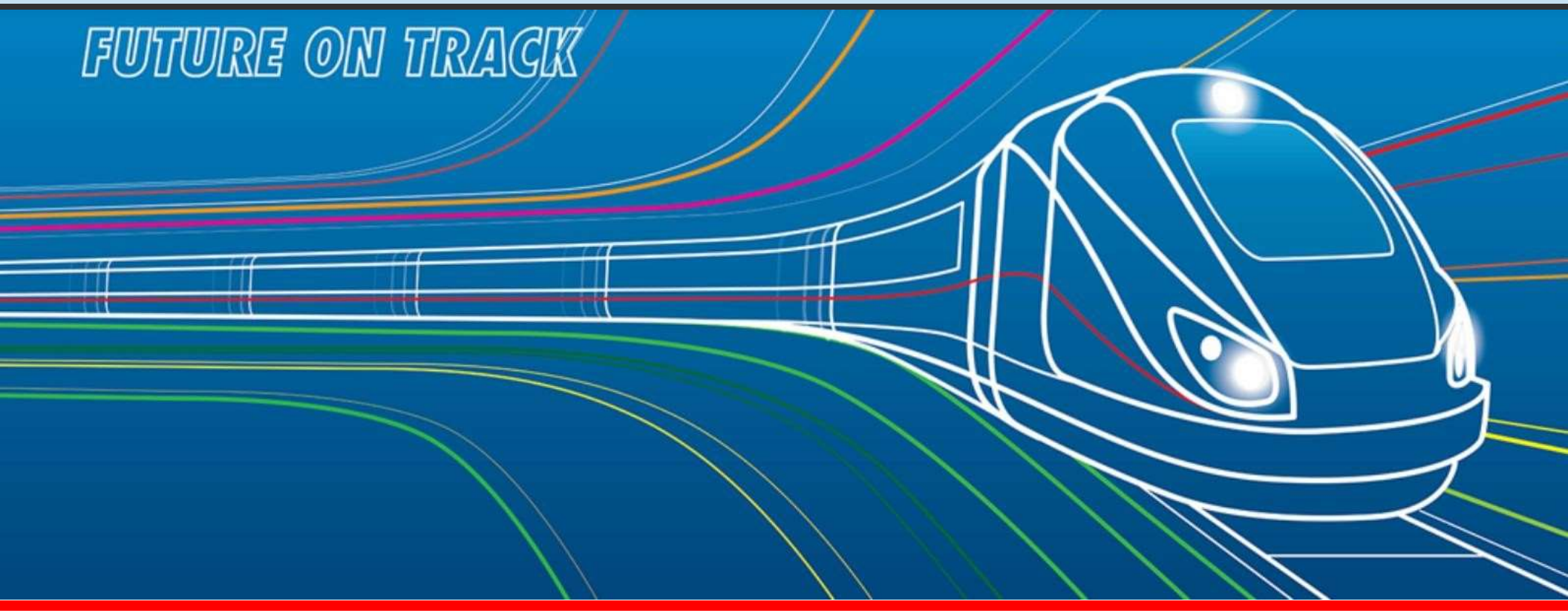

Indian Railway Finance Corporation Limited

Performance Highlights

For the year ended 31st March 2024

22nd May 2024

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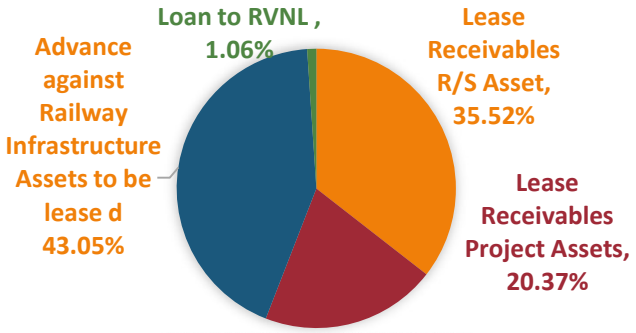
Snapshot of the Company

