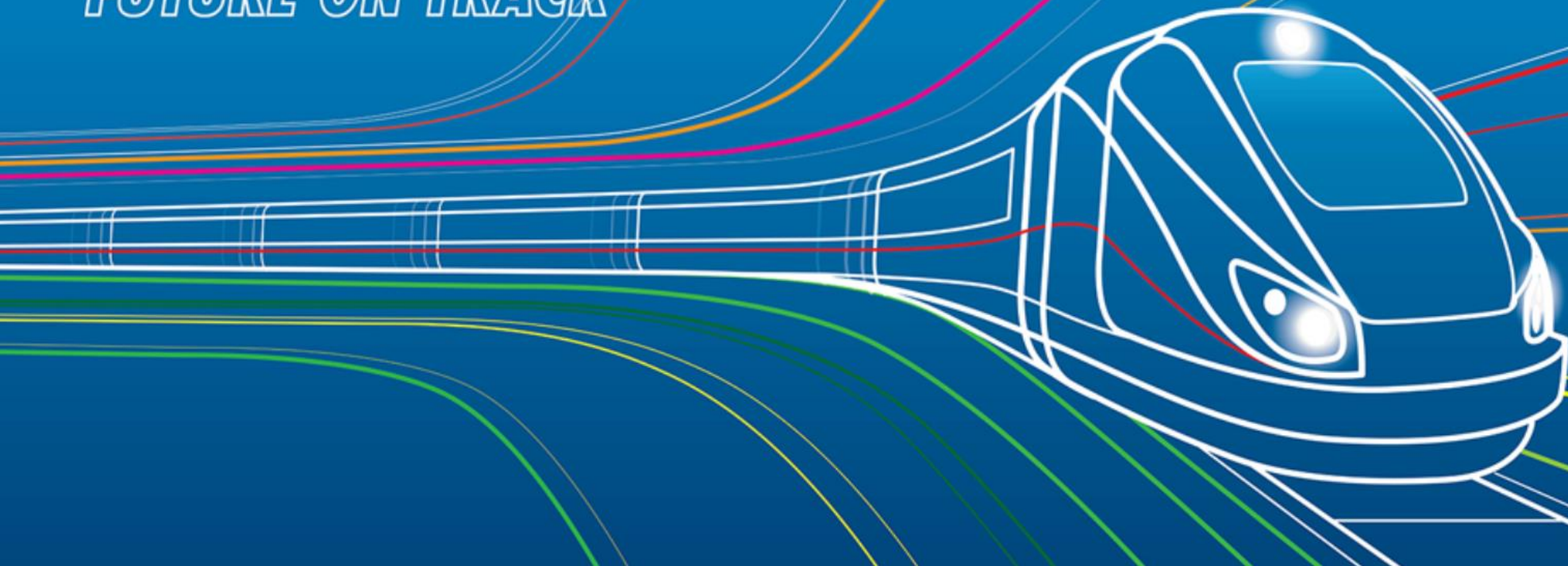


**FUTURE ON TRACK**



**Indian Railway Finance Corporation Limited**

For year ended: 31<sup>st</sup> March 2022

24<sup>th</sup> May 2022

# Key Strengths

1

**Strategic role in growth of Indian Railways**

**AUM CAGR (FY19-22)**

**27 %**

- Dedicated market borrowing arm for the Indian Railways (IR)
- AUM has grown at 15.32% year on year and stands at INR 4,15,237.68 crore

2

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

**GNPA (FY22)**

**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 four 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 (FY22)**

**INR 40,996.33 Cr**

- Profit growth of 37.91% on year on year basis for FY 2021-22
- Revenue from operations grew by 28.73% on year to year basis for FY 2021-22
- Low overheads, administrative costs and high operational efficiency
- Healthy return ratios – RoA at 1.47% and RoE at 14.86% for FY22

