INDIAN RAILWAY FINANCE CORPORATION LIMITED

Transcript of the 36th Annual General Meeting held on 22nd September 2023

Ms. Shelly Verma: As the requisite quorum is in order the meeting may be started.

Shri Vijay Babulal Shirode: Good afternoon, dear shareholders and warm welcome to all of you for this 36th Annual General Meeting of the Indian Railway Finance Corporation Limited through video conferencing or other audio-visual facility. As a reminder, for the smooth conduct of the meeting, the members will be in mute mode and audio and video will be opened when they will speak at the AGM as per the pre-registration. Please note that as per the requirements, the proceedings of the AGM will be recorded and available on the website of the company.

Dear shareholders, we are conducting this AGM through video conferencing which is in compliance with the applicable provisions of the Companies Act, Circulars issued by the Ministry of Corporate Affairs and SEBI. Further, all efforts have been made by the company to enable members to participate and vote on the items being considered in the meeting. Registers are open for inspection as per the requirement of statute.

Now, I take privilege to introduce Board of Directors, Nominee of the President of India and auditors of your company. We have with us Ms. Shelly Verma, Chairman and Managing Director, Additional Charge and Director Finance. Mr. Bhaskar Choradia, Government Nominee Director, attending meeting through his office i.e., Ministry of Railways, Shri Vallabhbhai Maneklal Patel, Non-Official Independent Director, Chairman of Audit Committee, Nomination and Remuneration Committee and CSR Committee, attending meeting through his office. Smt. Shila Pandit, Non-Official Independent Director, Chairman of Stakeholder Relationship Committee, attending meeting through Patna, Ms. Uma Ranade, Additional Member Budget, Railway Board, Representative of the Honourable President of India, attending meeting from Ministry of Railways, Delhi, Shri Bhavesh Kumar, Statutory Auditors and Shri DK Singh, Statutory Auditors from Delhi. Shri Deepak Kumar, Partner of the Secretarial Auditor Firm and Scrutinizer for AGM. Shri Sunil Kumar Goel, Chief Financial Officer of the company, Shri P.K. Ojha, General Manager Finance and Chief Investor Relationship Officer. Now, I request CMD Ma'am of your company to address you all. Over to you Ma'am.

Ms. Shelly Verma: Good afternoon. I, on behalf of Team IRFC extend a hearty welcome to you all at this 36th Annual General Meeting. Thank you for your kind presence today.

Dear shareholders, as the requisite forum for the Annual General Meeting is present, I call the meeting in order. I also welcome my colleagues on the board and the key officials of the company present here. With the permission of the shareholders, the notice convening the Annual General Meeting, Director's Report along with its annexures, Auditor's Report, comments of C&AG and reply of management thereto, Secretarial Auditor Report, its observations and reply of management thereto already circulated to you are taken as read.

Now, I take the opportunity to deliver my speech in brief, sharing the operational highlights of your company. IRFC has consistently exhibited robust financial performance and has been raising funds at competitive rates. This has helped us keep our cost of borrowing low.

The strategic relationship with the Ministry of Railways enables us to maintain a low risk profile. The FY22-23 has been another year of strong financials. Our revenues from operations of the company has increased by Rs 3,593 crores from Rs 20,298.27 crores in FY21-22 to Rs 23,891.27 crores in FY22-23, showing a growth of 17.7%. Profit before tax of the company for the year ended 31st March, 2023 was Rs 6,337.01 crores as compared to Rs 6,090.15 crores for the previous year, registering a growth of 4.05%. Total is Rs 92.63 crores, comprising of Rs 17,000 crores for funding of Rolling stock, Rs 15,392.63 crores for financing of railway projects under EBR IF.

Our borrowing during the year includes taxable loans worth Rs 21,558.70 crores, previous year Rs 19,837.90 crores, Rs 22,274.46 crores, previous year Rs 42,900 crores and 54EC bonds of Rs 1,729.61 crores, previous year Rs 1,161.01 crores. The weighted average cost of the pool of borrowings made by the company during the year FY22-23 for rolling stock worked out to 7.51% semi-annual as against 6.62% semi-annual during the previous year. And weighted average cost of capital from project assets under EBRIF worked out to 7.52% semi-annual for FY22-23 as against 6.43% semi-annual during the previous year.

During the year under RBI, repo rate from 4% to 6.5%. Your company has received approval of Ministry of Finance for issue of 54 EC capital gain bonds in October 2017. Since then, company is making all efforts to increase its market share in 54 EC bond market. In FY22-23, company mobilized around Rs 1,729.61 crores to 54 EC bond as against Rs 1,161.01 crores in FY21-22, registering a growth of 48.97%. During the financial year FY22-23, the company was required to spend Rs 91.31 crores towards corporate social responsibility expenditure.