Company Overview

- IRFC is registered with RBI as a systemically important NBFC-ND-IFC, Majorly owned by the GoI acting through Ministry of Railways (MoR)
- It is the dedicated market borrowing arm for the Indian Railways
- Primary business:
  - financing the acquisition of rolling stock assets;
  - leasing of railway infrastructure assets and national projects of the Government of India and
  - lending to other entities under the MoR

AUM Break-Up (FY 24)

Minimal credit risk : 98.94% of AUM is exposure to MoR



AUM (FY 24)	Net worth (FY 24)	RoE / RoA (FY 24)	GNPA	Tax Liability
INR 4,64,641.28 Cr	INR 49,178.57 Cr	13.66%/ 1.31%	NIL	NIL

Total Debt (FY 24)	NIM (FY 24)	Ratings	Net Gearing Ratio (FY 24)	CRAR % (FY 24)
INR 4,12,032.10 Cr	1.38%	CRISIL AAA | CRISIL A1+ ICRA AAA | ICRA A1+ CARE AAA | CARE A1+	8.38x	616.15 %

All numbers are as on 31st March, 2024

Key Strengths

1	Strategic role in growth of Indian Railways	AUM (FY 24) **INR 4.64 trillion**	■ Dedicated market borrowing arm for the Indian Railways (IR) ■ AUM as on 31st March 2024 stands at INR 4,64,641.28 crore
2	Low risk, Cost –Plus business model	GNPA (FY 24) **NIL**	■ Strategic relationship with the MoR enables us to maintain a low risk profile ■ Cost-Plus Standard Lease Agreements with MoR ■ Consistent spreads on Rolling Stock (spread 40 bps) and Project Assets (spread 35 bps) over last five years
3	Competitive Cost of Borrowings	Long term Ratings **AAA**	■ Highest credit rating for an Indian Issuer from ICRA, CRISIL & CARE ■ Diversified funding sources of various maturities & currencies ■ Competitive cost of Borrowing to keep finance cost under check
4	Strong Asset-Liability Management	Cumulative Gap over 5 yrs **NIL**	■ IRFC borrows on a long-term basis to align with the long-term tenure of the assets financed ■ MoR is required to provide for any shortfall in funding under the Standard Lease Agreement
5	Consistent financial performance	Net Worth (FY 24) **INR 49,178.57 Cr**	■ Profit for the FY 24 stands at Rs. 6,412.10 crore ■ Revenue from operations grew by 12.32% on YoY basis for FY 2023-24. ■ Low overheads, administrative costs and high operational efficiency ■ Healthy return ratios – RoA at 1.31% and RoE at 13.66 % for the FY 2023-24
6	Enjoys Regulatory Exemptions	Tax Liability **NIL**	■ Exempted from the RBI's asset classification norms, provisioning norms, exposure norms to the extent of direct exposure on MoR and is not required to pay 'minimum alternate tax' with effect from Fiscal 2020 under section 115BAA of Income Tax Act

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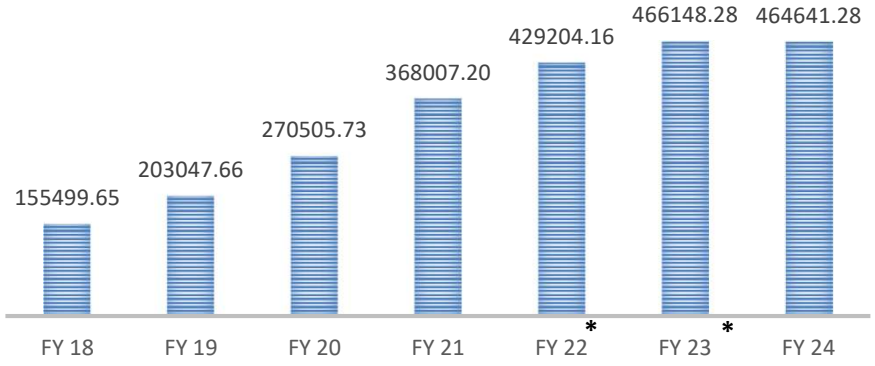
Strategic role in financing growth of Indian Railways

