



इंडियन रेलवे फाईनेन्स कॉरपोरेशन लिमिटेड

(भारत सरकार का उपक्रम) (सी आई एन : L65910DL1986GOI026363)

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National Stock Exchange of India Limited Listing department, Exchange Plaza, Bandra- Kurla Complex, Bandra (E) Mumbai- 400 051	BSE Limited Listing Dept / Dept of Corporate Services, PJ Towers, Dalal Street, Mumbai -400 001
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Sub:- Press Release of Signing of MOU Between IRFC and IIFCL to strengthen cooperation in financing railway infrastructure projects

Pursuant to Regulation 30 of the SEBI (LODR) Regulations, 2015, this is to inform that Indian Railway Finance Limited (IRFC), a Public Sector Enterprise under the Ministry of Railways, has signed a Memorandum of Understanding (MOU) with India Infrastructure Finance Company Ltd (IIFCL), a Public Sector Enterprise under the Ministry of Finance and please find attached herewith a copy of press release in connection with signing of aforesaid MOU.

This is submitted for your information and record.

Thanking You,
For **Indian Railway Finance Corporation Limited**

Secretarial Department

Encl: As Above



PRESS RELEASE

IRFC and IIFCL sign MoU to strengthen cooperation in financing railway infrastructure projects

NEW DELHI

OCTOBER 11, 2022: Indian Railway Finance Corporation Ltd. (IRFC), a Schedule ‘A’/Miniratna Public Sector Enterprise under the Ministry of Railways signed a Memorandum of Understanding (MoU) with India Infrastructure Finance Company Ltd. (IIFCL), a Public Sector Enterprise under the Ministry of Finance, to strengthen cooperation in financing railway infrastructure projects with forward and backward linkages to Indian Railways sector.

The MoU was signed by Shri. Amitabh Banerjee, Chairman and Managing Director, IRFC and Shri. Padmanabhan Raja Jaishankar, Managing Director, IIFCL in presence of senior officers of both the organizations.

Through this MoU, IRFC and IIFCL plan to amplify each other’s capabilities, enabling them to jointly leverage the financing opportunities for viable infrastructure projects.

Speaking on the occasion, Shri. Amitabh Banerjee, CMD, IRFC said, *“The partnership between IRFC and IIFCL is a step towards realizing Hon’ble Prime Minister Narendra Modi’s vision of making India a \$5 trillion economy by 2025. This symbiotic relationship between two premier financing institutions would play a pivotal role in providing impetus towards development of railway infrastructure in the country, leading to enhanced customer experience and reduce logistics cost by facilitating this state-of-the-art infrastructure.”*

Underscoring the importance of infrastructure sector for development of the Indian economy, Shri. P R Jaishankar, MD, IIFCL said, *“IIFCL has been leading the infrastructure financing sector in the country and this MOU will enable both the parties to*

strengthen cooperation in co-financing / consortium financing of infrastructure projects, including railways sector.”

The MoU shall also enable both IRFC & IIFCL, being premier and established financing institutions in their respective domains, to scale-up their capabilities and explore such funding opportunities together by combining their competence & expertise. The MoU will benefit both IRFC and IIFCL to capitalize on each other's expertise in infrastructure project financing, project due diligence, syndication, credit enhancement, re-financing etc.

This MoU is just the beginning of the long-term relationship between these two institutions and together they aim to be part of the transformation that the Indian economy is currently undergoing, under the visionary leadership of Hon'ble Prime Minister and soon realise the dream of India being a \$5 trillion economy.

About IRFC

Indian Railway Finance Corporation (IRFC) is a Schedule 'A'/Miniratna Public Sector Enterprise, under administrative control of Ministry of Railways, Government of India. The company was set up in December 1986 for mobilizing funds from domestic and overseas markets to meet the pre-dominant portion of Extra Budgetary Resources (EBR) requirements of Indian Railways. MCA has classified IRFC as a Public Financial Institution under Section 4(A) of the Companies Act, 1956 (now defined in Section 2(72) of the Companies Act, 2013).