The company has approved a total of 16 projects with a total outlay of Rs 59 crores. And out of the remaining balance, Rs 30.31 crores was disbursed to PM cares fund, Rs 1 crore to Swachh Bharat Kosh and Rs 1 crore to Clean Ganga fund. The amount allocated towards 16 projects amounting to Rs 59 crores would be disbursed on receipt of these claims from the implementing agencies.

Company considers good corporate governance practices for sustainable business that aims at generating long-term value for shareholders and all other stakeholders. Accordingly, it has been laid increasing emphasis upon development of best corporate governance practices among CPSEs. Pursuant to the DPE guidelines on corporate governance, quarterly compliance report is being submitted to the Ministry of Railways through DPE within the stipulated time.

Further, a report containing annual score which comprises of consolidated score of 4 quarters was also submitted to DPE within the prescribed timeline. The major achievements of the company for the year FY22-23 include highest ever profit after tax of Rs 6,337 crores during FY22-23. Accumulative funding to the railway sector at the end of FY had crossed Rs 5.5 lakh crores and IRFC is ranked 92nd in the Fortune India 500 companies based on FY22 results.

Further, the board of the company has authorized the company to borrow funds amounting to Rs 50,000 crores during FY23-24 for meeting the funding requirement of Indian Railways new business activities, refinancing of existing loans and for other general corporate purposes. For the FY23-24, the company is looking forward for diversification of lending portfolio and fund projects with forward or backward linkages with railways. In the end, I extend sincere gratitude to our customers, shareholders, bondholders, suppliers, employees, lending institutions and the Government of India for their unabated trust, support and faith in the company's abilities.

Now, I request our Company Secretary to explain Electronic Voting System Procedure and other details.

Shri Vijay Babulal Shirode: Thank you, ma'am, I will read out the Electronic Voting System Procedure. In pursuance of Regulation 44 of SEBI (Listing Regulations and Disclosure Requirements) Regulation, 2015 and Section 108 of the Companies Act, the remote e-voting period which has commenced on Tuesday 19th September, 2023 at 9 am and ended on Thursday 21st September, 2023 at 5 pm.

And this facility was made available to all the shareholders of the company as of the cut-off date i.e. 15th September 2023. E-voting on the CDSL platform was made available for all the shareholders to cast their vote. The e-voting facility is open since start of the meeting and shall remain active for 15 minutes after the conclusion of the meeting to the shareholders who had not casted their votes earlier through remote e-voting.

Shri Deepak Kumar representing M/s. Akhil Rohatgi, Practicing Company Secretaries has been appointed as the Scrutinizer for scrutiny of the votes cast through the remote e-voting platform and electronic voting through during the AGM. The results of the voting through along with scrutinizer's report will be available at the website of the company. I will now read out the agenda items.

Item No. 1 To receive, consider, approve and adopt the audited financial statements of the company for the financial year ended of 31st March 2023 along with the reports of the Board of Directors and Auditors thereon and comments of the Comptroller and Auditor General of India, these being the ordinary resolution.

Item No. 2 Confirmation of payment of interim dividend and declaration of final dividend on equity shares, this is also an ordinary resolution.

Item No. 3 Reappointment of Shri Bhaskar Choradia as the nominee director, ordinary resolution.

Item No. 4 Alteration of articles of association of the company, these being the special resolution.

Now I invite the shareholders who have pre-registered as shareholder speaker to speak relating to items of business as mentioned in the notice of annual general meeting. Now I will request the CDSL team to kindly go one by one.

Over to CDSL team.

Ajay Kumar Jain: Namaskar, Honourable Chairperson Ma'am, I speaker Ajay Kumar Jain, the objective of attending the meeting is to connect with you and to listen the Chairperson speech. The chairperson speech was very nice and you explained very well, you have done great job and I keep on listening the speech, the projections given were very good and the main thing is that the area of operation of our company is very helpful, IRFC is a milestone as it finances the railway projects which helps in the development resulting in providing facilities to the common man of the country, and the vision of our honourable PM Modi "Aatmanirbhar Bharat". Our Chairperson Ma'am is also Director (Finance) in the company which will benefit the company in the coming days.
One thing I want to request that, if possible, can in come to the company for physical meeting and ask some questions from you. Also, want the CS department to take care of my shares. And for Beetal I want to thank them as they are very helpful in guiding and advising me. Thank you, Jai Hind.

