders. All the rights and remedies of the Bondholders shall vest in and shall be exercised by the Debenture Trustee without reference to the Bondholders. No Bondholder shall be entitled to proceed directly against our Company unless the Debenture Trustee, having become so bound to proceed, failed to do so.
- 17.3. The Debenture Trustee will protect the interest of the Bondholders in the event of default by our Company in regard to timely payment of interest and repayment of principal and they will take necessary action at our Company's cost. Further, the Debenture Trustee shall ensure that the assets of our Company are sufficient to discharge the principal amount at all time under this Issue.

## 18. **Miscellaneous**

### 18.1 **Loan against Bonds**

The Bonds can be pledged or hypothecated for obtaining loans from lending institutions in accordance with the lending policies of the concerned institutions.

## 18.2 **Lien**

Our Company shall have the right of set-off and lien, present as well as future on the moneys due and payable to the Bondholder or deposits held in the account of the Bondholder, whether in single name or joint name, to the extent of all outstanding dues by the Bondholder to our Company.

## 18.3 **Lien on pledge of Bonds**

Subject to applicable laws, our Company, at its discretion, may note a lien on pledge of Bonds if such pledge of Bond is accepted by any bank, institution or others for any loan provided to the Bondholder against pledge of such Bonds as part of the funding.

## 18.4 **Joint-holders**

Where two or more persons are holders of any Bond(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to applicable laws.

## 18.5 **Sharing of information**

Our Company may, at its option, use its own, as well as exchange, share or part with any financial or other information about the Bondholders available with our Company and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither our Company nor its affiliates nor their agents shall be liable for use of the aforesaid information.

## 18.6 **Notices**

All notices to the Bondholders required to be given by our Company or the Trustee shall be published in at least one national daily newspaper having wide circulation and/or, will be sent by post/courier to the registered Bondholders from time to time.

## 18.7 **Issue of duplicate Consolidated Bond Certificate(s)**

If any Consolidated Bond Certificate is mutilated or defaced it may be replaced by our Company against the surrender of such Consolidated Bond Certificates, provided that where the Consolidated Bond Certificates are mutilated or defaced, they will be replaced only if the certificate numbers and the distinctive numbers are legible.

If any Consolidated Bond Certificate is destroyed, stolen or lost then on production of proof thereof to the Issuer's satisfaction and on furnishing such indemnity/security and/or documents as it may deem adequate, duplicate Consolidated Bond Certificate(s) shall be issued.

**The above requirement may be modified from time to time as per applicable law and practice.**

## 18.8 **Future borrowings**

Our Company shall be entitled at any time in the future during the term of the Bonds or thereafter to borrow or raise loans or create encumbrances or avail of financial assistance in any form, and also to issue promissory notes or bonds or any other securities in any form, manner, ranking and denomination whatsoever and to any eligible persons whatsoever, subject to applicable consent, approvals or permission that may be required under any statutory/regulatory/contractual requirement and to change its capital structure including through the issue of shares of any class, on such terms and conditions as our Company may deem appropriate, without requiring the consent of, or intimation to, the Bondholders or the Debenture Trustee in this connection. Subject to the security cover for the Bonds being 100% of the principal outstanding and interest thereon on the Bonds at all points of time during their tenor. Any further security created by our Company on the Security for the Bonds will be effected in the manner specified in the Debenture Trust Deed.

#### **18.9 Jurisdiction**

The Bonds, the Trust Deed and other relevant documents shall be governed by and construed in accordance with the laws of India. For the purpose of this Issue and any matter related to or ancillary to the Issue the Courts of New Delhi, India shall have exclusive jurisdiction.

#### **18.10 Recall or redemption prior to maturity**

The CBDT Notification pursuant to which the Bonds are being offered provides that the tenure of the tax free bonds shall be 10, 15 or 20 years and does not specifically permit the issuer to buy back or redeem the Bonds prior to its Maturity Date. Unless permitted by the GoI, our Company will not be able to redeem or recall the Bonds prior to their Maturity Date.

#### **18.11 Guarantee/Letter of Comfort**

This Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

#### **18.12 Restriction on transfer of Bonds**

There are currently no restrictions on transfers and transmission of Bonds and on their consolidation/splitting except as may be required under applicable statutory and/or regulatory requirements including the SEBI Debt Regulations, Companies Act, 1956, Companies Act, 2013 and RBI regulations and/or as provided in our Articles of Association. For details of main provisions of our AoA, please see section titled “*Main Provisions of Articles of Association of our Company*” on page 184 of the Shelf Prospectus.

## ISSUE PROCEDURE

*This section applies to all Applicants. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involves application procedures that are different from the procedure applicable to all other Applicants. However, there is a common Application Form for all Applicants except eligible FPIs/FIIs, eligible FPIs/FII/QFIs and Eligible NRIs for whom there will be separate Application Form. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs in the relevant ASBA Accounts.*

*ASBA Applicants should note that they may submit their ASBA Applications to the Members of the Syndicate or Trading Members only at the Syndicate ASBA Application Locations, or directly to the Designated Branches of the SCSBs. Applicants other than ASBA Applicants are required to submit their Applications to the Members of the Syndicate or Trading Members (at the application centres of the Members of the Syndicate will be mentioned in the Application Form) or make online Applications using the online payment gateway of the Stock Exchanges.*

*Applicants are advised to make their independent investigations and ensure that their Applications does not exceed the investment limits or maximum number of Bonds that can be held by them under applicable law or as specified in this Prospectus Tranche-I.*

**PLEASE NOTE THAT ALL TRADING MEMBERS WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY STOCK EXCHANGE/(S) WILL NEED TO APPROACH STOCK EXCHANGE (S) AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY STOCK EXCHANGE(S).**

*Please note that this section has been prepared based on the circular no. CIR/IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI (“Debt Application Circular”). The procedure mentioned in this section is subject to the Stock Exchanges putting in place the necessary systems and infrastructure for implementation of the provisions of the abovementioned circular, including the systems and infrastructure required in relation to Applications made through the Direct Online Application Mechanism and the online payment gateways to be offered by Stock Exchanges and accordingly is subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI. The following section may consequently undergo change between the dates of the Shelf Prospectus and the Tranche Prospectus(es). Specific attention is drawn to the Circular No. CIR/IMD/DF/18/2013 dated October 29, 2013 issued by SEBI, which amends the provisions of Circular No. CIR/IMD/DF-1/20/2012 dated July 27, 2012 to the extent that it provides for allotment in public issues of debt securities to be made on the basis of date of upload of each application into the electronic book of the stock exchanges, as opposed to the date and time of upload of each such application.*

*The Members of the Syndicate and the Company shall not be responsible or liable for any errors or omissions on the part of trading members in connection with the responsibility of Trading Members in relation to collection and upload of Applications in this issue on the electronic application platform provided by Stock Exchanges. Further, Stock Exchanges will be responsible for addressing Investor grievances arising from applications through Trading Members.*

*Please note that as per Para 4 of SEBI Circular No. CIR/CFD/DIL/12/2012 dated September 13, 2012, for making Applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB/s. Only such account shall be used for the purpose of making Application in public issues and clear demarcated funds should be available in such account for ASBA Applications*

*Please note that for the purpose of this section, the term “Working Day” shall mean all days excluding Sundays or a holiday of commercial banks in New Delhi/Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post Issue Period, i.e. period beginning from Issue Closing Date to listing of the Bonds, Working Days shall mean all days excluding Sundays or a holiday of commercial banks in New Delhi /Mumbai or a public holiday in India.*

## Who can apply?

The following categories of persons are eligible to apply in the Issue.

### Category I\*

Qualified Institutional Buyers as defined in SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 as amended including:

- Foreign Portfolio Investors (“FPI”), Foreign Institutional Investor (“FIIF”) and sub-accounts (other than a sub account which is a foreign corporate or foreign individual) registered with SEBI, Qualified Foreign Investor (“QFI”), not being an individual and registered with SEBI;
- Public Financial Institutions, scheduled commercial banks, state industrial development corporations, multilateral and bilateral development financial institutions which are authorised to invest in the Bonds;
- Provident funds and pension funds with minimum corpus of ₹ 25 crores, which are authorised to invest in the Bonds;
- Insurance companies registered with the IRDA;
- National Investment Fund 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;
- Insurance funds set up and managed by the army, navy or air force of the Union of India or set up and managed by the Department of Posts, India;
- Mutual funds registered with SEBI; and

Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.

*\* As per Section 186(7) of the Companies Act, 2013 a company shall not provide loan at a rate of interest lower than the prevailing yield of Government Security closest to the tenor of the loan. However, MCA through its General Circular No. 06/2015 dated April 9, 2015, has clarified that companies investing in tax-free bonds wherein the effective yield (effective rate of return) on the bonds is greater than the prevailing yield of one year, three year, five year and ten year Government Security closest to the tenor of the loan, there is no violation of sub-section (7) of section 186 of the Companies Act, 2013.*

### Category II \*

- Companies within the meaning of sub-section 20 of Section 2 of the Companies Act, 2013;
- Statutory bodies/corporations;
- Cooperative banks;
- Trusts including Public/ private/ charitable/religious trusts;
- Limited liability partnership;
- Regional rural banks;
- Partnership firms in the name of partners;
- QFIs and FPIs not being individuals;
- Association of Persons;
- Societies registered under the applicable law in India and authorized to invest in Bonds; and
- Any other domestic legal entities authorised to invest in the Bonds, subject to compliance with the relevant regulations applicable to such entities.

*\* As per Section 186(7) of the Companies Act, 2013 a company shall not provide loan at a rate of interest lower than the prevailing yield of Government Security closest to the tenor of the loan. However, MCA through its General Circular No. 06/2015 dated April 9, 2015, has clarified that companies investing in tax-free bonds wherein the effective yield (effective rate of return) on the bonds is greater than the prevailing yield of one year, three year, five year and ten year Government Security closest to the tenor of the loan, there is no violation of sub-section (7) of section 186 of the Companies Act, 2013.*

### Category III

The following Investors applying for an amount aggregating to above ₹ 10 lakhs across all Series of Bonds in each Tranche Issue:

- Resident Indian individuals;
- Eligible NRIs on a repatriation or non – repatriation basis;

- Hindu Undivided Families through the Karta; and
- Eligible QFIs and FPIs being individuals.

#### **Category-IV:**

The following Investors applying for an amount aggregating to up to and including ₹ 10 lakhs across all Series of Bonds in each Tranche Issue:

- Resident Indian individuals;
- Eligible NRIs on a repatriation or non – repatriation basis;
- Hindu Undivided Families through the Karta; and
- Eligible QFIs and FPIs being individuals.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

The Investor must ensure that in case it is a FPIs, FIIs, Eligible QFI and/ or Eligible NRI, it is not (i) based in the United States of America, (“USA”), and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA.

**Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of Bonds pursuant to the Issue.**

The Lead Managers and their respective associates and affiliates are permitted to subscribe in the Issue.

