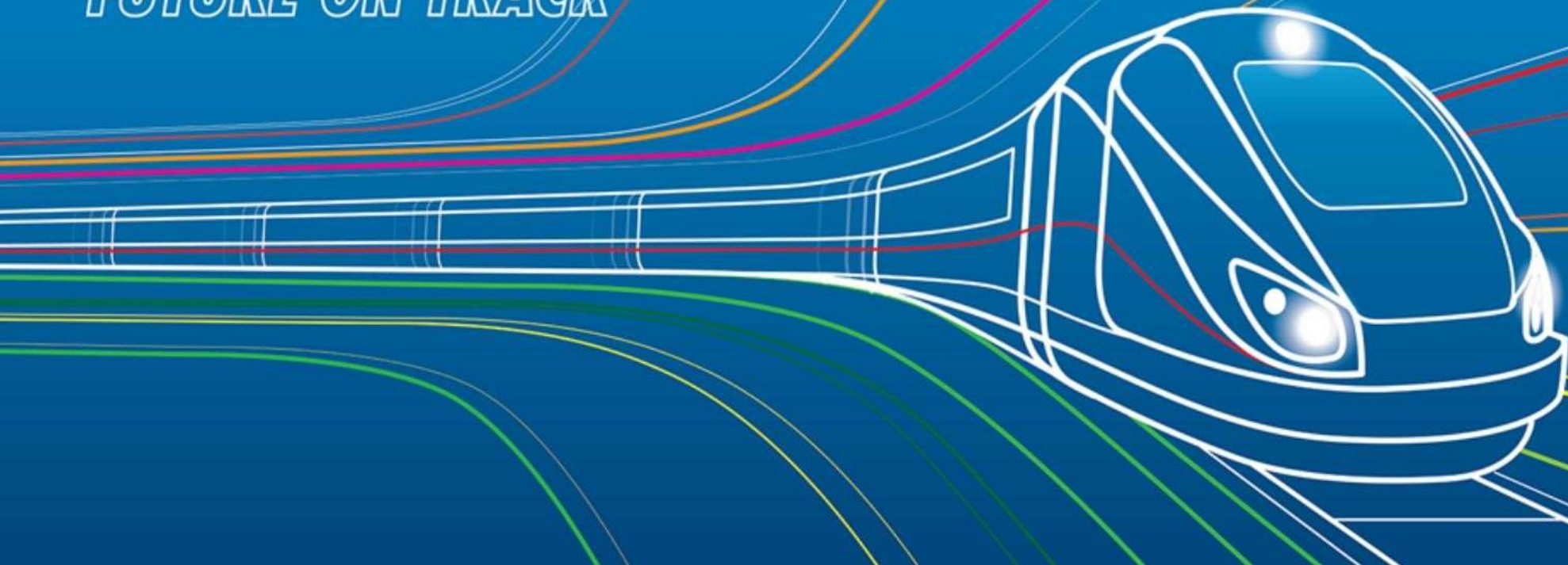


**FUTURE ON TRACK**



## **Indian Railway Finance Corporation Limited**

**Performance Highlights**  
**for quarter ended 30<sup>th</sup> June 2023**

17<sup>th</sup> August, 2023

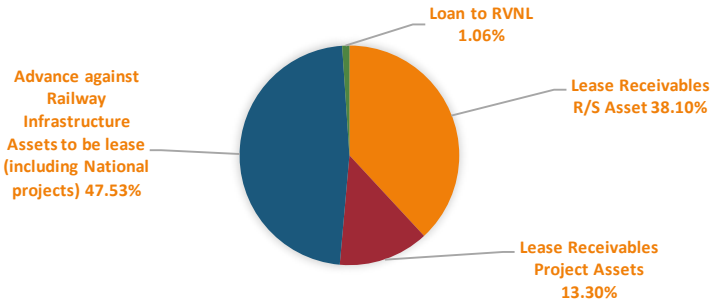
# Snapshot of the Company

## 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 (Q1 FY 24)

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



|  |   |   |  |  |
|--|---|---|--|--|
| <b>AUM / CAGR (FY19-Q1 FY24)</b><br>INR 4,66,251.32 Cr<br>23.83%<br> | <b>Net worth (Q1 FY 24)</b><br>INR 47,033.75 Cr<br> | <b>RoE / RoA (Q1 FY 24)</b><br>12.69% / 1.33%<br>                                       | <b>GNPA</b><br>NIL<br>                           | <b>Tax Liability</b><br>NIL<br>          |
| <b>Total Debt (Q1 FY 24)</b><br>INR 4,10,099.90 Cr<br>               | <b>NIM (Upto Q1 FY 24)</b><br>1.33%<br>             | <b>Ratings</b><br>CRISIL AAA   CRISIL A1+<br>ICRA AAA   ICRA A1+<br>CARE AAA   CARE A1+ | <b>Net Gearing Ratio (Q1 FY 24)</b><br>8.72x<br> | <b>CRAR % (Q1 FY 24)</b><br>627.57 %<br> |