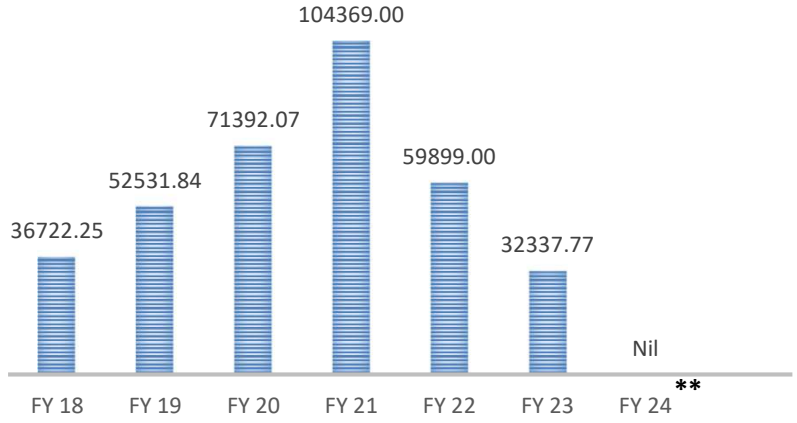
Assets Under Management

(Figures in INR crore)



*Restated

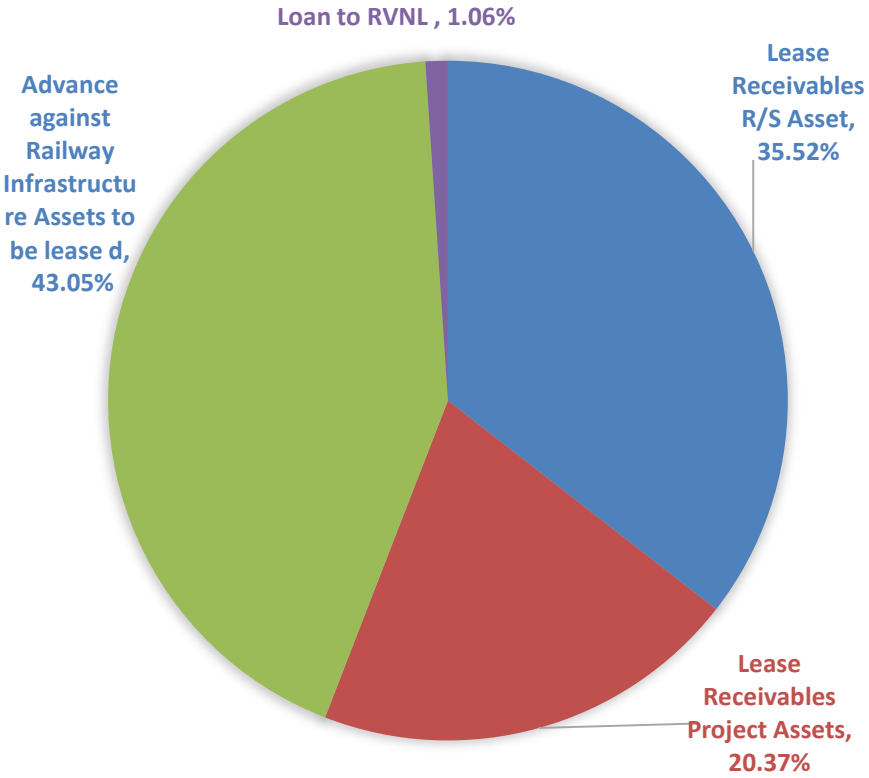
Disbursements



** No target assigned in Budget of FY 2023-24 and in Vote on Account for FY 2024-25. Final Budget for the FY 2024-25 yet to be placed in the Parliament.