The information below is given for the benefit of Applicants. Our Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus Tranche-I.

#### **How to apply?**

##### **Availability of the Shelf Prospectus, Prospectus Tranche-I, Abridged Prospectus and Application Forms**

**Please note that there is a single Application Form for ASBA Applicants as well as non-ASBA Applicants who are persons resident in India. There is a separate Application Form for Applicants (ASBA Applicants and non-ASBA Applicants) who are FPIs, FIIs, Eligible QFIs and Eligible NRIs applying for Bonds on repatriation or a non-repatriation basis.**

Copies of the Abridged Prospectus containing the salient features of the Tranche Prospectus (for a particular Tranche Issue) together with Application Forms may be obtained from our Registered and Corporate Office, the Lead Managers, the Consortium Members and the Designated Branches of the SCSBs. Additionally the Shelf and Prospectus Tranche-I and the Application Forms will be available for download on the websites of Stock Exchanges at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) and at the designated branches of the SCSB & the Members of the Syndicate at Syndicate ASBA location.

Electronic Application Forms will also be available on the websites of the Stock Exchanges.

Trading Members can download Application Forms from the websites of the Stock Exchanges. Further, Application Forms will also be provided to Trading Members at their request.

A unique application number will be generated for every Application Form downloaded from the websites. Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, online demat account portals may also provide the facility of submitting the Application Forms online to their account holders’.

The prescribed colour of the Application Form for the Applicants is as follows:

Category	Colour of the Application Form
Resident Indians– ASBA Applicants as well as Non-ASBA Applicants	White
FPIs, FIIs, Eligible QFIs and Eligible NRIs (applying on a repatriation as well as non-repatriation basis) – ASBA Applicants as well as Non-ASBA Applicants	Blue

*Please note that there is a single Application Form for ASBA Applicants as well as non-ASBA Applicants who are persons resident in India. There is a separate Application Form for Applicants (ASBA Applicants and non-ASBA Applicants) who are FPIs, FIIs, Eligible QFIs and Eligible NRIs applying for Bonds on repatriation or a non-repatriation basis.*

### Methods of Application

An eligible Investor desirous of applying in the Issue can make Applications by one of the following methods:

1. Applications through the ASBA process; and
2. Non-ASBA Applications.

Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by Investors to a public issue of their debt securities with an online payment facility (“**Direct Online Application Mechanism**”). In this regard, SEBI has, through the Debt Application Circular, directed recognized stock exchanges in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. In the event that the Stock Exchanges put in necessary systems, infrastructure and processes in place so as to enable the adoption of the Direct Online Application Mechanism prior to the Issue Opening Date, we shall offer eligible Investors desirous of applying in the Issue the option to make Applications through the Direct Online Application Mechanism.

If such systems, infrastructures or processes are put in place by the Stock Exchanges prior to the Issue Opening Date, the methods and procedure for relating to the Direct Online Application Mechanism shall be widely disseminated by us through a public notice in a reputed national daily newspaper having wide circulation.

### *Applications through the ASBA process*

**Please note that application through ASBA is optional for all categories of Applicants.**

Applicants who wish to apply through the ASBA process by filling in physical Application Form will have to select the ASBA mechanism in Application Form and provide necessary details. Applicants can submit their Applications through the ASBA process by submitting the Application Forms to the Designated Branch of the SCSB with whom the ASBA Account is maintained or through the Members of the Syndicate or Trading Members (ASBA Applications through the Members of the Syndicate and Trading Members shall hereinafter be referred to as the “**Syndicate ASBA**”), prior to or on the Issue Closing Date. **ASBA Applications through the Members of the Syndicate and Trading Members is permitted only at the Syndicate ASBA Application Locations (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Vadodara and Surat).** Kindly note that Application Forms submitted by ASBA Applicants to Members of the Syndicate and the Trading Members at the Syndicate ASBA Application Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Member of the Syndicate or the Trading Members to deposit the Application Form (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

Those Applicants who wish to apply through the ASBA process by filling in physical Application Form will have to select the ASBA mechanism in Application Form and provide necessary details. The filled in Application Form containing instructions to SCSB to block the Application Amount shall be submitted to the designated branches of the SCSBs. The ASBA Applications can also be submitted with the Member of the Syndicate at the Syndicate ASBA Centres (only in Specified Centres) or with the Trading Members of the Stock Exchange, who shall in turn upload all such details of the Applicant that is required for the purpose of allotment based on the ASBA Application Form on the platform of the Stock Exchange and forward the same to the SCSBs, in accordance with the circulars issued by SEBI in this regard from time to time. The Members of Syndicate and Trading Members of the Stock Exchange shall accept ASBA Applications only at the Syndicate

ASBA Centres and should ensure that they verify the details about the ASBA Account and relevant SCSB prior to accepting the Application Form.

Care should be taken that such Application Forms should bear the stamp of the relevant SCSB, Members of the Syndicate or trading members of the Stock Exchange, otherwise they will be rejected.

Members of the Syndicate and Trading Members shall, upon receipt of Application Forms from ASBA Applicants, upload the details of these Application Forms to the online platform of the Stock Exchanges and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained in accordance with the Debt Application Circular. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

ASBA Applications in electronic mode will only be available with such SCSBs who provide such an electronic facility. In case of ASBA Applications in such electronic form, the ASBA Applicant shall submit the Application Form with instruction to block the Application Amount either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA Account held with SCSB, as would be made available by the concerned SCSB.

In case of ASBA Application in physical mode, the ASBA Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB. The Application forms in physical mode, which shall be stamped, can also be submitted to the Members of the Syndicate & the Trading Members at the Syndicate ASBA Application location. The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the bidding platform of the stock exchange(s). If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the bidding platform of the stock exchange(s). If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the bidding platform of the stock exchange(s). The Designated Branch of the SCSBs shall stamp the Application Form

Applications are liable to be rejected, wherein the SCSBs are not able to block the funds for Application Forms which have been uploaded by the Member of the Syndicate or Trading Members of the Stock Exchange due to any reason

Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by SCSBs and Trading Members, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Trading Members in relation to the Issue should be made by Applicants directly to Stock Exchanges.

**Please note that you cannot apply for the Bonds through the ASBA process if you wish to be Allotted the Bonds in physical form.**

#### ***Non-ASBA Applications***

##### ***(i) Non- ASBA Applications for Allotment of the Bonds in dematerialised form***

Applicants may submit duly filled in Application Forms either in physical or downloaded Application Forms to the Members of the Syndicate or the Trading Members accompanied by account payee cheques/ demand drafts prior to or on the Issue Closing Date. The Members of the Syndicate and Trading Members shall, upload the non-ASBA Application on the online platform of Stock Exchanges, following which they shall acknowledge the uploading of the Application Form by stamping the acknowledgment slip with the date and time and returning it to the Applicant. This acknowledgment slip shall serve as the duplicate of the Application Form for the records of the Applicant and the Applicant should preserve this and should provide the same for any grievances relating to their Applications.

Upon uploading the Application on the online platform of Stock Exchanges, the Members of the Syndicate and Trading Members will submit the Application Forms, along with the payment instruments to the Escrow Collection Banks, which will realise the payment instrument, and send the Application details to the Registrar.

The Members of the Syndicate/ Trading Members are requested to note that all payment instruments are required to be banked with only the banking branches of the Escrow Collection Banks, details of which will be available at the websites of the BSE and NSE at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively). Accordingly, Applicants are requested to note that they must submit Application Forms to Trading Members who are located in towns/ cities which have at least one banking branch of the Escrow Collection Banks. The Registrar shall match the Application details as received from the online platform of Stock Exchanges with the Application Amount details received from the Escrow Collection Banks for reconciliation of funds received from the Escrow Collection Banks. In case of discrepancies between the two data bases, the details received from the online platform of Stock Exchanges will prevail. Upon Allotment, the Registrar will credit the Bonds in the demat accounts of the successful Applicants as mentioned in the Application Form.

Please note that neither our Company, nor the Members of the Syndicate, nor the Registrar shall be responsible for redressal of any grievances that Applicants may have in regard to the non-ASBA Applications made to the Trading Members, including, without limitation, relating to non-upload of the Applications data. All grievances against Trading Members in relation to the Issue should be made by Applicants to the relevant Stock Exchange.

(ii) ***Non-ASBA Applications for Allotment of the Bonds in physical form***

Applicants (except for Eligible QFIs/ eligible FIIs/ eligible FPIs, who will be allotted bonds only in dematerialized form) can also apply for Allotment of the Bonds in physical form by submitting duly filled in Application Forms to the Members of the Syndicate or the Trading Members, along with the accompanying account payee cheques or demand drafts representing the full Application Amount and KYC documents as specified in the sections titled “***Issue Procedure – Applications by various Applicant Categories***” and “***Issue Procedure - Additional instructions specific for Applicants seeking Allotment of the Bonds in physical form***” at pages 73 and 87 of this Prospectus Tranche-I respectively. The Members of the Syndicate and Trading Members shall, upon submission of the Application Forms to them, verify and check the KYC documents submitted by such Applicants and upload details of the Application on the online platform of Stock Exchanges, following which they shall acknowledge the uploading of the Application Form by stamping the acknowledgment slip with the date and time and returning it to the Applicant. This acknowledgment slip shall serve as the duplicate of the Application Form for the records of the Applicant and the Applicant shall preserve this and should provide the same for any queries relating to non-Allotment of Bonds in the Issue.

Upon uploading of the Application details, the Members of the Syndicate and Trading Members will submit the Application Forms, along with the payment instruments to the Escrow Collection Banks, which will realise the payment instrument, and send the Application Form and the KYC documents to the Registrar. The Registrar shall check the KYC documents submitted and match Application details as received from the online platform of Stock Exchanges with the Application Amount details received from the Escrow Collection Banks for reconciliation of funds received from the Escrow Collection Banks. In case of discrepancies between the two data bases, the details received from the online platform of Stock Exchanges will prevail. The Members of the Syndicate/ Trading Members are requested to note that all Applicants are required to be banked with only the banking branches of Escrow Collection Banks, details of which will be available at the websites of the BSE and NSE at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively). Accordingly, Applicants are requested to note that they must submit Application Forms to Trading Members who are located in towns/ cities which have at least one banking branch of the Escrow Collection Banks. Upon Allotment, the Registrar will dispatch Bond Certificates to the successful Applicants to their addresses as provided in the Application Form. **Please note that, in the event that KYC documents of an Applicant are not in order, the Registrar will withhold the dispatch of Bond Certificates pending receipt of complete KYC documents from such Applicant. In such circumstances, successful Applicants should provide complete KYC documents to the Registrar at the earliest.**

**Please note that in such an event, any delay by the Applicant to provide complete KYC documents to the Registrar will be at the Applicant’s sole risk and neither our Company, the Registrar, the Escrow Collection Banks, or the Members of the Syndicate, will be liable to compensate the Applicants for any losses caused to them due to any such delay, or liable to pay any interest on the Application Amounts for such period during which the Bond Certificates are withheld by the Registrar. Further, our Company will not be liable for any delays in payment of interest on the Bonds allotted to such Applicants, and will not be liable to compensate such Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay in payment of interest on the Bonds.**

**Applicants must use only CTS compliant instruments and refrain from using NON-CTS 2010 instruments for payment of the Application Amount.**

Members of the Syndicate or Trading Members are also required to ensure that the Applicants are competent to contract under the Indian Contract Act, 1872 including minors applying through guardians, at the time of acceptance of the Application Forms.