All numbers are as on 30th June, 2023



# Key Strengths

1

**Strategic role in growth of Indian Railways**

**AUM/CAGR (FY19-Q1FY24)**

23.83%

- Dedicated market borrowing arm for the Indian Railways (IR)
- AUM has grown at 7.81% on quarter on quarter basis for FY 2023-24 and stands at INR 4,66,251.32 crore

2

**Low risk, Cost –Plus business model**

**GNPA (Q1 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 and Project Assets over last five years

3

**Competitive Cost of Borrowings**

**Longterm 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 financing cost of IRFC 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 (Q1 FY 24)**

INR 47,033.75 Cr

- Profit for the Q1FY24 stands at Rs. 1,556.57 crore.
- Revenue from operations grew by 18.69% on Q-o-Q basis for FY 2023-24
- Low overheads, administrative costs and high operational efficiency
- Healthy return ratios – RoA at 1.33% and RoE at 12.69 % for Q1FY24

6

**Enjoys Regulatory Exemptions**

**Tax Liability**

NIL

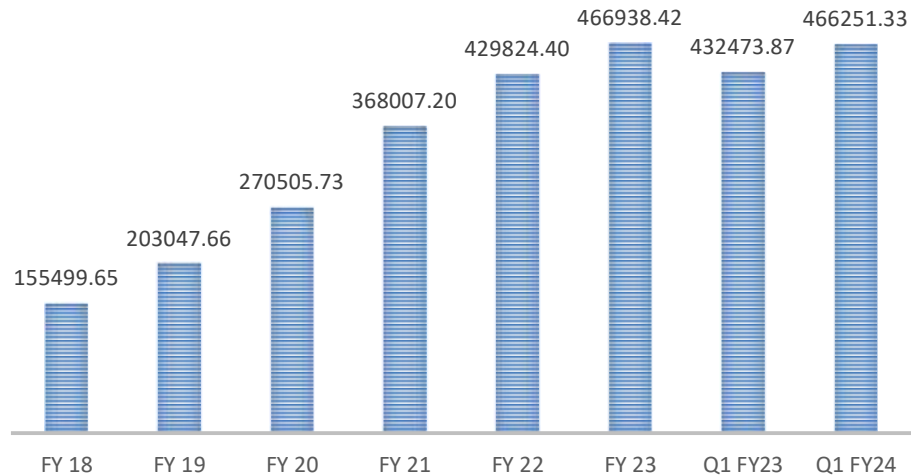
- Exempted from the RBI's asset classification norms, provisioning norms, exposure norms to the extent of direct exposure on MoR and is not required to pay 'minimum alternate tax' with effect from Fiscal 2020 under section 115BAA of Income Tax Act.



# Strategic role in financing growth of Indian Railways

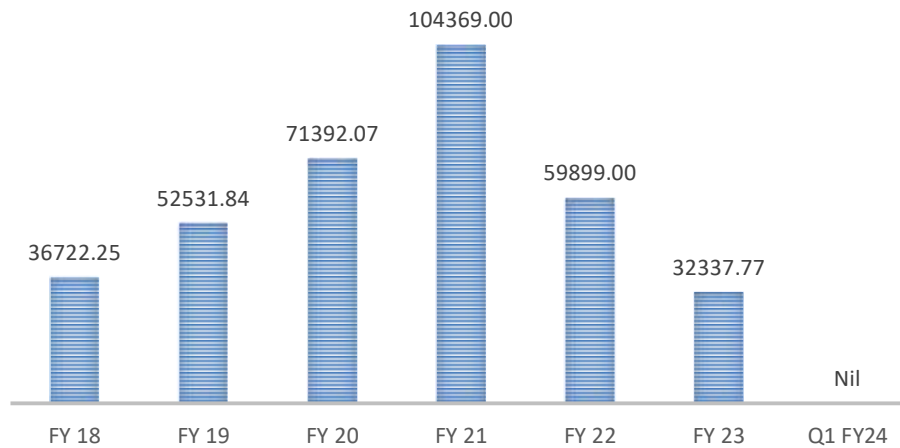
## Assets Under Management

(Figures in INR crore)