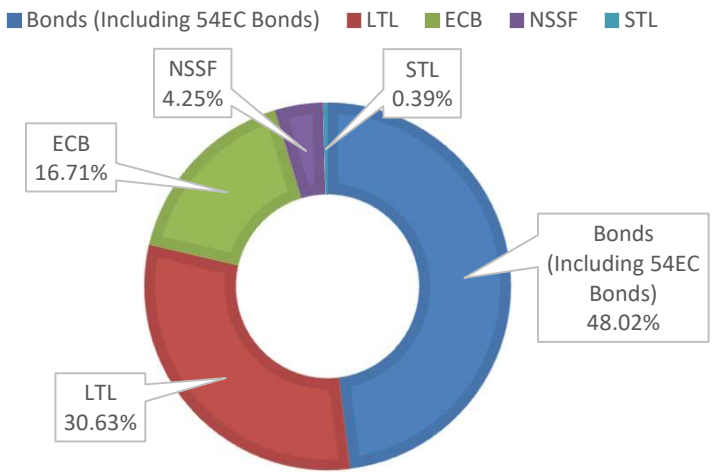
AUM Break-Up (FY 24)

Minimal credit risk : 98.94% of AUM is exposure to MoR

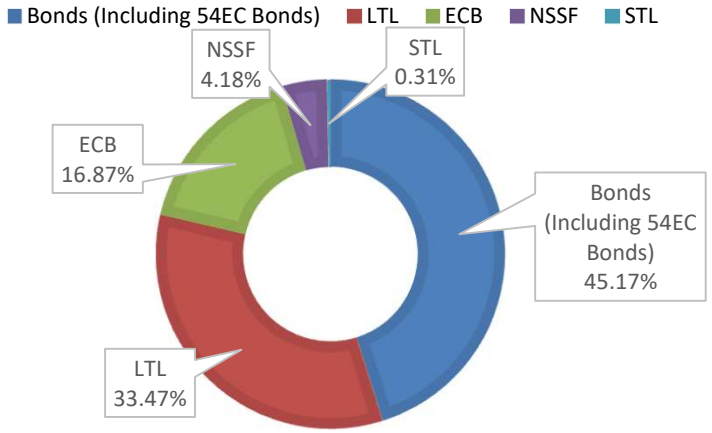


Competitive cost of borrowings based on strong credit ratings in India and diversified sources of funding

Borrowing Mix as on 31st March, 2024



Borrowing Mix as on 31st March, 2023



Particulars (31st March 2024)	Rating	Outlook
Domestic:		
Long term rating		
CRISIL	CRISIL AAA	Stable
ICRA	ICRA AAA	Stable
CARE	CARE AAA	Stable
Short term rating		
CRISIL	CRISIL A1+	–
ICRA	ICRA A1+	–
CARE	CARE A1+	–
International *		
Moody's	Baa3	Stable
Standard and Poor's	BBB-	Stable
Fitch	BBB-	Stable
Japanese Credit Rating Agency	BBB+	Stable

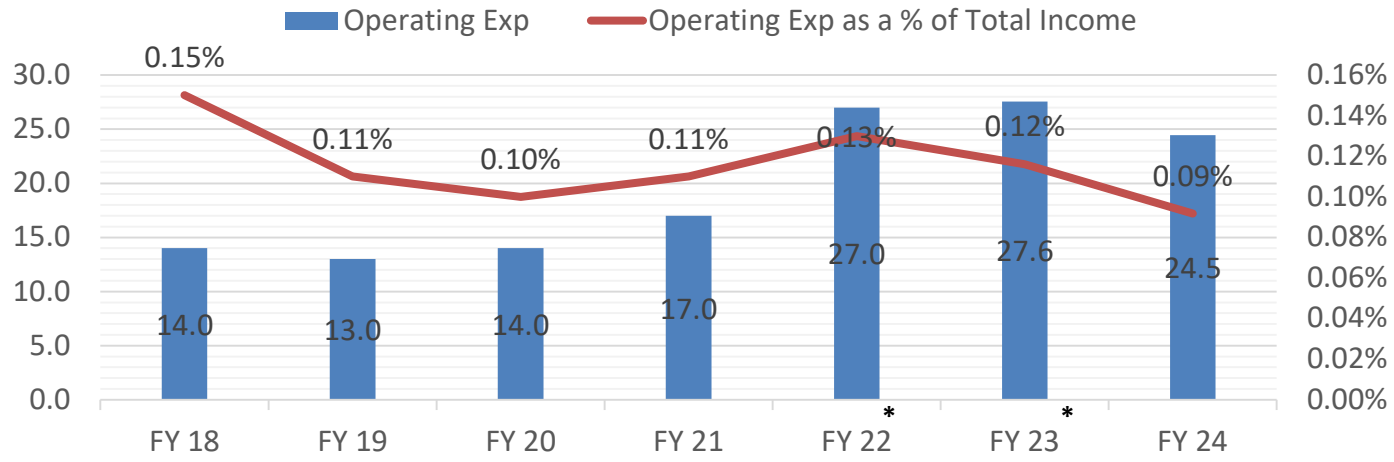
Diversified sources of funding, credit ratings and strategic relationship with the MoR, have enabled IRFC to keep costs of borrowing competitive