**Further, please note that Eligible QFIs/FIIs/FPIs cannot apply for Allotment of the Bonds in physical form. For further information, see the section titled “Issue Procedure – Applications by various Applicant Categories – Applications by FPIs/FIIs/QFIs” on page 73 of this Prospectus Tranche-I.**

**Please note that allotment of bonds in physical form can be done only if applicant does not hold any Demat account.**

To supplement the foregoing, the mode and manner of Application and submission of Application Forms is illustrated in the following chart.

<b>Mode of Application*</b>	<b>To whom the Application Form has to be submitted</b>
Direct Online Applications	Online submission through the online platform and online payment facility offered by Stock Exchanges.
ASBA Applications	<ul style="list-style-type: none"> <li>i to the Members of the Syndicate only at the Syndicate ASBA Application Locations; or</li> <li>ii to the Designated Branches of the SCSBs where the ASBA Account is maintained; or</li> <li>iii to Trading Members only at the Syndicate ASBA Application Locations.</li> </ul>
Non- ASBA Applications	<ul style="list-style-type: none"> <li>i to the Members of the Syndicate; or</li> <li>ii to Trading Members.</li> </ul>

\* Please note that Eligible QFIs/eligible FPIs/eligible FIIs cannot make Applications for Allotment of the Bonds in physical form.

The Applicant applying under the ASBA Process agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in an ASBA Account

After verifying that sufficient funds are available in the ASBA Account, details of which are provided in the Application Form or through which the Application is being made in case of electronic ASBA Application, the SCSB shall block an amount equivalent to the amount payable on Application mentioned in the Application Form until it receives instructions from the Registrar. Upon receipt of intimation from the Registrar, the SCSBs shall transfer such amount as per the Registrar’s instruction from the ASBA Account. This amount will be transferred into the Public Issue Account maintained by us as per the provisions of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSBs.

In the event of withdrawal or rejection of Application Form or for unsuccessful Application Forms, the Registrar shall give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within twelve (12) Working Days of receipt of such instruction.

### **Application Size**

Minimum Five bonds (₹ 5000) across all Series of Bonds and in multiples of 1 bond thereafter.

## **APPLICATIONS BY VARIOUS APPLICANT CATEGORIES**

### **Applications by FPIs/FIIs/QFIs\***

A FPIs/FIIs/QFIs who purchases the Bonds under this Issue shall make the payment for purchase of such securities either by inward remittance through normal banking channels or out of funds held in Foreign Currency Account or Non-resident Rupee Account maintained by such FPI with a designated branch of an authorized dealer in terms of the applicable regulations governing the same. Provided that an FII or sub-account may continue to buy, sell or otherwise deal in securities subject to the provisions of the SEBI (Foreign Portfolio Investors) Regulations, 2014 (“**FPI Regulations**”), till the expiry of its registration as a FII (till the expiry of the block of three years) or sub-account, or until he obtains a certificate of registration as FPI, whichever is earlier.

A RFPI (including all “QFIs and FPI’s) who purchases the Bonds under this Tranche - I Issue shall make payment through its designated bank being a branch of a bank authorized by the Reserve Bank of India through a foreign currency denominated account and special non-resident before making any investments in India.

### Investments by FPIs and FIIs

Investments by RFPIs in this Issue will be restricted by various circulars issued by SEBI and RBI providing for corporate debt limits. In particular, the SEBI circular bearing reference No.CIR/IMD/FIIC/6/2013, dated April 1, 2013 provides that the following categories of debt limits shall be merged into a single category named ‘Corporate Debt’:

1. Corporate debt – Old for FIIs (US\$ 20 billion).
2. Corporate debt – Old for QFIs (US\$ 1 billion).
3. Corporate debt – Long Term (US\$ 5 billion).
4. Corporate debt in relation to the long term infrastructure sector (US\$ 12 billion).
5. Investment by QFIs in debt mutual fund schemes which invest in the infrastructure sector (US\$ 3 billion).
6. Investment in Infrastructure Debt Funds (US\$ 10 billion).

The combined limit for FIIs in the Corporate Debt category is US\$ 51 billion, as provided in the table below.

Type of Instrument	Investment Cap (\$US billion)	Eligible Investors	Remarks
Government Debt	25	FII & QFI	Eligible investors may invest in Treasury Bills only up to US\$ 5.5 billion within the limit of US\$ 25 billion
Corporate Debt	51	FII & QFI	Eligible investors may invest in Treasury Bills only up to US\$ 5.5 billion within the limit of US\$ 25 billion

The RBI has, through its circular (bearing RBI/2012-13/530) dated June 12, 2013, enhanced the limit for investment by FIIs in the Government debt (long term) category by US\$ 5 billion to US\$ 30 billion. SEBI *vide* circular dated April 07, 2014, bearing CIR/IMD/FIIC/8/2014, changed certain investment conditions and introduced restrictions for FII/QFI investments in Government debt securities. The combined limit for FIIs in the Corporate Debt category remains same as US\$ 51 billion, as provided in the table below:

Type of Instrument	Investment Cap (\$US billion)	Eligible Investors	Remarks
Government Debt	20	FII & QFI	Available on demand. Eligible investors may invest only in dated securities of residual maturity of one year and above, and existing investment in Treasury Bills will be allowed to taper off on maturity/sale
Government Debt	10	FII & QFI	Available on demand for FIIs registered with SEBI as Sovereign Wealth Funds, Multilateral Agencies, Endowment funds, Insurance funds, Pension Funds and Foreign Central Banks. Eligible investors may invest only in dated securities of residual maturity of one year and above.
Corporate Debt	51	FIIs, QFIs, and Long terms investors registered with SEBI – Sovereign Wealth Funds (SWFs), Multilateral Agencies, Pension/ Insurance/ Endowment Funds, Foreign Central Banks	Available on demand. Eligible investors may invest in Commercial Papers only upto US\$ 2 billion within the limit of US\$ 51 billion

Further, pursuant to SEBI Circular no. CIR/IMD/FIIC/18/2010 dated November 2, 2010 and RBI Circular (RBI A.P. (DIR Series) Circular No. 89) dated March 1, 2012, FIIs (and its sub-accounts) have been permitted to invest in primary issues of NCDs/ bonds provided that the listing of such NCDs/ bonds is committed to be done within 15 days of such investment. In case the NCDs/bonds issued to the SEBI registered FIIs / sub-accounts are not listed within 15 days of issuance of bonds to the such FIIs /sub-accounts, for any reason, then the FII/sub-accounts are required to immediately dispose of such bonds/ NCDs either by way of sale to a third party or to the issuer.

As required under the terms of the aforesaid RBI Circular dated March 1, 2012, our Company undertakes that it shall immediately redeem/ buyback the Bonds from FIIs/ sub-accounts of FIIs in the event the Bonds allotted to them pursuant to the Issue, are not listed within 15 days of the closure of the Issue.

The RBI has, through its circular (bearing RBI/2014-15/145) dated July 23, 2014 enhanced the limit for investment by RFPIs in the Government debt (long term) category by US\$ 5 billion by correspondingly reducing the amount available to long term investor from US\$ 10 billion to US\$ 5 billion within the overall limit of US\$ 30 billion. In terms of the aforesaid RBI circular, the changes are summarized below:

- a) The incremental investment limit of US\$ 5 billion shall be required to be invested in Government bonds with a minimum residual maturity of three years.
- b) All future investment against the limit vacated when the current investment by an RFPI runs of either through sale or redemption shall also be required to be made in Government bonds with a minimum residual maturity of three years.
- c) There will be no lock-in period and RFPIs shall be free to sell the securities (including that are presently held with less than three years of residual maturity) to the domestic investors. Through its circular (bearing CIR/IMD/FIIC/1/2015) dated February 3, 2015, SEBI had changed certain investment conditions and introduced restrictions for FPIs investments in Government debt securities. In terms of the aforesaid SEBI circular, the changes are summarized below:
  - i) All future investments within the US\$ 51 billion corporate debt limit category, including the limits vacated when the current investment by an FPI runs off either through sale or redemption, shall be required to be made in corporate bonds with a minimum residual maturity of three years;
  - ii) FPIs shall not be permitted to invest in liquid and money market mutual fund schemes;
  - iii) There will, however, be no lock-in period and FPIs shall be free to sell the securities (including those that are presently held with less than three years residual maturity) to domestic investors.
- d) Through its circular (bearing CIR/IMD/FII&C/18/2012) dated July 20, 2012, SEBI had permitted QFIs to invest in those debt mutual fund schemes that hold at least 25% of their assets (either in debt or equity or both) in the infrastructure sector under the US\$ 3 billion investment limit for debt mutual fund schemes.

These schemes were required to invest in infrastructure debt having a minimum residual maturity of 5 years. This restriction of 5 years residual maturity has been removed while the restriction of 3 years initial maturity has been introduced.

- e) All the above changes in lock-in, initial maturity and residual maturity requirements shall apply for investments by FIIs and Sub-Accounts in debt securities to be made after the date of the circular.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation **SEBI FPI Regulations**, may issue or otherwise deal in offshore derivative instruments

#### **Applications by NRIs**

We propose to issue Bonds to Eligible NRIs on a repatriable as well as non-repatriable basis. Eligible NRI Applicants should note that only such Applications as are accompanied by payment in Indian Rupees only shall be considered for Allotment. An Eligible NRI can apply for Bonds offered in the Issue subject to the conditions and restrictions contained in the Foreign Exchange Management (Borrowing or Lending in Rupees) Regulations, 2000, and other applicable statutory and/or regulatory requirements including the interest rate requirement as provided in the CBDT Notification. Allotment of Bonds to Eligible NRIs shall be subject to the Application Amounts paid by the NRI as described below:

1. **In case of Eligible NRIs applying on repatriation basis:** The Application Amounts are to be paid either by inward remittance of freely convertible foreign exchange through normal banking channels i.e. through rupee denominated demand drafts/cheques drawn on a bank in India or by transfer of funds held in the Investor's Non Resident External ("NRE") Account/ Foreign Currency Non Resident ("FCNR") Account maintained with an RBI authorised dealer or a RBI authorised bank in India.
2. **In case of Eligible NRIs applying on non-repatriation basis:** The Application Amounts are to be paid either by inward remittance of freely convertible foreign exchange through normal banking channels i.e. through rupee denominated demand drafts/cheques drawn on a bank in India or by transfer of funds held in the Investor's Non Resident Ordinary ("NRO") account/ NRE Account/ FCNR Account/ Non Resident Non Repatriable ("NRNR") Account/ Non Resident Special Rupee ("NRSR") Account/any other permissible account in terms of FEMA, maintained with an RBI authorised dealer or a RBI authorised bank in India.