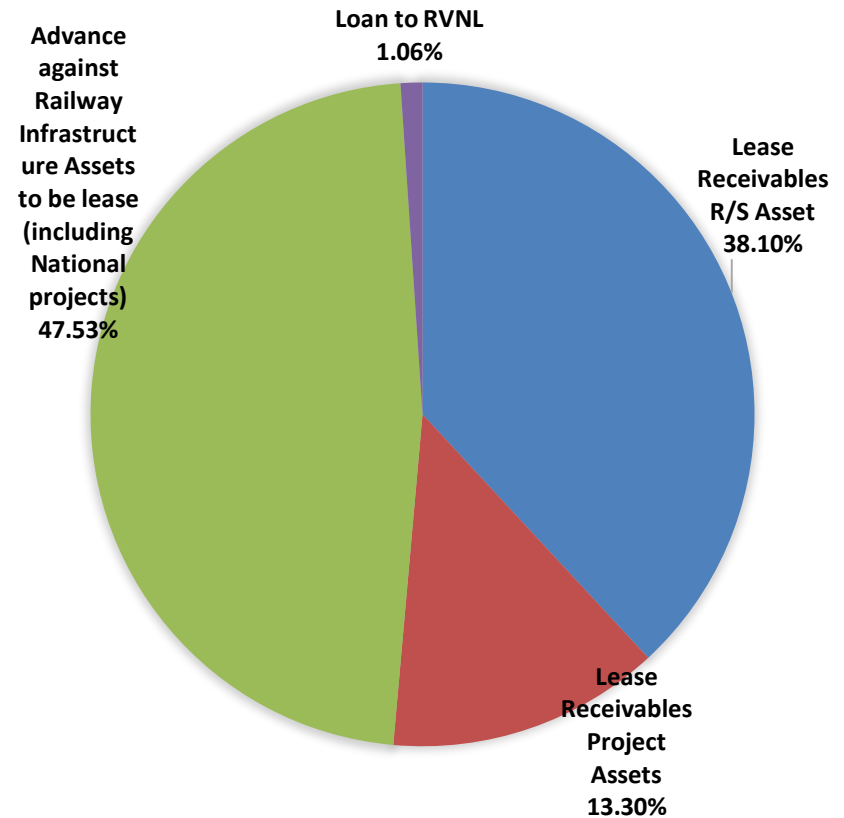
## Disbursements

(Figures in INR crore)



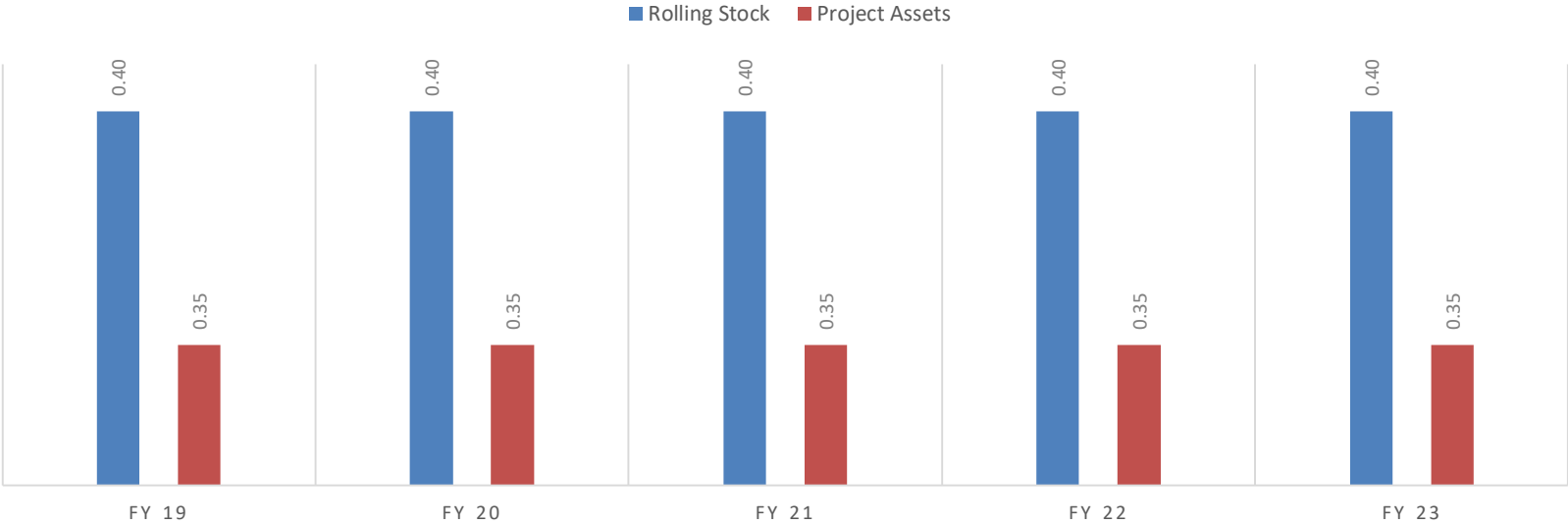
## AUM Break-Up (Q1 FY 24)