- *At par with India's sovereign ratings;

Consistent Financial Performance

Net Interest Income & PAT

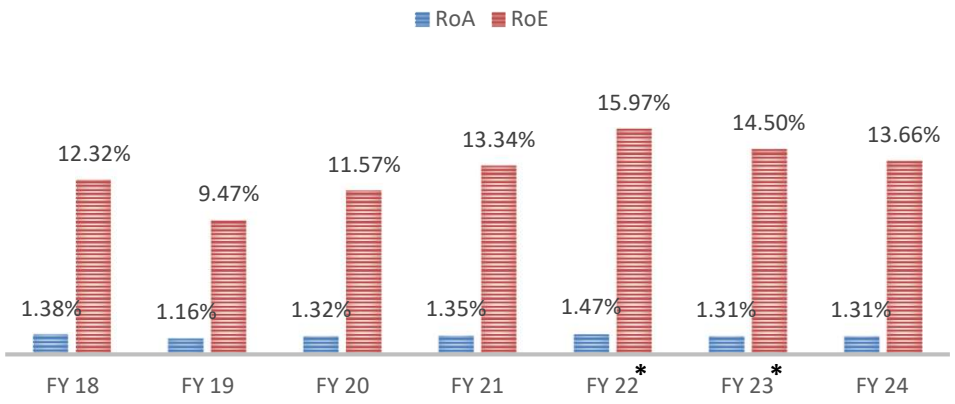
Negligible Operating Expenses



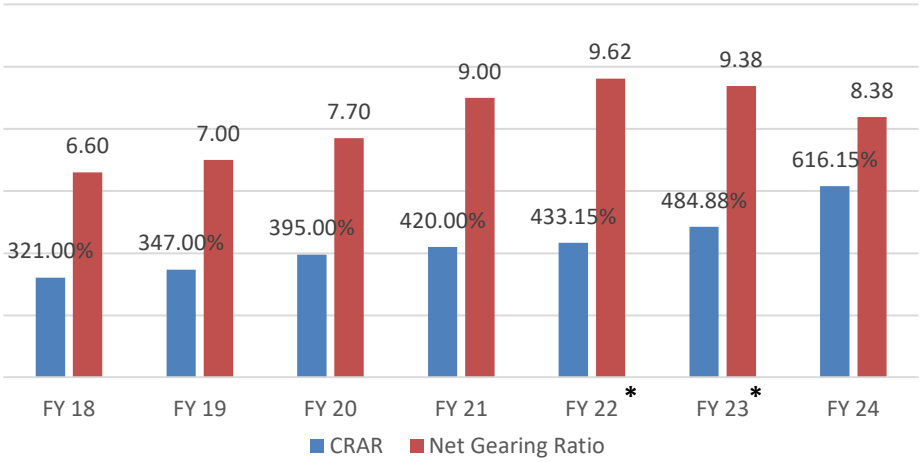
- (*) Restated & all figures are in INR Crore, unless specified otherwise