Applications by Eligible NRIs (applying either on a repatriation or a non-repatriation basis) should be accompanied by (i) a bank certificate confirming that the demand draft in lieu of the Application Money has been drawn on an NRE/ NRO/ FCNR/ NRNR/ NRSR account; and (ii) if such Eligible NRI is a Person of Indian Origin ("PIO"), a PIO card.

**\* The Issuer does not make any representations and does not guarantee eligibility of any foreign investor, including, *inter alia*, FPIs, FIIs, Eligible QFIs and Eligible NRIs for investment into the Issue either on a repatriation basis or on a non-repatriation basis. All foreign Investors have to verify their eligibility and ensure compliance with all relevant and applicable notifications issued by the RBI and extant guidelines as well as all relevant and applicable guidelines, notifications and circulars issued by SEBI pertaining to their eligibility to invest in the Bonds at the stage of investment in every Tranche Issue, at the time of remittance of their investment proceeds as well as at the time of disposal of the Bonds. The Issuer will not check or confirm eligibility of such investments in the Issue.**

#### **Issue and Allotment of Bonds to NRI Applicants**

Our Company confirms that:

- (i) the rate of interest on each series of Bonds does not exceed the prime lending rate of the State Bank of India as on the date on which the resolution approving the Issue was passed by our Board, plus 300 basis points;
- (ii) the period for redemption of each Series of Bonds will not be less than 3 years;
- (iii) we do not and shall not carry on agricultural /plantation /real estate business/ trading in Transferable Development Rights and do not and shall not act as Nidhi or Chit Fund Company;
- (iv) We will file the following with the nearest office of the Reserve Bank of India, not later than 30 days from the date:
  - (a) of receipt of remittance of consideration received from Eligible NRIs in connection with the Issue, full details of the remittances received, namely:
    - (i) a list containing names and addresses of each NRI Applicant who have remitted funds for investment in the Bonds on non-repatriation basis and repatriation basis;
    - (ii) amount and date of receipt of remittance and its rupee equivalent; and
    - (iii) names and addresses of Authorised Dealers through whom the remittance has been received; Please note that Application Amounts for the Bonds has to be paid in cheques or demand drafts only, in Rupee denominated currency only; and
  - (b) of closure of the Issue, full details of the monies received from NRI Applicants, namely:
    - (i) a list containing names and addresses of each NRI allottee and number of Bonds issued to each of them on non-repatriation basis and repatriation basis, and

- (ii) a certificate from our Company Secretary that all provisions of the FEMA, and rules and regulations made thereunder in connection with the issue of the Bonds have been duly complied with.

We further confirm that the monies received from FPIs, FIIs, Eligible QFIs and Eligible NRIs who are Allotted Bonds pursuant to the Issue, will not be utilised for any investment, whether by way of capital or otherwise, in any company or partnership firm or proprietorship concern or any entity, whether incorporated or not, or for the purpose of re-lending. For further details, including details of utilization of funds, see the section titled “*Objects of the Issue*” on page 27 of this Prospectus Tranche-I.

### **Applications by Mutual Funds**

A mutual fund scheme cannot invest more than 15.00% of its NAV in debt instruments issued by a single company which are rated not below investment grade by a credit rating agency authorised to carry out such activity. Such investment limit may be extended to 20.00% of the NAV of the scheme with the prior approval of the board of trustees and the board of asset Management Company.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Applications Forms by a mutual fund registered with SEBI for Allotment of the Bonds in physical form must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (iii) a resolution authorising investment and containing operating instructions and (iv) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application from a Mutual Fund for Allotment of the Bonds in whole or in part, in either case, without assigning any reason therefor.

### **Application by Scheduled Commercial Banks**

Scheduled Commercial Banks can apply in this Issue based upon their own investment limits and approvals. Applications by them for Allotment of the Bonds must be accompanied by certified true copies of (i) a board resolution authorizing investments; (ii) a letter of authorization (iii) charter documents; and (iv) PAN card. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the Bonds in whole or in part, in either case, without assigning any reason thereof.

### **Application by Insurance Companies**

In case of Applications made by an Insurance Company, a certified copy of its certificate of registration issued by IRDA must be lodged along with Application Form. The Applications must be accompanied by certified copies of (i) its Memorandum and Articles of Association; (ii) a power of attorney (iii) a resolution authorising investment and containing operating instructions; and (iv) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the Bonds in whole or in part, in either case, without assigning any reason therefor.

### **Applications by Alternative Investments Funds**

Applications made by an Alternative Investments Fund eligible to invest in accordance with the Securities and Exchange Board of India (Alternate Investment Funds) Regulations, 2012, must be accompanied by certified true copies of: (i) the SEBI registration certificate of such Alternative Investment Fund; (ii) a resolution authorising the investment and containing operating instructions; and (iii) specimen signatures of authorised persons. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in whole or in part, in either case, without assigning any reason thereof. Alternative Investment Funds applying for Allotment of the Bonds shall at all time comply with the conditions for categories as per their SEBI registration certificate and the Securities and Exchange Board of India (Alternate Investment Funds) Regulations, 2012.

### **Applications by Public Financial Institutions authorized to invest in the Bonds**

Applications by Public Financial Institutions must be accompanied by certified true copies of (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant

authorising investments; and (iii) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in whole or in part, in either case, without assigning any reason therefor.

#### **Applications made by Regional Rural Banks and Cooperative Banks under applicable laws in India**

Applications made by for Allotment of the Bonds must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) certificate of registration/ incorporation (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in whole or in part, in either case, without assigning any reason thereof.

#### **Applications made by Trusts including private/public charitable and religious trust**

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements.

#### **Applications made by companies, limited liability partnerships and bodies corporate registered under applicable laws in India**

Applications made by companies and bodies corporate must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in whole or in part, in either case, without assigning any reason therefor.

#### **Applications under a power of attorney**

In case of Applications made pursuant to a power of attorney by Applicants from Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Applications made pursuant to a power of attorney by Applicants from Category III and Category IV, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form. Failing this, our Company, in consultation with the Lead Manager, reserves the right to reject such Applications.

**Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Managers may deem fit.**

#### **Applications by provident funds and pension funds which are authorized to invest in the Bonds**

Applications by provident funds and pension funds which are authorised to invest in the Bonds, must be accompanied by certified true copies of: (i) any Act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (iii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in whole or in part, in either case, without assigning any reason therefor.

### **Application by Societies or Association of Persons**

The Application must be accompanied by certified true copies of: (i) Documents evidencing certificate of registration of the society/ any such documentation in relation to Association of Persons (ii) Resolution authorizing investment and containing operating instructions (Resolution); and (iii) Specimen signature of authorized person.

### **Applications by National Investment Fund**

Application made by a National Investment Fund must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in whole or in part, in either case, without assigning any reason therefor.

### **Applications cannot be made by:**

- (a) Minors without a guardian name (A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
- (b) Foreign nationals, other than Eligible FPIs/FIIs/QFIs and except as may be permissible under CBDT Notification or under applicable law including but not limited to regulations, circulars, guidelines etc. stipulated by RBI and/or SEBI;
- (c) Foreign nationals including FPIs, FIIs, QFIs and NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
- (d) Overseas Corporate Bodies;
- (e) Indian Venture Capital Funds;
- (f) Foreign Venture Capital Investors;
- (g) Persons ineligible to contract under applicable statutory/ regulatory requirements;

*In case of Applications for Allotment of the Bonds in dematerialised form, the Registrar shall verify the above and the category of Investors on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of Stock Exchanges by the Members of the Syndicate, SCSBs or the Trading Members, as the case may be.*

### **Payment instructions**

#### ***Payment mechanism for ASBA Applicants***

An ASBA Applicant shall specify details of the ASBA Account in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form. Upon receipt of intimation from the Registrar, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Escrow Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 12 (twelve) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Application, as the case may be.

#### ***Payment mechanism for non ASBA Applicants***

We shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Applicants (except for ASBA Applicants) shall draw cheques or demand drafts. All Applicants would be required to pay the full Application Amount at the time of the submission of the Application Form. Cheques or demand drafts for the Application Amount received from Applicants would be deposited by the Members of the Syndicate and Trading Members, as the case may be, in the Escrow Accounts.

Accordingly, the Company will open and maintain separate escrow accounts with the Escrow Collection Bank(s) in connection with all Application Amounts received from Eligible NRIs, FPIs, FIIs, Eligible QFIs and other non resident Applicants across all categories (“**Non Resident Escrow Account**”). All Application Amounts received from Eligible NRIs, FPIs, FIIs, Eligible QFIs and other non resident Applicants shall be deposited in the Non Resident Escrow Account maintained with each Escrow Collection Bank(s). Upon creation of security as disclosed in this Prospectus Tranche-I, the Escrow Collection Bank(s) shall transfer the monies from the Non Resident Escrow Accounts to a separate bank account (“**Non Resident Public Issue Account**”) which shall be different from the Public Issue Account. The Company shall at all times ensure that any monies kept in the Non Resident Public Issue Account shall be utilised only in accordance with and subject to the restrictions contained in the Foreign Exchange Management (Borrowing and Lending in Rupee) Regulations, 2000, and other applicable statutory and/or regulatory requirements for the following purposes:

- (a) Debt servicing, which includes servicing of both the principal amounts as well as interest payments of various debt facilities availed by our Company in the past and currently outstanding in its books of accounts, including loans, market borrowings (which include our non-convertible bonds/ debentures);
- (b) Statutory payments;
- (c) Establishment and administrative expenses; and
- (d) Other working capital requirements of our Company.

Each Applicant (except for ASBA Applicants) shall draw a cheque or demand draft for the Application Amount as per the following terms:

- (a) The payment instruments from all resident Applicants shall be payable into the Escrow Accounts drawn in favour of “**IRFC Tax Free Bonds 2015 – Escrow Account - R**”.
- (b) The payment instruments from all FPIs, FIIs, Eligible QFI and Eligible NRI Applicants and other non resident Applicants across all Categories shall be payable in the Non Resident Escrow Accounts drawn in favour of :

If on repatriation basis: “**IRFC Tax Free Bonds 2015 – Escrow Account – NR Repat**”

If on non repatriation basis “**IRFC Tax Free Bonds 2015 – Escrow Account – NR Non-Repat**”

- (c) Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers’ clearing house located at the centre where the Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and Applications accompanied by such cheques or bank drafts are liable to be rejected.
- (d) The monies deposited in the Escrow Accounts will be held for the benefit of the Applicants until the Designated Date.
- (e) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts and the Non Resident Escrow Accounts as per the terms of the Escrow Agreement, the Shelf Prospectus and the Prospectus Tranche-I into the Public Issue Account and the Non Resident Public Issue Account, respectively. The Escrow Collection Bank shall also, upon receipt of instructions from the Lead Managers and the Registrar, transfer all amounts payable to Applicants, who have not been allotted Bonds to the Refund Accounts.