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



# Low risk, cost-plus business model

## Spreads Charged by IRFC



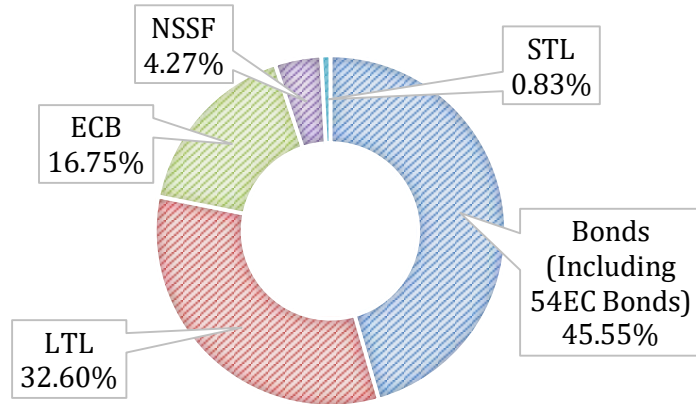
IRFC raises funds at lowest possible cost amongst the Term Lending Institutions in India.  
This directly benefits the IR in terms of savings in finance cost

IRFC charges a minimal margin (spread) over its already low-cost of borrowing, to MoR and exhibits a consistent financial performance, owing to its robust business model

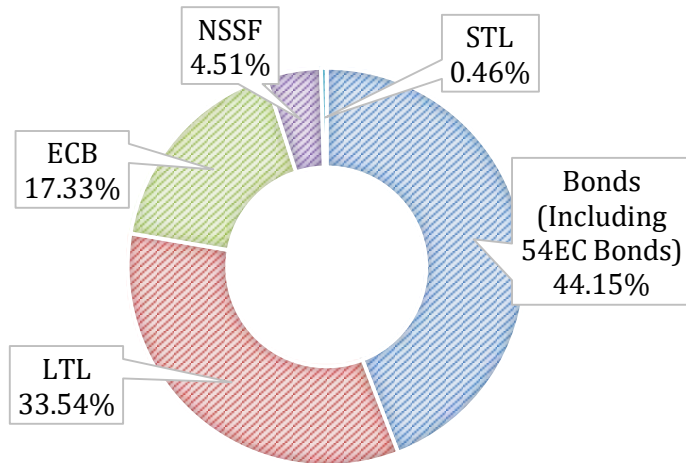


# Competitive cost of borrowings based on strong credit ratings in India and diversified sources of funding

**Borrowing Mix as on 30<sup>th</sup> June 2023**



**Borrowing Mix as on 30<sup>th</sup> June 2022**



| Particulars<br>(30 <sup>th</sup> June 2023) | Rating     | Outlook |
|---|------------|---------|
| <b><u>Domestic:</u></b>                     |            |         |
| <b>Long term rating</b>                     |            |         |
| CRISIL                                      | CRISIL AAA | Stable  |
| ICRA  | ICRA AAA   | Stable  |
| CARE  | CARE AAA   | Stable  |
| <b>Short term rating</b>                    |            |         |
| CRISIL                                      | CRISIL A1+ | -       |
| ICRA  | ICRA A1+   | -       |
| CARE  | CARE A1+   | -       |
| <b><u>International **</u></b>              |            |         |
| Moody's                                     | Baa3       | Stable  |
| Standard and Poor's                         | BBB-       | Stable  |
| Fitch                                       | BBB-       | Stable  |
| Japanese Credit Rating Agency               | BBB+       | Stable  |