Ms. Vimal Jain: Hello, good evening, Chairperson Ma'am, Board of Directors and my fellow shareholders I am joining meeting from Delhi. All my queries have been covered in your speech, so I have no more queries, But I just want to thank you and all the best. Thanks for giving me the opportunity and hope you will continue to hold us meeting in the future also on VC mode.

Thank you so much.

Shri Vijay Babulal Shirode: Thank you.

Shri Sujan Modak: Okay, Respected Chairman, other Board of Directors, Namaskar. Good afternoon. I'm Sujan Madhav. I'm attending this meeting from my residence in Kolkata. The way you have already, in your introductory speech, ma'am, you have already said, so a lot of questions already got covered up. Anyway, we have got a very, we have given a very good numbers this year and a very good dividend for that, I really thank our company management for that.

I have a few questions to ask, ma'am. This interest rate is staying high. So, for that, what effect our bottom line will get? So, could you please tell us that? And what is the road ahead for next two to three years? And particularly for this year, what is the growth guidance you give, ma'am? And before I finish, I'd like to definitely say that our company secretary, Mr. Vijay Sirode and his whole team is doing a very good investor services and sending every document right in time.

Shri Vijay Babulal Shirode: Sir, we have already taken note of your questions. And what we'll do after the meeting, my concern team will be in touch with you and the answers will be given to email and over the phone to you sir.

Shri Sunil Modak: Hello, very good-afternoon, sir. I'm Sunil Modak joining this virtual meeting from my residence at Calcutta. It is my pleasure to attend this meeting with the government company and the more the government company will do better, that will be good for our nation. This year, the result is very good and I hope that years after years, our company will do better and it will bring prosperity to our nation.

Shri Vijay Babulal Shirode: Thank you, sir.

Shri Ashish Bansal: Oh, you can hear my voice, sir?

Shri Vijay Babulal Shirode: Yes, we are able to hear you, please, sir.

Shri Ashish Bansal: Respected gentlemen and board of directors, good afternoon, everyone. I have been replaced for the physical copy by email two, three times. But from your side, there is no reply and I have not received any report.

If you can send a physical copy of the email, I am thankful to you. But there is no physical meeting. At least we can meet the balance sheet.

And we cannot take your time so much. So, we cannot do. We are the general shareholders.

Shri Vijay Babulal Shirode: Yes, your request has been taken noted and we will definitely provide you the physical copy, sir. Thank you very much, sir.

Shri Bharati Saraf: Okay. If you are able to see.

I hope you are in good health. Sir, I sent you a link in the name of Santosh Kumar, but he said that Santosh Kumar will not join. I had joined, sir.

But not much, you spoke very well in your presentation, sir, and you told us very well, and you are performing very well, sir, and I hope you will perform in the same way in the future. The question is, what steps are you taking to maintain this kind of growth?

What steps are you taking for this? And what steps are you taking for female empowerment? What steps are you taking to give more service to females in your concern? And if I have a physical meeting with you in the morning, then keep the VC option, so that we, our employees and all of you, the management officials and directors, can praise themselves for good work, sir. The company is doing very well; the share market is also performing very well. I also thank the moderator.

With this request, the moderator should not ride a bullet, this is India, the public express is good here. If you ride a bullet, the speaker's name will be removed. Okay, take care, nothing else.

Once again, I wish you all a good health, and I wish you a happy 2023. May God keep you and your family healthy, wealthy and prosperous in the year 2023.

Shri Bimal Krishna Sarkar: Very good afternoon. Chairman sir, I am Vimal Krishna, the equity shareholder of the company. My residence is in Kolkata.

Sir, I would like to thank the chairman, he has explained the company's performance. Thank you very much. Company secretary, thank you very much.

You have already sent the annual report and notice. Sir, you have also sent the link. Sir, you also told me over the telephone whether you got my link or not.

So, thank you for such a good investor service. Sir, this time the revenue from operations has increased by 75.70%. Sir, last year it was 20,298.27, this year it is 23,891.28. Very good, sir. Sir, profit after tax has also increased by 4.06. Sir, the biggest thing is your share in the market, which is a good market price.

Sir, I trade it every day. Sir, I have got good results. I have a lot of shares.

I have kept it. I will keep it for a while. Sir, the dividend has also increased by 80.

Interim dividend and final dividend have been given. Sir, total dividend is 1.50. Sir, this is a good thing. Next year you will get more than this.

Sir, I thank the CSR committee. As per section 135, paragraph 5, CSR obligation was 91.31 crores. 32.30 crores have been spent. Sir, 59 crores has been transferred to the unspent CSR account. Sir, why has it not been spent? Please tell us about this. Sir, I have seen your CSR activities in the annual report. It is doing very well. You have also taken a project on community uplifting. I thank you for this.