Applicants should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Lead Managers, the Escrow Collection Banks and the Registrar to facilitate collections from the Applicants.

Please note that Applications accompanied by Application Amounts in cash/ stock invest/ money orders/ postal orders will not be accepted.

The Escrow Collection Banks will act in terms of the Shelf Prospectus, the Prospectus Tranche-I and the Escrow Agreement. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein. It is mandatory for our Company to keep the proceeds of the Issue in an escrow account until the documents for creation of security as stated in this Prospectus Tranche-I are executed.

### **Additional information for Applicants**

1. Application Forms submitted by Applicants (except for Applicants applying for the Bonds in physical form) whose beneficiary accounts are inactive shall be rejected.
2. For ASBA Applicants, no separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Members of the Syndicate or the SCSB or the Trading Member, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.
3. Applications should be submitted on the Application Form only. In the event that physical Application Forms do not bear the stamp of the Members of the Syndicate/ Trading Member or the relevant Designated Branch, they are liable to be rejected.
4. In case of ASBA Applications submitted to the SCSBs, in terms of SEBI circular dated April 22, 2010, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange(s) and all SCSBs, and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, the Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected.
5. In case of ASBA Applicants submitted to the Members of the Syndicate and Trading Members of the Stock Exchange(s) at the Specified Cities, the Basis of Allotment will be based on the validation by the Registrar to the Issue of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of SEBI circular dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, the Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such ASBA Application as rejected
6. In case of non-ASBA Applications and Direct Online Applications, the Basis of Allotment will be based on the validation by the Registrar to the Issue of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the Escrow Collection Bank(s) with the electronic details in terms of SEBI circular dated April 22, 2010 and SEBI circular dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, the Company, in consultation with the Designated Stock Exchange, the Lead Managers, the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such Applications as rejected

**Applicants are advised not to submit Application Forms to Escrow Collection Banks (unless such Escrow Collection Bank is also an SCSB) and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.**

### **Pre-Issue Advertisement**

Our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed under the SEBI Debt Regulations. Material updates, if any, between the date of filing of the Prospectus Tranche-I with the RoC and the date of release of this statutory advertisement will be included in the statutory advertisement.

### **Instructions for completing the Application Form**

- (a) Applications must be made in the prescribed Application Form.

- (b) Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Prospectus Tranche(es) and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Members of the Syndicate, or the Trading Members, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Application Forms.
- (c) Applications are required to be for a minimum of 5 Bonds (Rs. 5,000) and in multiples of one Bond thereafter.
- (d) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
- (e) Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialized form) and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the DP account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

- (f) Applicants applying for Allotment in dematerialised form must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchanges by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the Bonds.
- (g) ASBA Applicants utilising physical Application Forms must ensure that the Application Forms are completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the respective Tranche Prospectus(es) and in the Application Form.
- (h) If the ASBA Account holder is different from the ASBA Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.
- (i) All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.
- (j) Applications for all the Series of the Bonds may be made in a single Application Form only.
- (k) All Applicants are required to tick the relevant box of the "Mode of Application" in the Application Form, choosing either the ASBA or Non-ASBA mechanism.
- (l) ASBA Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch; otherwise the Application is liable to be rejected.
- (m) It shall be mandatory for subscribers to the Issue to furnish their Permanent Account Number and any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction.
- (n) Where minor applicant is applying through guardian, it shall be mandatory to mention the PAN of the minor in the Application.

**We shall allocate and Allot Bonds of Tranche I Series IA/IB maturity to all valid Applications (depending upon the category of applicants), wherein the Applicants have not indicated their choice of the relevant Series of Bonds applied for.**

#### **Applicants' PAN, Depository Account and Bank Account Details**

**ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE BONDS IN DEMATERIALISED FORM SHOULD MENTION THEIR DP ID, CLIENT ID AND PAN IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID AND PAN GIVEN IN THE APPLICATION FORM ARE EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.**

On the basis of the DP ID, Client ID and PAN provided by them in the Application Form, the Registrar will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and refunds (for non-ASBA Applicants), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Members of the Syndicate nor the Trading Members, nor the Registrar, nor the Escrow Collection Banks, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.

Applicants applying for Allotment of the Bonds in dematerialized form may note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of Stock Exchanges by the Members of the Syndicate, the Trading Members or the SCSBs, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, and the Members of the Syndicate shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar except in relation to the Issue.

By signing the Application Form, Applicants applying for the Bonds in dematerialised form would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Refund orders/ Allotment Advice would be mailed at the address of the Applicants as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant (other than ASBA Applicants) in the Application Form would be used only to ensure dispatch of refund orders. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Escrow Collection Banks, Registrar nor the Lead Managers shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Prospectus Tranche-I, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund orders/Allotment Advice, the Demographic Details obtained from the Depository of the Applicant shall be used.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Applications are liable to be rejected.

## Electronic registration of Applications

- (a) The Members of the Syndicate, SCSBs and Trading Members will register the Applications using the on-line facilities of Stock Exchanges. The Lead Managers, our Company, and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the SCSBs and Trading Members, (ii) the Applications uploaded by the SCSBs and the Trading Members, (iii) the Applications accepted but not uploaded by the SCSBs or the Trading Members, (iv) with respect to ASBA Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (v) with respect to ASBA Applications accepted and uploaded by Members of the Syndicate at the Syndicate ASBA Application Locations for which the Application Amounts are not blocked by the SCSBs.
- (b) The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of the Members of the Syndicate, Trading Members and their authorised agents and the SCSBs during the Issue Period. On the Issue Closing Date, the Members of the Syndicate, Trading Members and the Designated Branches shall upload Applications till such time as may be permitted by Stock Exchanges. This information will be available with the Members of the Syndicate and Trading Members on a regular basis. Applicants are cautioned that a high inflow of Applications on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for Allotment.
- (c) Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand for the Bonds, as available on the websites of Stock Exchanges, would be made available at the Application centres as provided in the Application Form during the Issue Period.
- (d) At the time of registering each Application, the Members of the Syndicate, SCSBs and Trading Members, as the case may be, shall enter the details of the Applicant, such as the Application Form number, PAN (of the first Applicant, in case of more than one Applicant), Applicant category, DP ID, Client ID, number and Series(s) of Bonds applied, Application Amounts, details of payment instruments (for non – ASBA Applications), Bank code for the SCSB where the ASBA Account is maintained (for ASBA Applications), Bank account number (for ASBA Applications) and any other details that may be prescribed by the online uploading platform of the Stock Exchanges.
- (e) A system generated TRS will be given to the Applicant as a proof of the registration of his Application. It is the Applicant's responsibility to obtain the TRS from the SCSBs, Members of the Syndicate or the Trading Members, as the case may be. The registration of the Applications by the SCSBs, Members of the Syndicate or Trading Members does not guarantee that the Bonds shall be allocated/ Allotted by our Company. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (f) The permission given by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus Tranche-I; nor does it warrant that the Bonds will be listed or will continue to be listed on the Stock Exchanges.
- (g) In case of apparent data entry error by either the Members of the Syndicate or the Trading Members, in entering the Application Form number in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Stock Exchanges.
- (h) Only Applications that are uploaded on the online system of the Stock Exchanges shall be considered for Allotment.

## General Instructions

### *Do's*

- **Check if you are eligible to apply;**
- **Read all the instructions carefully and complete the Application Form;**
- If the Allotment of the Bonds is sought in dematerialized form, ensure that the details about Depository Participant and beneficiary account are correct and the beneficiary account is active;
- Applications are required to be in single or joint names (not more than three);
- In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta;
- Ensure that Applications are submitted to the Members of the Syndicate, Trading Members or the Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date;
- Ensure that the Application Forms (for non-ASBA Applicants) are submitted at the collection centres provided in the Application Forms, bearing the stamp of a Member of the Syndicate or a Trading Member of the Stock Exchange, as the case may be;
- Ensure that the Applicant's names (for Applications for the Bonds in dematerialised form) given in the Application Form is exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form;
- Ensure that you have funds equal to or more than the Application Amount in your ASBA Account before submitting the Application Form for ASBA Applications;
- Ensure that you mention your PAN in the Application Form. In case of joint applicants, the PAN of all the Applicants should be mentioned, and for HUFs, PAN of the HUF should be provided. For minor applicants, applying through the guardian, it is mandatory to mention the PAN of the minor applicant. Any Application Form without the PAN is liable to be rejected. In case of Applications for Allotment in physical form, Applicants should submit a self-certified copy of their PAN card as part of the KYC documents. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;
- Ensure that the Demographic Details (for Applications for the Bonds in dematerialised form) as provided in the Application Form are updated, true and correct in all respects;
- Ensure that you request for and receive a TRS for all your Applications and an acknowledgement as a proof of having been accepted;
- Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of the Bonds;
- Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- **Applicants (other than ASBA Applicants) are requested to write their names and Application 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; and
- Tick the Series of Bonds in the Application Form that you wish to apply for.

***Don'ts***

- Do not apply for lower than the minimum Application size;
- Do not pay the Application amount in cash, by money order, postal order, stock invest;
- Do not send the Application Forms by post; instead submit the same to the Members of the Syndicate and Trading Members or the SCSBs (as the case may be) only;
- Do not submit Application Forms to the Escrow Collection Banks (unless such Escrow Collection Bank is also an SCSB);
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar;
- Do not fill up the Application Form such that the Bonds applied for exceeds the Issue size and/or investment limit or maximum number of Bonds that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
- Do not submit an Application in case you are not eligible to acquire the Bonds under applicable law or your relevant constitutional documents or otherwise;
- Do not submit the Application Forms without the Application Amount; and
- Do not apply if you are not competent to contract under the Indian Contract Act, 1872.

**Additional instructions specific for ASBA Applicants**

***Do's***

- Before submitting the physical Application Form with the Member of the Syndicate at the Syndicate ASBA Application Locations ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that centre;
- For ASBA Applicants applying through Syndicate ASBA, ensure that your Application Form is submitted to the Members of the Syndicate at the Syndicate ASBA Application Locations or the Trading Members and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to our Company, the Registrar or Trading Members;
- For ASBA Applicants applying through the SCSBs, ensure that your Application Form is submitted at a Designated Branch of the SCSB where the ASBA Account is maintained, and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to our Company, the Registrar or the Members of the Syndicate or Trading Members.
- Ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder;
- Ensure that you have mentioned the correct ASBA Account number in the Application Form;

- Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch, or to the Members of the Syndicate at the Syndicate ASBA Application Locations, or to the Trading Members, as the case may be;
- Ensure that you have correctly ticked, provided or checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB *via* the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form; and
- Ensure that you receive an acknowledgement from the Designated Branch or the concerned member of the Syndicate, or the Trading Member, as the case may be, for the submission of the Application Form.