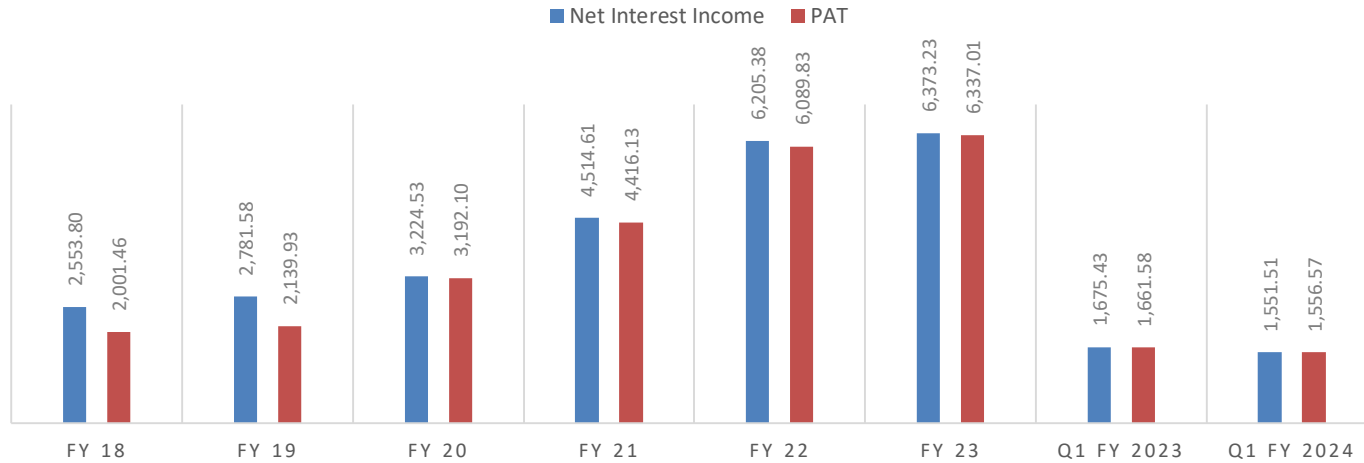
*Diversified sources of funding, credit ratings and strategic relationship with the MoR, have enabled IRFC to keep costs of borrowing competitive*

■ \*\*On par with India's sovereign ratings;