Consistent Financial Performance

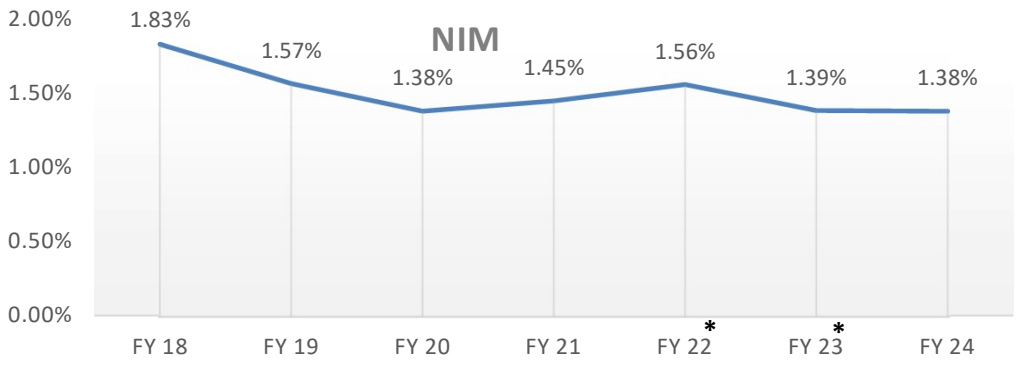
Return Ratios



CRAR and Net Gearing Ratio



Net Interest Margin



- (*) Restated & all figures are in INR Crore, unless specified otherwise

Key Ratios- FY 2023-24

Particulars	Year ended 31st March 2024
Net Interest Margin	1.38%
Return on Equity	13.66%
Net Gearing Ratio	8.38 x
CRAR	616.15%
EPS	4.91
Dividend Paid	
▪ Final Dividend recommended by Board (Rs.)	0.70 per share
▪ Interim dividend paid	0.80 per share

Snapshot of Key Financials

Particulars	Year ended 31st March 2024	Growth in %	Year-Ended 31st March 2023*
Revenue from Operations	26,644.58	12.32%	23,721.42
Finance Cost	20,101.47	15.21%	17,447.21
Net Interest Income	6,428.85	3.63%	6,203.37
Profit Before Tax	6,412.10	3.97%	6,167.20
Profit After Tax	6,412.10	3.97%	6,167.20
Total Comprehensive Income	6,452.49	4.55%	6,171.72

*Restated

All figures are in INR Crore

Backward Linkages

Way forward and Opportunities in Indian Railways

Forward Linkages

- As per charter company can fund any entity which has backward or forward linkage with Indian Railways, viz-
  - Leasing of Rolling stock other than MoR
  - Funding of Railway Infrastructure being developed through State JV
  - Upcoming Dedicated Freight lines
  - Semi/High Speed Railway Corridors & High-speed train
  - Multi-Modal Logistics Parks
  - Non-conventional sources of energy including Renewable Energy for railway network
- As per the above mandate, the company is exploring business opportunities in the above areas to expand its lending portfolio and also in discussion with Infrastructure Finance Companies in the Government Sector for co-lending opportunities.

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Thank You

Disclaimer

* The presentation is prepared based on audited financial statements of IRFC for the year ended 31st March 2024.

*There is a possibility of Ind As financial results and the additional disclosures to be updated, modified or amended because of adjustments which may be required to be made on account of introduction of new Standards or its interpretation, receipt of guidelines or circulars from regulatory bodies and/or Reserve Bank of India.

*This presentation may contain statements which reflects managements current views and estimates and may not be constructed as forward looking statements. The future involves uncertainties and risk that could cause actual results to differ materiality from the current views being expressed. Potential uncertainties and risk include factors such as general economic conditions, currency fluctuations, competitive product and pricing pressures, industrial relations and regulatory developments.

* We do not update forward looking statements retrospectively. Such statements are valid on the date of publication and can be superseded.

* Figures are regrouped / reclassified to make them comparable.

* Analytical data are best estimates to facilitates understanding of business and not meant to reconcile reported figures.

* Answers will be given only to non price sensitive questions.