#### ***Don'ts***

- Do not make payment of the Application Amounts in any mode other than through blocking of the Application Amounts in the ASBA Accounts;
- Do not submit the Application Form with a Member of the Syndicate or Trading Member at a location other than the Syndicate ASBA Application Locations;
- Do not send your physical Application Form by post. Instead submit the same with a Designated Branch or a member of the Syndicate at the Syndicate ASBA Application Locations, or a Trading Member, as the case may be; and
- Do not submit more than five Application Forms per ASBA Account.

Applications shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time), or such extended time as may be permitted by the Stock Exchanges during the Issue Period on all days between Monday and Friday, both inclusive barring public holidays, at the Syndicate ASBA Application Location or with the Members of the Syndicate or Trading Members and the Designated Branches of SCSBs as mentioned on the Application Form. On the Issue Closing Date, Applications shall be accepted only between 10.00 a.m. and 3.00 p.m. and shall be uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchanges. It is clarified that the Applications not uploaded in the electronic application system of the Stock Exchanges would be rejected.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. on the Issue Closing Date. All times mentioned in this Prospectus Tranche-I are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on working days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor the Lead Managers, Consortium Members or Trading Members are liable for any failure in uploading the Applications due to failure in any software/hardware system or otherwise.

#### **Additional instructions specific for Applicants seeking Allotment of the Bonds in physical form**

Any Applicant who wishes to subscribe to the Bonds in physical form (except for eligible FPIs/ eligible FIIs/ Eligible QFIs) shall undertake the following steps:

- **Please complete the Application Form in all respects, by providing all the information including PAN and Demographic Details. However, do not provide the Depository Participant details in the Application Form.** The requirement for providing Depository Participant details shall be mandatory only for the Applicants who wish to subscribe to the Bonds in dematerialised form.
- Please provide the following documents along with the Application Form:
  - (a) Self-attested copy of the PAN card;

- (b) Self-attested copy of your proof of residence. Any of the following documents shall be considered as a verifiable proof of residence:
- ration card issued by the GoI; or
  - valid driving license issued by any transport authority of the Republic of India; or
  - electricity bill (not older than three months); or
  - landline telephone bill (not older than three months); or
  - valid passport issued by the GoI; or
  - voter's identity card issued by the GoI; or
  - passbook or latest bank statement issued by a bank operating in India; or
  - registered leave and license agreement or agreement for sale or rent agreement or flat maintenance bill; or
  - AADHAR letter issued by Unique Identification Authority of India (UIDAI).
  - Life insurance policy
- (c) Self-attested copy of a cancelled cheque of the bank account to which the amounts pertaining to payment of refunds, interest and redemption, as applicable, should be credited.

In absence of the cancelled cheque, our Company may reject the Application or it may consider the bank details as given on the Application Form at its sole discretion. In such case the Company, Lead Managers and Registrar shall not be liable for any delays/ errors in payment of refund and/ or interest.

The Applicant shall be responsible for providing the above information accurately. Delays or failure in credit of the payments due to inaccurate details shall be at the sole risk of the Applicants and neither the Lead Managers nor our Company shall have any responsibility and undertake any liability for the same. Applications for Allotment of the Bonds in physical form, which are not accompanied with the aforestated documents, may be rejected at the sole discretion of our Company

In relation to the issuance of the Bonds in physical form, please note the following:

1. An Applicant has the option to seek Allotment of Bonds in either dematerialised or physical mode. No partial Application for the Bonds shall be permitted and is liable to be rejected.
2. In case of Bonds that are being issued in physical form, our Company will issue one certificate to the holders of the Bonds for the aggregate amount of the Bonds for each of the Series of Bonds that are applied for (each such certificate a “**Consolidated Bond Certificate**”).
3. **Any Applicant who provides the Depository Participant details in the Application Form shall be Allotted the Bonds in dematerialised form only. Such Applicant shall not be Allotted the Bonds in physical form.**
4. Our Company shall dispatch the Consolidated Bond Certificate to the address of the Applicant provided in the Application Form.

All terms and conditions disclosed in relation to the Bonds held in physical form pursuant to rematerialisation shall be applicable *mutatis mutandis* to the Bonds issued in physical form.

#### **Consolidated list of documents required for various categories**

For the sake of simplicity we hereby provide the details of documents required to be submitted by various categories of Applicants (who have applied for Allotment of the Bonds in dematerialised form) while submitting the Application Form:

Type of Investors	Documents to be submitted with application form (in addition to the documents required for applications for Allotment of Bonds in physical form)
Public Financial Institutions, commercial banks authorized to invest in the Bonds, companies within the meaning of	The Application must be accompanied by certified true copies of:

Type of Investors	Documents to be submitted with application form (in addition to the documents required for applications for Allotment of Bonds in physical form)
sub-section 20 of Section 2 of the Companies Act, 2013 and bodies corporate registered under the applicable laws in India and authorized to invest in the Bonds; multilateral and bilateral development financial institutions and State Industrial Development Corporations	<ul style="list-style-type: none"> <li>• Any Act/ Rules under which they are incorporated</li> <li>• Board Resolution authorizing investments</li> <li>• Specimen signature of authorized person</li> </ul>
Insurance companies registered with the IRDA	<p>The Application must be accompanied by certified copies of</p> <ul style="list-style-type: none"> <li>• Any Act/Rules under which they are incorporated</li> <li>• Registration documents (i.e. IRDA registration)</li> <li>• Resolution authorizing investment and containing operating instructions (Resolution)</li> <li>• Specimen signature of authorized person</li> </ul>
Provident Funds, Pension Funds and National Investment Fund	<p>The Application must be accompanied by certified true copies of:</p> <ul style="list-style-type: none"> <li>• Any Act/Rules under which they are incorporated</li> <li>• Board Resolution authorizing investments</li> <li>• Specimen signature of authorized person</li> </ul>
Mutual Funds	<p>The Application must be also accompanied by certified true copies of:</p> <ul style="list-style-type: none"> <li>• SEBI registration Certificate and trust deed (SEBI Registration)</li> <li>• Resolution authorizing investment and containing operating instructions (Resolution)</li> <li>• Specimen signature of authorized person</li> </ul>
Applicants through a power of attorney under Category I	<p>The Application must be also accompanied by certified true copies of:</p> <ul style="list-style-type: none"> <li>• A certified copy of the power of attorney or the relevant resolution or authority, as the case may be</li> <li>• A certified copy of the memorandum of association and articles of association and/or bye laws and/or charter documents, as applicable, must be lodged along with the Application Form.</li> <li>• Specimen signature of power of attorney holder/ authorized signatory as per the relevant resolution.</li> </ul>
Resident Indian individuals under Categories III and IV	N.A.
HUF through the Karta under Categories III and IV	<p>The Application must be also accompanied by certified true copies of:</p> <ul style="list-style-type: none"> <li>• Self-attested copy of PAN card of HUF.</li> <li>• Bank details of HUF i.e. copy of passbook/bank statement/cancelled cheque indicating HUF status of the applicant.</li> <li>• Self-attested copy of proof of Address of karta, identity proof of karta.</li> </ul>
Power of Attorney under Category II and Category III	<p>The Application must be also accompanied by certified true copies of:</p> <ul style="list-style-type: none"> <li>• A certified copy of the power of attorney has to be lodge with the Application Form</li> </ul>
RFPIs(Including FPIs/FIIs/QFIs)	<p>The Application must be also accompanied by certified true copies of:</p> <ul style="list-style-type: none"> <li>• SEBI registration certificates.</li> <li>• An inward remittance certificate.</li> <li>• A resolution authorising investment in the Bonds.</li> <li>• Specimen signatures of authorised persons.</li> </ul>
Eligible NRIs	<p>The Application must be also accompanied by certified true copies of:</p> <ul style="list-style-type: none"> <li>• A certificate from the issuing bank confirming that the demand draft has been drawn on an NRE/ NRO/ FCNR/</li> </ul>

Type of Investors	Documents to be submitted with application form (in addition to the documents required for applications for Allotment of Bonds in physical form)
	NRNR/ NRSR account. <ul style="list-style-type: none"> <li>• A PIO Card (if the Eligible NRI is a PIO).</li> </ul>
Trust	The Application must be also accompanied by certified true copies of: <ul style="list-style-type: none"> <li>• The registered instrument for creation of such trust. A power of attorney, if any, in favour of one or more trustees thereof.</li> <li>• Such other documents evidencing registration thereof under applicable statutory/regulatory requirements</li> </ul>

### Submission of Application Forms

For details in relation to the manner of submission of Application Forms, see the section titled “*Issue Procedure – Methods of Application*” at page 70 of this Prospectus Tranche-I.

### OTHER INSTRUCTIONS

#### Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be assumed to have given confirmation to this effect in the Application Form.

#### Additional/Multiple Applications

An Applicant is allowed to make one or more Applications for the Bonds for the same or different Series of Bonds, subject to a minimum Application size of ₹ 5,000(5 Bonds) and in multiples of ₹ 1,000 (One Bond) thereafter, for each Application. Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected. However, multiple Applications by the same Applicant belonging to Category IV aggregating to a value exceeding ₹ 10,00,000 shall be grouped in Category III, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of an HUF and/or as joint Applicant (second or third applicant), shall not be deemed to be a multiple Application.

#### Depository Arrangements

We have made depository arrangements with NSDL and CDSL for issue and holding of the Bonds in dematerialised form. In this context:

- (i) the tripartite agreement dated May 8, 2003 was entered amongst our Company, the Registrar and CDSL and the tripartite agreement dated January 23, 2002 was entered amongst our Company, the Registrar and NSDL, for offering depository option to the Applicants.
- (ii) It may be noted that Bonds in electronic form can be traded only on stock exchanges having electronic connectivity with NSDL or CDSL. The Stock Exchanges has connectivity with NSDL and CDSL.
- (iii) Interest or other benefits with respect to the Bonds held in dematerialised form would be paid to those Bondholders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those Bonds for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.
- (iv) The trading of the Bonds shall be in dematerialized form only.

For further information relating to Applications for Allotment of the Bonds in dematerialised form, see the sections titled “*Issue Procedure – Methods of Application*” and “*Issue Procedure – General Instructions*” on pages 70 and 85 of this Prospectus Tranche-I, respectively.

## **Communications**

All future communications in connection with Applications made in the Issue should be addressed to the Registrar quoting all relevant details as regards the Applicant and its Application.

Applicants can contact our Compliance Officer, Company Secretary as well as the contact persons of our Company/ Lead Managers or the Registrar in case of any Pre-Issue related problems. In case of Post-Issue related problems such as non-receipt of Allotment Advice/ credit of Bonds in depository’s beneficiary account/ refund orders, etc., applicants may contact our Compliance Officer, Company Secretary as well as the contact persons of our Company/Lead Managers or Registrar. Please note that Applicants who have applied for the Bonds through Trading Members should contact the Stock Exchanges in case of any Post-Issue related problems, such as non-receipt of Allotment Advice/ credit of Bonds in depository’s beneficiary account/ refund orders, etc.