It is a Systemically Important Non-Deposit taking Non-Banking Finance Company (NBFC-ND-SI) and Infrastructure Finance Company (NBFC-IFC) with the Reserve Bank of India (RBI).

The AUM of IRFC has grown tremendously and it now over INR 4.32 lakh crores. IRFC has a low-risk cost-plus business model. IRFC, since 36 years since its inception has never had any NPA. More than 80% of its ECB borrowing i.e., more than USD 7 billion, has been raised in the last three financial years, enabling it to meet the objective of providing most competitive cost of funding to MoR. Further, IRFC has resorted to Green Borrowing of approximately USD 2 billion from the offshore market to facilitate the net zero carbon emission by 2030 of Indian Railways.

IRFC has also made maiden 30-year tenor issuance of bonds by an Indian CPSE in overseas market, with tightest credit margin being assigned to any corporates with similar international ratings across the globe. This has led to creation of a yield curve and reference point for other Indian entities contemplating long-tenor issuances from India.

Since inception, IRFC has funded acquisition of 13,339 locomotives, 74,467 passenger coaches and 2,59,851 freight wagons. Our focused approach to supporting the expansion and modernization of Indian Railways keeps us perfectly poised to make Indian railways future-ready.

The cumulative funding to the Indian Railway sector by IRFC has crossed INR 5.04 trillion mark by the end of the Q1 FY2022-23. Our focused approach to supporting the expansion and modernisation of Indian Railways keeps us perfectly poised to make Indian Railways future-ready. The company has played a critical role in augmenting the capital expenditure of Indian Railways, by way of mobilizing funds across the entire financial spectrum, forming part of EBR funding.

The Company continues to maintain high level of employee productivity and efficiency, and the same is reflected in its low overhead to turnover ratio i.e. less than 0.13%. Productivity per employee for the year 2021-22 stood at INR 174 crore.

IRFC has achieved consistently “Excellent” performance rating since 2016-17. IRFC was ranked 96th in the Fortune India 500 companies on the basis of FY 2021 financial results. IRFC has become the first CPSE in the country to list its offshore bonds exclusively at Indian stock exchanges established in the GIFT City, Gandhinagar.

About IIFCL

India Infrastructure Finance Company Limited (IIFCL) was set up in 2006, as a wholly-owned Government of India enterprise to cater to the long-term financing needs of the infrastructure sector in India. Since its inception, IIFCL has been actively involved in the promotion, development and financing of the infrastructure sector in India. IIFCL is under the administrative control of the Ministry of Finance, Govt. of India and is a systemically important Non-Banking Financial Company-Non Deposit-Infrastructure Finance Company (NBFC-ND-IFC) registered with the Reserve Bank of India (RBI). It is also classified as a Public Financial Institution under Section 4(A) of the Companies Act, 1956 (now defined in Section 2(72) of the Companies Act, 2013).

IIFCL is the only government-owned financial institution that caters to all infrastructure sub-sectors through its various products, viz. Direct Lending, Takeout Finance, Credit Enhancement, Subscription to infrastructure Bonds, lending to InvITs and Refinance to Banks and other eligible financial institutions for their loans to infrastructure projects. It is also actively involved in providing inputs and policy support on the infrastructure financing space to the Government through various forums.

IIFCL has been playing a prominent role in financing infrastructure development in the country and has so far provided financial assistance to the construction of 29,000 km of new roads, ~ 21% of the nation's Highway capacity. It is also significantly advancing the nation's port infrastructure with the building of 800 Million Tonnes Per Annum (MTPA), which is ~ 52% of India's Port capacity. Furthermore, it has enabled the addition of 65 GW of energy capacity, which is ~ 17% of India's installed capacity. Till date, IIFCL has sanctioned more than Rs. 2.3 lakh crore to around 650 projects so far, with a total outlay of Rs. 11.70 lakh crore, and has disbursed over Rs. 1.1 lakh crore. Among the marquee projects IIFCL has sanctioned in the last two years are the Ganga Expressway, Pune IT City Metro, Jewar and Navi Mumbai International Airports etc.