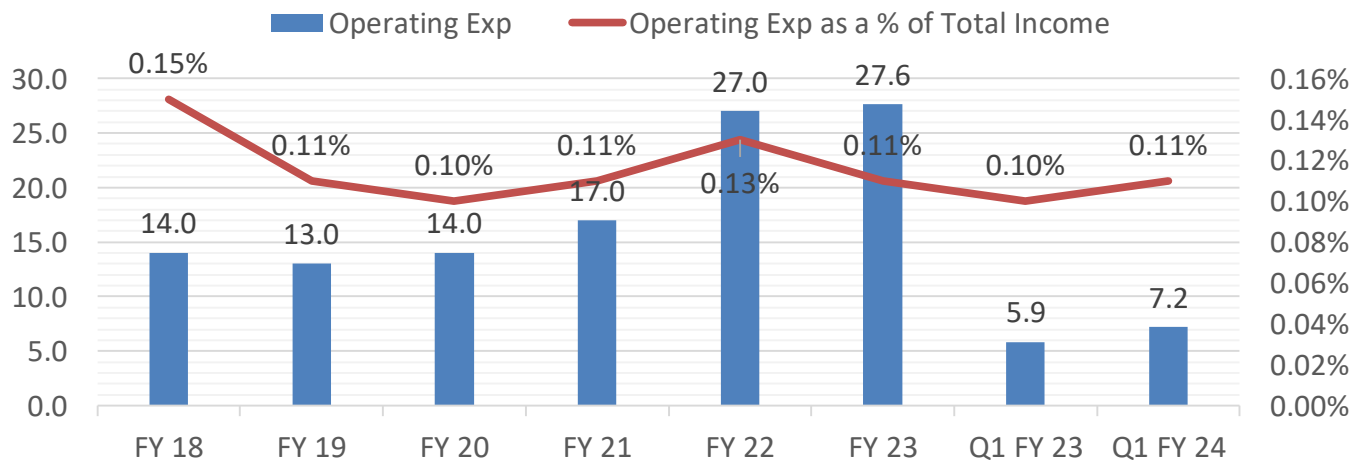


# Consistent Financial Performance

## Net Interest Income & PAT



## Negligible Operating Expenses



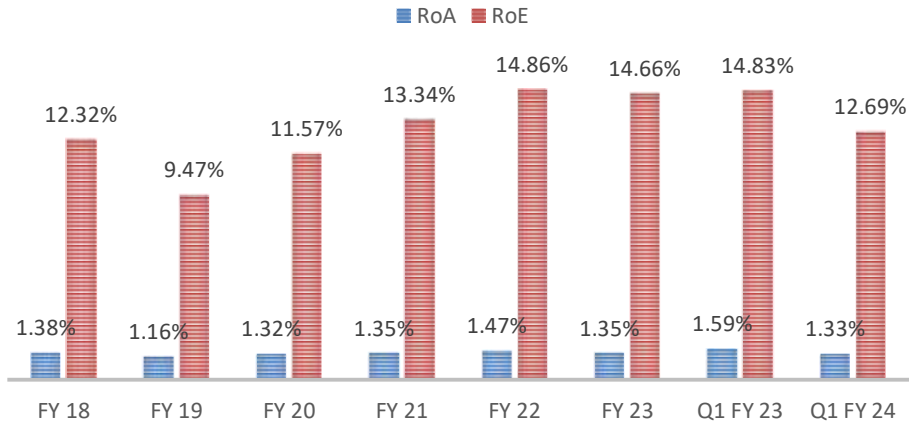
All figures are in INR Crore, unless specified otherwise



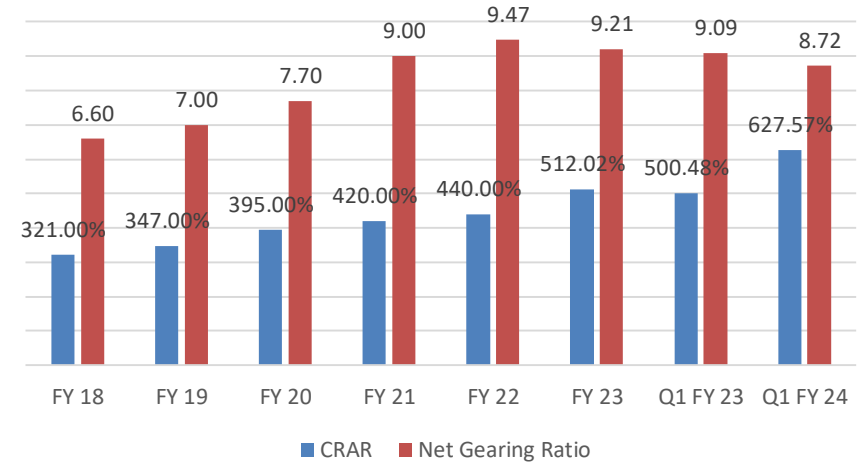


# Consistent Financial Performance

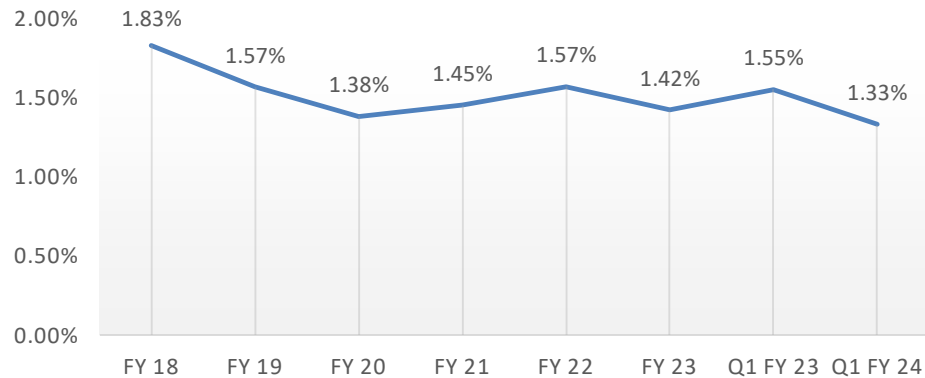
## Return Ratios



## CRAR and Net Gearing Ratio



## Net Interest Margin



■ (\*) All figures are in INR Crore, unless specified otherwise





## Key Ratios- FY 2023-24

| Particulars                      | Q1 FY 2023-24 |
|----------------------------------|---------------|
| Net Interest Margin (Annualized) | 1.33%         |
| Return on Equity (Annualized)    | 12.69%        |
| Net Gearing Ratio                | 8.72x         |
| CRAR                             | 627.57%       |
| Book Value Per Share (Rs.)       | 35.99         |
| EPS (Rs.)                        | 4.76          |