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Financials- P & L Statement

Statement of Profit and Loss		
		(All amounts in INR Crore, unless stated otherwise)
Particulars	**Year Ended March 2024 (Audited)**	**Year Ended March 2023* (Audited)**
Revenue From Operations		
Interest Income	8,823.83	7,547.29
Lease Income	17,820.75	16,174.13
Total Revenue From Operations	**26,644.58**	**23,721.42**
Other Income	10.56	40.80
Dividend Income	0.78	0.56
Total Income	**26,655.92**	**23,762.77**
Expenses		
Finance Costs	20,101.47	17,447.21
Impairment on Financial Instruments	(3.93)	(2.91)
Employee Benefit Expense	11.17	13.10
Depreciation, Amortization and Impairment	9.44	14.06
Other Expenses	125.65	124.15
Total Expenses	**20,243.81**	**17,595.61**
Profit Before Exceptional Items and Tax	**6,412.10**	**6,167.15**
Exceptional Items	-	-
Profit Before Tax	**6,412.10**	**6,167.15**
Current Tax	-	-
Deferred Tax	-	-
Adjustment for Earlier Years	-	-
Profit for the Period from Continuing Operations	**6,412.10**	**6,167.15**

*Restated

Financial-Balance Sheet –1/2

Particulars	Year Ended March 2024 (Audited)	Year Ended March 2023* (Audited)	As at April 2022* (Audited)
ASSETS			
Financial Assets			
Cash And Cash Equivalents	22.77	162.64	106.43
Bank Balance Other Than Above	444.60	379.02	196.95
Derivative Financial Instruments	489.79	495.23	202.33
Receivables			
- Lease Receivables	2,59,690.60	2,43,356.87	2,00,072.22
Loans	4,944.51	5,933.13	6,824.81
Investments	53.60	13.66	10.00
Other Financial Assets	2,07,255.00	2,25,274.81	2,24,777.92
Total Financial Assets	**4,72,900.87**	**4,75,615.37**	**4,32,190.65**
Non-financial assets	-	-	
Current Tax Assets (Net)	344.12	368.02	637.31
Property, Plant And Equipment (incl. Right of Use Assets)	21.07	17.93	36.31
Intangible assets under development	3.78	-	-
Other Intangible Assets	0.98	1.26	1.65
Other Non-Financial Assets	11,811.61	14,356.17	16,494.03
Total Non-Financial Assets	**12,181.56**	**14,743.38**	17,169.30
Total Assets	**4,85,082.43**	**4,90,358.75**	**4,49,359.95**

*Restated

Financials – Balance sheet (2/2)

LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Derivative Financial Instruments	1,853.19	907.28	566.93
Payables	-	-	-
- Trade payables	-	-	-
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
- Other payables	-	-	-
(i) Total outstanding dues of micro enterprises and small enterprises	1.11	0.98	1.00
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	14.54	11.92	22.02
Debt Securities	2,25,094.23	2,16,094.23	1,94,174.95
Borrowings (Other Than Debt Securities)	1,86,937.87	2,02,835.03	1,94,241.67
Other Financial Liabilities (incl. Lease Liability)	21,456.85	25,639.26	19,450.10
Total Financial Liabilities	**4,35,357.79**	**4,45,488.69**	**4,08,456.67**
Non-Financial Liabilities	-	-	
Current Tax Liabilities (Net)	-	-	
Provisions	162.77	104.80	53.57
Deferred Tax Liabilities (Net)	-	-	-
Other Non-Financial Liabilities	383.30	85.08	473.64
Total Non-Financial Liabilities	**546.07**	**189.88**	**527.21**
Total Liabilities	**4,35,903.86**	**4,45,678.57**	**4,08,983.88**
Equity			
Equity Share Capital	13,068.51	13,068.51	13,068.51
Other Equity	36,110.06	31,611.67	27,307.56
Total Equity	**49,178.57**	**44,680.18**	**40,307.06**
Total Liabilities And Equity	**4,85,082.43**	**4,90,358.75**	**4,49,359.95**