## **Rejection of Applications**

The Board of Directors and/or the Bond Committee reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

***Application may be rejected on one or more technical grounds, including but not restricted to:***

- Number of Bonds applied for being less than the minimum Application size;
- Applications not being signed by the sole/joint Applicants;
- Applications submitted without payment of the Application Amount;
- Applications submitted without payment of the full Application Amount. However, in cases where the Application Amount paid, exceeds the number of Bonds applied for, the Applicant may be given full allotment provided the number of Bonds applied for is greater than or equal to the minimum Application Size as specified in this Prospectus Tranche-I;
- In case of Applicants applying for Allotment in physical form, date of birth of the sole/ first Applicant not mentioned in the Application Form;
- Investor Category in the Application Form not being ticked;
- In case of Applications for Allotment in physical form, bank account details not provided in the Application Form;
- Applications by persons not competent to contract under the Indian Contract Act, 1872 including a minor without the name of a guardian;
- In case of partnership firms, Application Form submitted in the names of the individual partners and/or accompanied by the individual’s PAN rather than the PAN of partnership firm;
- Applications by stock invest or accompanied by cash/money order/postal order;
- Applications made without mentioning the PAN of the Applicant;
- GIR number mentioned in the Application Form instead of PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by applicable regulations;
- Applications by persons/entities who have been debarred from accessing the capital markets by SEBI;
- Applications submitted directly to the Escrow Collection Banks (if such Escrow Collection Bank is not an SCSB);
- ASBA Applications submitted to the Members of Syndicate or a Trading Members at locations other than the Syndicate ASBA Application Locations or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and ASBA Applications submitted directly to an Escrow Collecting Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- For Applications for Allotment in dematerialised form, DP ID, Client ID and PAN mentioned in the Application Form do not match with the Depository Participant ID, Client ID and PAN available in the records with the depositories;

- In case of Applicants applying for the Bonds in physical form, if the address of the Applicant is not provided in the Application Form;
- Copy of KYC documents not provided in case of option to hold Bonds in physical form;
- Application Forms from ASBA Applicants not being signed by the ASBA Account holder, if the account holder is different from the Applicant;
- Applications for an amount below the minimum Application size;
- ASBA Applications not having details of the ASBA Account to be blocked;
- Applications (except for ASBA Applications) where clear funds are not available in Escrow Accounts as per final certificates from Escrow Collection Banks;
- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Applications by Applicants seeking Allotment in dematerialised form whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Non- ASBA Applications accompanied by more than one payment instrument;
- Applications not uploaded on the terminals of the Stock Exchange;
- Applications for Allotment of Bonds in dematerialised form providing an inoperative demat account number;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted along with the Application Form;
- With respect to ASBA Applications, the ASBA Account not having credit balance to meet the Application Amounts or no confirmation is received from the SCSB for blocking of funds; and
- Applications by Eligible QFIs/FIIs/FPIs for Allotment of Bonds in physical form;
- Non-Resident Investors including FPIs, FIIs, QFIs and NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
- Bank certificate not provided along with demand draft for NRI Applicants;
- PIO Applications without the PIO Card; and
- In case of Eligible NRIs applying on non repatriation basis if: (i) in case of application for allotment in physical form, the account number mentioned in the application form where the sale proceeds/ maturity proceeds/ interest on Bonds is to be credited is a repatriable account; or (ii) in case of application for allotment in demat form, the status of the demat account mentioned is repatriable.
- If the Application Amount is paid through a non-CTS-2010 cheque which does not get cleared within 6 Working Days from the Tranche-I Issue Closing Date
- Physical forms submitted by any eligible non resident investor excluding Eligible NRIs.
- In terms of the RBI circular (No.DPSS.CO.CHD.No./133/04.07.05/2013-14) dated July 16, 2013, non-CTS cheques would be processed in three CTS centres thrice a week until April 30, 2014, twice a week until October 31, 2014 and once a week from November 1, 2014 onwards. In order to enable listing and trading of Bonds within 12 Working Days of the Bid/Offer Closing Date, investors are advised to use CTS cheques or use the ASBA facility to make payments. Investors are cautioned that Bid cum Application Forms accompanied by non-CTS cheques are liable to be rejected due to any delay in clearing beyond six Working Days from the Bid/Offer Closing Date.

For further instructions regarding Application for the Bonds, Applicants are requested to read the Application Form.

#### **Allotment Advice/ Refund Orders**

In case of Applications other than those made through the ASBA process, the unutilised portion of the Application Amounts will be refunded to the Applicant within 12 (twelve) Working Days of the Issue Closing Date through any of the following modes:

- i. **Direct Credit** – Applicants having bank accounts with the Refund Banks shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by us.

- ii. **NECS** – Payment of refund would be done through NECS for Applicants having an account at any of the centres which have been notified by RBI. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as available from the Depositories. The payment of refunds through this mode will be done for Applicants having a bank account at any centre where NECS facility has been made available (subject to availability of all information for crediting the refund through NECS).
- iii. **NEFT** – Payment of refund shall be undertaken through NEFT wherever the Applicant’s bank has been assigned the Indian Financial System Code (“**IFSC**”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. In case of online payment or wherever the Investors have registered their nine digit MICR number and their bank account number with the depository participant while opening and operating the demat account, the MICR number and their bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- iv. **RTGS** – If the refund amount exceeds ₹ 2,00,000, Applicants have the option to receive refund through RTGS. Charges, if any, levied by the refund bank(s) for the same would be borne by us. Charges, if any, levied by the Applicant’s bank receiving the credit would be borne by the Applicant.
- v. For all other Applicants (not being ASBA Applicants), refund orders will be dispatched through speed post/ registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/ first Applicants and payable at par at places where Application are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

In the case of Applicants other than ASBA Applicants, applying for the Bonds in dematerialised form, the Registrar will obtain from the Depositories the Applicant’s bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Applicants in their Application Forms. Accordingly, Applicants are advised to immediately update their details as appearing on the records of their Depository Participants. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay will be at the Applicant’s sole risk and neither our Company, the Registrar, the Escrow Collection Banks, or the Members of the Syndicate, will be liable to compensate the Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

In case of ASBA Applicants, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 12 (twelve) Working Days of the Issue Closing Date.

Our Company and the Registrar shall credit the allotted Bonds to the respective beneficiary accounts/ dispatch the Letters of Allotment or letters of regret/ Refund Orders by registered post/speed post/ordinary post at the Applicant’s sole risk, within 12 Working Days from the Issue Closing Date. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through Direct Credit/RTGS/NEFT.

Further,

- a) Allotment of Bonds in the Issue shall be made within a time period of 12 Working Days from the Issue Closing Date;
- b) Credit to dematerialised accounts will be given within two Working Days from the Date of Allotment;
- c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund orders have not been dispatched to the applicants within 12 Working Days from the Issue Closing Date, for the delay beyond 12 Working Days; and
- d) Our Company will provide adequate funds to the Registrar for this purpose.

### **Grouping of Applications and allocation ratio**

For the purposes of the Basis of Allotment:

- A. Applications received from Category I Applicants: Applications received from Applicants belonging to Category I shall be grouped together, (“**QIB Portion**”);
- B. Applications received from Category II Applicants: Applications received from Applicants belonging to Category II, shall be grouped together, (“**Corporate Portion**”);
- C. Applications received from Category III Applicants: Applications received from Applicants belonging to Category III shall be grouped together, (“**High Net Worth Individual Portion**”); and
- D. Applications received from Category IV Applicants: Applications received from Applicants belonging to Category IV shall be grouped together, (“**Retail Individual Investor Portion**”).

For removal of doubt, the terms “**QIB Portion**”, “**Corporate Portion**”, “**High Net Worth Individual Portion**” and “**Retail Individual Investor Portion**” are individually referred to as a “**Portion**” and collectively referred to as “**Portions**”.

For the purposes of determining the number of Bonds available for allocation to each of the above mentioned Portions, our Company shall have the discretion of determining the number of Bonds to be allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Issue upto ₹ 3,53,200 lakhs. The aggregate value of Bonds decided to be allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Issue), and/or the aggregate value of Bonds upto the Base Issue Size shall be collectively termed as the “**Overall Issue Size**”.

#### **Allocation ratio**

Reservations shall be made for each of the Portions in the below mentioned basis:

<b>QIB Portion</b>	<b>Corporate Portion</b>	<b>High Net Worth Individual Portion</b>	<b>Retail Individual Investor Portion</b>
15% of the Issue Size	20% of the Issue Size	25% of the Issue Size	40% of the Issue Size

#### **Basis of Allotment**

(a) Allotments in the first instance:

- i) Applicants belonging to the Category I, in the first instance, will be allocated Bonds upto 15% of the Issue Size on first come first serve basis (determined on the basis of date of upload of the Applications on the electronic Application platform of the relevant stock exchanges);
- ii) Applicants belonging to the Category II, in the first instance, will be allocated Bonds upto 20% of Issue Size on first come first serve basis (determined on the basis of date of upload of the Applications on the electronic Application platform of the relevant stock exchanges);
- iii) Applicants belonging to the Category III, in the first instance, will be allocated Bonds upto 25% of Issue Size on first come first serve basis (determined on the basis of date of upload of the Applications on the electronic Application platform of the relevant stock exchanges);
- iv) Applicants belonging to the Category IV, in the first instance, will be allocated Bonds upto 40% of Issue Size on first come first serve basis (determined on the basis of date of upload of the Applications on the electronic Application platform of the relevant stock exchanges).

(b) Under subscription

If there is any under subscription in any Portion (while other Portions are oversubscribed), priority in Allotments will be given in the following order (in decreasing order of priority):

- i) Category IV Portion;
- ii) Category III Portion;
- iii) Category II Portion; and
- iv) Category I Portion.

Within each Portion, priority in Allotment will be given on a first-come-first-serve basis, based on the date of the upload of each Application into the electronic Application platform of the Stock Exchanges.

- (c) For all Portions, all Applications uploaded on the same day on the electronic Application platform of the relevant stock exchanges would be treated at par with each other.
- (d) Minimum allotments of one Bond would be made in case of each valid Application.
- (e) Allotments in case of oversubscription:

In case of an oversubscription in any of the Portions, Allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full Allotment of Bonds to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of Bonds to the Applicants on the date of oversubscription (based on the date of upload of each Application on the electronic Application platform of the relevant stock exchanges, in each Portion).

The method of proportionate allotment is as described below:

1. Allotments to the applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer,
2. If the process of rounding off to the nearest integer results in the actual allocation of Bonds being higher than the Issue size, not all applicants will be allotted the number of Bonds arrived at after such rounding off.

Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference;

Our Company would allot Tranche I Series IA/IB Bonds (depending upon the category of applicants) to all valid Applications, wherein the Applicants have not indicated their choice of Series of Bonds.