## Snapshot of Key Financials

| Particulars                       | Quarter-Ended              | Quarter-Ended              | Growth in % | Year-Ended                  |
|-----------------------------------|----------------------------|----------------------------|-------------|-----------------------------|
|                                   | 30 <sup>th</sup> June 2023 | 30 <sup>th</sup> June 2022 |             | 31 <sup>st</sup> March 2023 |
| <b>Revenue from Operations</b>    | 6,679.17                   | 5,627.44                   | 18.69       | 23,891.27                   |
| <b>Finance Cost</b>               | 5,090.97                   | 3,939.64                   | 29.22       | 17,447.20                   |
| <b>Net Interest Income</b>        | 1551.51                    | 1675.43                    | -7.40       | 6,373.23                    |
| <b>Profit Before Tax</b>          | 1,556.57                   | 1,661.58                   | -6.32       | 6,337.01                    |
| <b>Profit After Tax</b>           | 1,556.57                   | 1,661.58                   | -6.32       | 6,337.01                    |
| <b>Total Comprehensive Income</b> | 1,563.44                   | 1,660.81                   | -5.86       | 6,341.57                    |

All figures are in INR Crore



- ❖ 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
- ❖ In continuation of the above, an in-principle approval from Board has been obtained for:
  - Finance lease of rolling stock for NTPC under General Purpose Wagon Investment Scheme (GPWIS) of MoR
  - Term Loan for Haryana Orbital Rail Corridor (HORC), a railway line from Palwal to Sonipat, bseing promoted by Haryana Rail Infrastructure Development Corporation Limited (HRIDC) (a JV of Government of Haryana (GoH) and MoR)
- ❖ IRFC has also entered into MoUs with RITES and IIFCL for strategic collaboration.





**Thank You**



# Disclaimer

\* The presentation is prepared based on un-audited financial statements of IRFC for the quarter ended 30<sup>th</sup> June 2023.

\*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.

\*This presentation is for information purpose only and do not constitute an offer or recommendation to buy or sell any securities of IRFC. Any action taken by you on the basis of information contained in presentation is your responsibility alone and IRFC or its directors or employees will not be liable in any manner for the consequences of such actions taken by you.



# Financials- P & L Statement

| Statement of Profit and Loss                            |                 |                 |                  |
|---|-----------------|-----------------|------------------|
| (All amounts in INR Crore, unless stated otherwise)     |                 |                 |                  |
|   | Quarter ended   | Quarter ended   | Year Ended       |
| Particulars   | 30th June, 2023 | 30th June, 2022 | March 2023       |
| <b>Revenue From Operations</b>                          |                 |                 |                  |
| Interest Income   | 2131.25         | 1698.60         | 7547.28          |
| Lease Income  | 4547.92         | 3928.84         | 16,344.00        |
| <b>Total Revenue From Operations</b>                    | <b>6679.17</b>  | <b>5627.44</b>  | <b>23,891.28</b> |
| Other Income  | 1.85            | 0.03            | 40.80            |
| Dividend Income   | -               | -               | 0.55             |
| <b>Total Income</b>                                     | <b>6681.02</b>  | <b>5627.47</b>  | <b>23,932.63</b> |
| <b>Expenses</b>   |                 |                 |                  |
| Finance Costs   | 5090.97         | 3939.64         | 17,447.21        |
| Impairment on Financial Instruments                     | (5.43)          | (4.66)          | (2.91)           |
| Employee Benefit Expense                                | 2.77            | 2.62            | 13.10            |
| Depreciation, Amortization and Impairment               | 4.23            | 3.50            | 14.06            |
| Other Expenses  | 31.92           | 24.78           | 124.16           |
| <b>Total Expenses</b>                                   | <b>5124.45</b>  | <b>3965.88</b>  | <b>17,595.62</b> |
| Profit Before Exceptional Items and Tax                 | 1556.57         | 1661.59         | 6,337.01         |
| Exceptional Items                                       | -               | -               | 0.00             |
| <b>Profit Before Tax</b>                                | <b>1556.57</b>  | <b>1661.59</b>  | <b>6,337.01</b>  |
| Current Tax   | 0.00            | 0.00            | 0.00             |
| Deferred Tax  | 0.00            | 0.00            | 0.00             |
| Adjustment for Earlier Years                            | 0.00            | 0.00            | 0.00             |
| <b>Profit for the Period from Continuing Operations</b> | <b>1556.57</b>  | <b>1661.59</b>  | <b>6,337.01</b>  |