Sir, I have a request. Sir, those who are visually disabled, especially those who are blind, those who are disabled, through CSR activities, please do something for them. I request you to do this.

I give you, my blessings. Sir, today is the anniversary of Independence. A great festival is going on.

Sir, you have brought such a beautiful result. In this happiness, I request you, all the shareholders who are here today, the speakers and attendants, I request you to send them dry fruits. Chairman sir, your entire team, company secretary, secretary department, entire employees, I pray that you stay healthy and take our company forward in this way.

Sir, thank you very much for giving me a chance to speak. Thank you very much.

Shri Vijay Babulal Shirode: Thank you, sir.

Ms. Indrani Chakraborty: Am I audible?

Shri Vijay Babulal Shirode: Yes, you are audible. Please ma'am.

Ms. Indrani Chakraborty: Very good afternoon, sir. I am Indrani Chakraborty, attending VC from Kolkata, a small shareholder of your company. At first, I congratulate my company secretary, board of directors, and my fellow shareholders to give me a chance in this platform. I casted vote along with my family members of you in this AGM. I believe my company will perform better to better in the coming future. Best of luck to my board of directors. I conclude my speech. Thank you everybody.

Shri Vijay Babulal Shirode: Thank you, ma'am.

Shri Ashok Kumar Jain: Hello, audible, I am audible. Good afternoon, everyone. I am Ashok Kumar Jain, shareholder of the company, DPID number 30011810242590, attending the AGM from Delhi. I am thankful to the management and Company Secretary department accepting my request to express my views in front of the management.

I hope I have received the annual report and notice. And I am very happy to note that our company is growing year by year. And I hope that our company will continue to grow like this and will be well in future.

Sir, I am thankful to the management for giving us a handsome dividend during the year. And I also support all the resolutions. At last, I am also thankful to the Secretarial department to help me to join the AGM on VC portal, sir. And thank you, sir. Thank you.

Shri Lokesh Gupta: Hello, Am I audible? Chairperson ma'am I am Lokesh Gupta welcome you and all the board members. Ma'am I have joined from Delhi and one of the oldest shareholders with you in almost all the AGMs. You have given excellent speech which has explained everything about the company, it is the pillar of Railway sector, without us the development of Railway is not possible.

Ma'am my first question related to interest has already been covered and another question related to the news of OFS, will you kindly update a little on that.

I will also say that, sir. Ma'am, in PSU, it is very difficult to reach the company secretary, sir. But in our company, it is not like that.

I thank the CS and his entire team for managing the shareholders and successfully conducting the AGM.

Shri Vijay Babulal Shirode: Thank you, sir.

Ms. Kanika Jain: Hello, am I audible?

Shri Vijay Babulal Shirode: Yes, you are audible. Please ma'am.

Ms. Kanika Jain: Okay, thank you for giving me the opportunity. First of all, good afternoon to the chairman, sir, board of directors and the shareholders joining this meeting. Sir, I want to know that our company is doing very good financially.

So, can the shareholders expect a big interim dividend in this year? Or if the management is planning to give a bonus issue in this year, and as our share price have gone four times. At last, I just want to thank the secretarial department and I hope that you will continue to hold the AGM on virtual platform in future also. Thank you, sir, and all the best.

Shri Vijay Babulal Shirode: Thank you, ma'am.

Now, as all the speakers have finished speaking, now I will hand over the proceedings to the CMD ma'am, please. All the questions and the requests raised by the shareholders during the meeting have been noted and will be suitably replied over email. Now, I request Company Secretary to give a vote of thanks.

It gives me immense pleasure to propose the word of thanks to our chairman and managing director, board of directors of the company, representative of the Honourable President of India, valued shareholders, statutory auditors, secretarial auditors, scrutinizers, R&T agents of the company and CDSL team, and last but not the least, the entire IRFC team. It is again informed to the shareholders that e-voting facilities open since start of the meeting and shall remain active for 15 minutes after the conclusion of the meeting. To the shareholders who had not casted their votes earlier through remote e-voting.

It is further informed that a consolidated report on the total vote cast in favour and against would be submitted by the scrutinizer within 48 hours of the conclusion of the AGM and the same would be submitted to the stock exchanges and hosting of the company's website and the website of the CDSL. Now, I will hand over the proceedings to the operator. You please go ahead.

As all the items have been over and the vote of thanks has been done, now I will request the CDSL team to start the 15 minutes time for the casting votes to the other shareholders who have not already casted their votes. Over to the CDSL team. Thank you everyone.

Thank you, all the shareholders, and everyone.