## **Investor Withdrawals and Pre-closure**

### ***Withdrawal of Applications during the Issue Period***

#### ***Withdrawal of ASBA Applications***

ASBA Applicants can withdraw their Applications during the Issue Period by submitting a request for the same to the Member of the Syndicate, Trading Member or Designated Branch of an SCSB, as the case may be, through whom the ASBA Application had been made. In case of ASBA Applications submitted to the Members of the Syndicate or Trading Members at the Syndicate ASBA Application Locations, upon receipt of the request for withdrawal from the ASBA Applicant, the relevant Member of the Syndicate or Trading Member, as the case may be, shall undertake requisite actions, including deleting details of the withdrawn ASBA Application Form from the electronic platform of the Stock Exchanges. In case of ASBA Applications submitted directly to a Designated Branch of an SCSB, upon receipt of the request for withdrawal from an ASBA Applicant, the relevant Designated Branch shall undertake requisite actions, including deleting details of the withdrawn ASBA Application Form from the electronic platform of the Stock Exchanges and un-blocking of the funds in the ASBA Account directly.

#### ***Withdrawal of non – ASBA Applications***

Non-ASBA Applicants can withdraw their Applications during the Issue Period by submitting a request for the same to the Member of the Syndicate or Trading Member, as the case may be, through whom the Application had been made. Upon receipt of the request for withdrawal from the Applicant, the relevant Member of the Syndicate or Trading Member, as the case may be, shall undertake requisite actions, including deleting details of the withdrawn Application Form from the electronic platform of the Stock Exchanges.

### ***Withdrawal of Applications after the Issue Period***

In case an Applicant wishes to withdraw an Application after the Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment.

Pre-closure: The Issue shall remain open for subscription from 10:00 A.M. to 5:00 P.M during the period indicated above, with an option for early closure or extension, as may be decided by the Board of Directors or the Bond Committee. In the event of such early closure or extension of the subscription period of the Issue, our Company shall ensure that public notice of such early closure or extension is published on or before the day of such early date of closure or the Issue Closing Date, as the case may be, through advertisement/s in at least one leading national daily newspaper with wide circulation.

### **Revision of Applications**

Applicants may revise/modify their Application details during the Tranche-I Issue Period, as allowed/permitted by the stock exchanges, by submitting a written request to a Member of the Syndicate/Trading Member of the Stock Exchange/Designated Branch of an SCSB, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. **Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on the Tranche Issue Closing Date. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the online Application platform of the BSE as per the procedures and requirements prescribed by stock exchanges, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.**

### **Utilisation of Application Amounts**

The sum received in respect of the Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

### **Utilisation of the proceeds of the Issue**

- (a) All monies received pursuant to the Issue of Bonds to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.
- (b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised.
- (c) Details of all unutilised monies out of issue of Bonds, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- (d) We shall utilize the Issue proceeds only upon creation of security as stated in this Prospectus Tranche-I, receipt of the listing and trading approval from the Stock Exchanges.
- (e) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any property.
- (f) All subscription monies received from FPIs, FIIs, Eligible QFIs and Eligible NRIs (and other non resident Applicants across all Categories) through the Issue shall be kept in a separate account opened and maintained by the Company, the proceeds of which account shall not be utilised for any lending purposes in terms of the FEMA Borrowing Regulations.
- (g) The allotment letter shall be issued or application money shall be refunded within the time specified in chapter titled “**Issue Procedure**” on page 67 of this Prospectus Tranche-I, failing which interest shall be due to be paid to the applicants at the rate of 15% for the delayed period

### **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who—

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

- (b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name.*

*shall be liable for action under Section 447.”*

### **Listing**

The Bonds are proposed to be listed on the Stock Exchanges. Our Company has applied for an in-principle approval to the Stock Exchanges for permission to deal in and for an official quotation of our Bonds. The application for listing of the Bonds will be made to the Stock Exchanges at an appropriate stage.

If permissions to deal in and for an official quotation of our Bonds are not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Prospectus Tranche-I. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at Stock Exchanges are taken within 12 Working Days from the Issue Closing Date.

For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the Series of Bonds, such Bonds with Series of Bonds shall not be listed.

### **Undertaking by the Issuer**

We undertake that:

- (a) the complaints received in respect of the Issue (except for complaints in relation to Applications submitted to Trading Members) shall be attended to by us expeditiously and satisfactorily;
- (b) we shall take necessary steps for the purpose of getting the Bonds listed within the specified time;
- (c) the funds required for dispatch of refund orders/ allotment advice/ certificates by registered post shall be made available to the Registrar by our Company;
- (d) necessary cooperation to the credit rating agencies shall be extended in providing true and adequate information until the debt obligations in respect of the Bonds are outstanding;
- (e) we shall forward the details of utilisation of the funds raised through the Bonds duly certified by our statutory auditors, to the Debenture Trustee at the end of each half year;
- (f) we shall disclose the complete name and address of the Debenture Trustee in our annual report;
- (g) we shall provide a compliance certificate to the Trustee (on an annual basis) in respect of compliance with the terms and conditions of issue of Bonds as contained in the Shelf Prospectus and Prospectus Tranche-I ; and
- (h) we shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by our Company from time to time.
- (i) We shall comply with SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 in respect of listing of Bonds.

## SECTION VIII : OTHER INFORMATION

### RECENT DEVELOPMENTS

There are no recent material developments in relation to the Company since the filing of the Shelf Prospectus with the RoC, the Stock Exchanges and SEBI, including in respect of disclosure under the sections titled "**Risk Factors**", "**Summary of Financial Information**", "**Capital Structure**", "**Industry Overview**", "**Business**", "**Regulations and Policies**", "**History and Certain Corporate Matters**", "**Management**", "**Financial Indebtedness**", "**Outstanding Litigations and Material Developments**" "**Main Provisions of Articles of Association**" and Annexures I, II, III and IV of the Shelf Prospectus. The Company further confirms that the Prospectus contains all material disclosures which are true and adequate to enable prospective investors to make an informed investment decision in this Tranche - I Issue, and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading.

## **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of this Prospectus Tranche-I) which are or may be deemed material have been entered or are to be entered into by the Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Registered Office/Corporate Office of the Company situated at UG Floor, East Tower, NBCC Place, Bhisham Pitamah Marg, Pragati Vihar, Lodhi Road, New Delhi -110 003, India, from 10.00 a.m. and 12.00 noon on any working day (Monday to Friday) during which the Issue is open for public subscription under the respective tranche prospectus(es).

### **MATERIAL CONTRACTS**

1. Memorandum of Understanding dated November 5, 2015, between the Company and the Lead Managers.
2. Agreement dated November 6, 2015, between the Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated November 5, 2015 for the appointment of Debenture Trustee for the Bondholders.
4. Escrow Agreement dated November 18, 2015 between the Company, the Registrar, the Escrow Collection Bank(s), and the Lead Managers.
5. Consortium Agreement dated November 19, 2015 between the Company and Consortium Members for marketing of the Issue.
6. Tripartite Agreement dated May 8, 2003 between CDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated January 23, 2002 between NSDL, the Company and the Registrar to the Issue.

### **MATERIAL DOCUMENTS**

1. Memorandum and Articles of Association of the Company, as amended to date.
2. Resolution passed under Section 180(1)(c) of the Companies Act, at Annual General Meeting held on September 16, 2015 approving the borrowing programme of ₹1,50,00,000 lakhs.
3. Board resolution dated March 11, 2015 approving the Issue and related matters.
4. Bond Committee's resolution dated November 6, 2015 approving the Draft Shelf Prospectus and resolution dated December 2, 2015 approving the Shelf Prospectus and Prospectus Tranche-I and related matters.
5. CRISIL's credit rating letter dated November 2, 2015 and November 27, 2015, ICRA's credit rating letter dated October 13, 2015 and November 17, 2015 and CARE's credit rating letter dated October 14, 2015 and November 18, 2015.
6. Consents of each of the Compliance Officer, Company Secretary, Directors, Lead Managers, Legal Advisors to the Issue, Registrar to the Issue, Bankers to the Company, the Debenture Trustee for the Bondholders, Escrow Collection Banks, Refund Bank, Consortium Members and the Credit Rating Agencies to include their names in the Shelf Prospectus, in their respective capacities.
7. Consent of the Auditors, for inclusion of their name and the report on the Accounts in the form and context in which they appear in the Shelf Prospectus and their statement on tax benefits mentioned herein.
8. Auditor's report dated November 5, 2015 on our reformatted financial information for the financial year ending March 31, 2011, March 31, 2012, March 31, 2013, March 31, 2014, March 31, 2015 and limited review report dated October 26, 2015 for the half year ended September 30, 2015.
9. Statement of tax benefits dated November 5, 2015 issued by Bansal Sinha & Co., Chartered Accountants, Statutory Auditors of the Company.
10. Notification No. 59/2015.F.No.178/27/2015-ITA-1 dated July 6, 2015 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India, by virtue of powers conferred upon it by item(h) of sub-clause (iv) clause (15) of Section 10 of the Income Tax Act, 1961 (43 of 1961).

11. Lease agreement dated July 21, 2015 entered between the Company and the President of India, through for lease of Rolling Stock.
12. Annual report of the Company for the last five years.
13. In-principle listing approval from BSE and NSE *vide* their letter no. DCS/SJ/PI-BOND/10/15-16 dated November 18, 2015 and letter no. NSE/LIST/50585 dated November 18, 2015 respectively.
14. Due Diligence Certificate dated December 2, 2015 filed by the Lead Managers with SEBI.

**Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the Bondholders, in the interest of the Company in compliance with applicable laws.**

## DECLARATION

We, the Directors of the Company, hereby certify & declare that all the relevant provisions of the Companies Act, 1956, as amended, relevant provisions of Companies Act, 2013, as amended and rules prescribed thereunder to the extent applicable as on this date, the regulations, guidelines and circulars issued by the Government of India, Reserve Bank of India and the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, including the Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended, provisions under the Securities Contracts (Regulations) Act, 1956, as amended and rules thereunder in connection with the Issue have been complied with and no statement made in this Prospectus Tranche-I is contrary to the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable to this Prospectus Tranche-I.

We further certify that all the disclosures and statements in this Prospectus Tranche-I read together with Shelf Prospectus are true, accurate and correct in all material respects and does not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that the Prospectus Tranche- I read together with Shelf Prospectus does not contain any misstatements.

**Mr. Sanjoy Mookerjee**

Chairman

DIN: 03546243

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**Mr. Rajiv Datt**

Managing Director

DIN : 05129499

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**Mr. Niraj Kumar**

Director (Finance)

DIN : 00795972

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**Ms. Sharmila Chavaly**

Government Nominee Director

DIN : 06411077

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**Mr. Satish Kumar Goel**

Independent Director

DIN: 06742476

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**Place: New Delhi**

**Date: December 2, 2015**

**ANNEXURE – A**  
**SHELF PROSPECTUS DATED DECEMBER 2, 2015**