# Financial-Balance Sheet - 1/2

| Particulars   | Quarter Ended<br>30th June, 2023 | Quarter Ended<br>30th June, 2022 | Year Ended<br>March 2023 |
|---|----------------------------------|----------------------------------|--------------------------|
| <b>ASSETS</b>   |                                  |                                  |                          |
| <b>Financial Assets</b>                                   |                                  |                                  |                          |
| Cash And Cash Equivalents                                 | 512.21                           | 538.79                           | 206.02                   |
| Bank Balance Other Than Above                             | 124.21                           | 156.44                           | 335.63                   |
| Derivative Financial Instruments                          | 461.13                           | 304.14                           | 495.23                   |
| Receivables   |                                  |                                  |                          |
| - Lease Receivables                                       | 2,39,674.58                      | 2,17,289.34                      | 2,44,147.01              |
| Loans   | 4,944.51                         | 5,933.13                         | 5,933.13                 |
| Investments   | 20.37                            | 8.80                             | 13.66                    |
| Other Financial Assets                                    | 2,28,183.76                      | 2,12,421.92                      | 2,25,272.67              |
| <b>Total Financial Assets</b>                             | <b>4,73,920.77</b>               | <b>4,36,652.56</b>               | <b>4,76,403.36</b>       |
| <b>Non-financial assets</b>                               |                                  |                                  |                          |
| Current Tax Assets (Net)                                  | 368.37                           | 637.42                           | 368.02                   |
| Property, Plant And Equipment (incl. Right of Use Assets) | 22.99                            | 33.17                            | 17.93                    |
| Other Intangible Assets                                   | 1.17                             | 1.66                             | 1.26                     |
| Other Non-Financial Assets                                | 12,812.01                        | 13,658.63                        | 14,356.17                |
| <b>Total Non-Financial Assets</b>                         | <b>13,204.54</b>                 | <b>14,330.88</b>                 | <b>14,743.39</b>         |
| <b>Total Assets</b>                                       | <b>4,87,125.31</b>               | <b>4,50,983.44</b>               | <b>4,91,146.75</b>       |





# Financials – Balance sheet (2/2)

| <b>LIABILITIES AND EQUITY</b>   |                    |                    |                    |
|---|--------------------|--------------------|--------------------|
| <b>LIABILITIES</b>  |                    |                    |                    |
| <b>Financial Liabilities</b>  |                    |                    |                    |
| Derivative Financial Instruments  | 1,436.81           | 917.30             | 907.28             |
| 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                       | -                  | 0.35               | 0.98               |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 2.43               | 30.34              | 12.18              |
| Debt Securities   | 2,13,585.91        | 1,96,924.22        | 2,16,094.23        |
| Borrowings (Other Than Debt Securities)   | 1,96,513.99        | 1,90,749.83        | 2,02,835.03        |
| Other Financial Liabilities (incl. Lease Liability)   | 28,373.53          | 19,621.54          | 25,636.85          |
| <b>Total Financial Liabilities</b>  | <b>4,39,912.67</b> | <b>4,08,243.58</b> | <b>4,45,486.55</b> |
| <b>Non-Financial Liabilities</b>  |                    |                    |                    |
| Current Tax Liabilities (Net)   | -                  | -                  | -                  |
| Provisions  | 120.51             | 46.63              | 104.80             |
| Deferred Tax Liabilities (Net)  | -                  | -                  | -                  |
| Other Non-Financial Liabilities   | 58.38              | 36.08              | 85.08              |
| <b>Total Non-Financial Liabilities</b>  | <b>178.89</b>      | <b>82.71</b>       | <b>189.88</b>      |
| <b>Total Liabilities</b>  | <b>4,40,091.56</b> | <b>4,08,326.29</b> | <b>4,45,676.43</b> |
| <b>Equity</b>   |                    |                    |                    |
| <b>Equity Share Capital</b>   | <b>13,068.51</b>   | <b>13,068.51</b>   | <b>13,068.51</b>   |
| Other Equity  | 33,965.24          | 29,588.64          | 32,401.81          |
| Total Equity  | 47,033.75          | 42,657.15          | 45,470.32          |
| <b>Total Liabilities And Equity</b>   | <b>4,87,125.31</b> | <b>4,50,983.44</b> | <b>4,91,146.75</b> |