6

**Enjoys Regulatory Exemptions**

**Tax Liability**

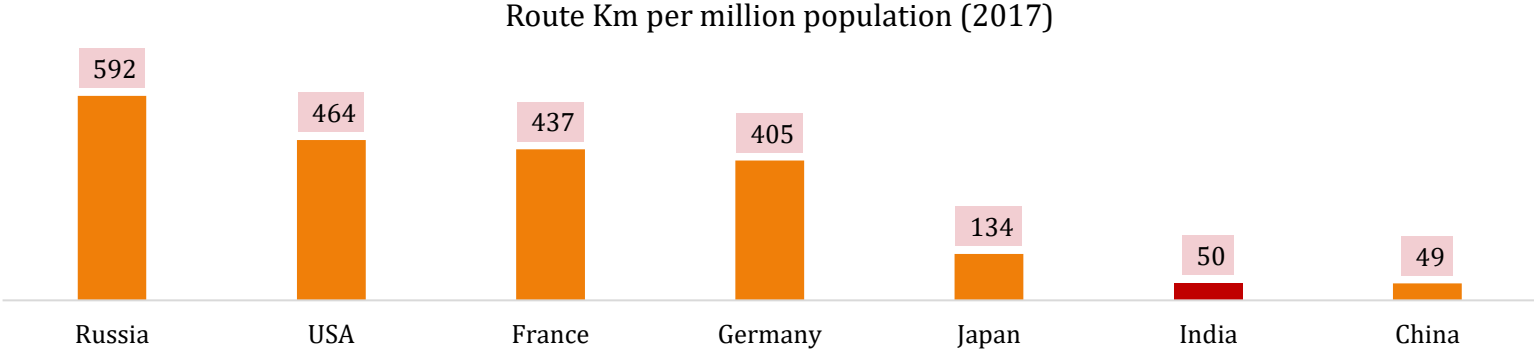
**NIL**

- Exempted from the RBI's asset classification norms, provisioning norms, exposure norms to the extent of direct exposure on MoR and is , is not required to pay 'minimum alternate tax' with effect from Fiscal 2020

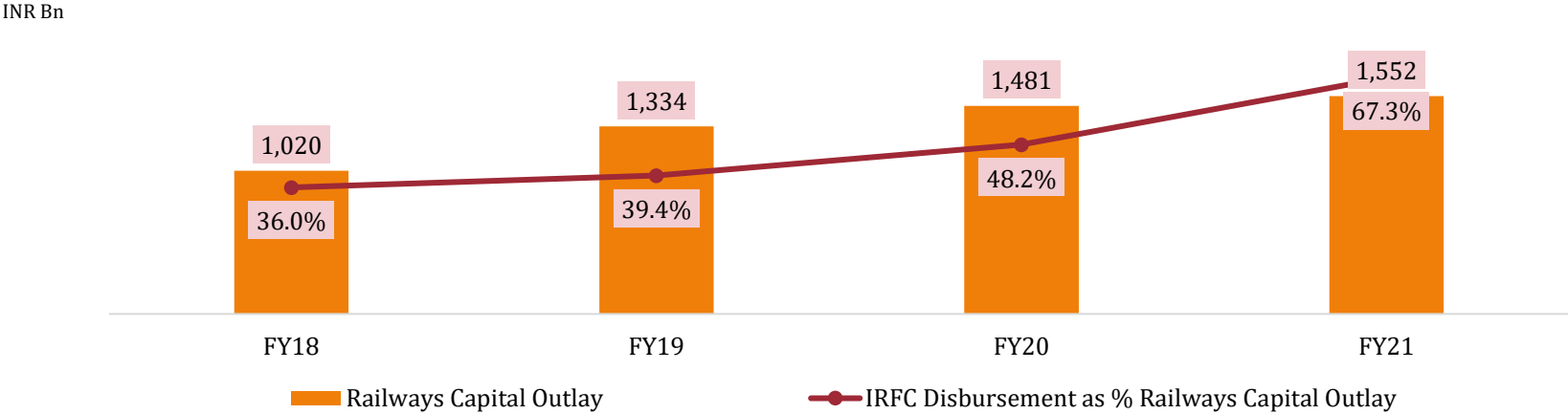


# Strategic role in financing growth of Indian Railways

Indian Railways is fairly underpenetrated compared to the Global peers



## IRFC funding to MoR

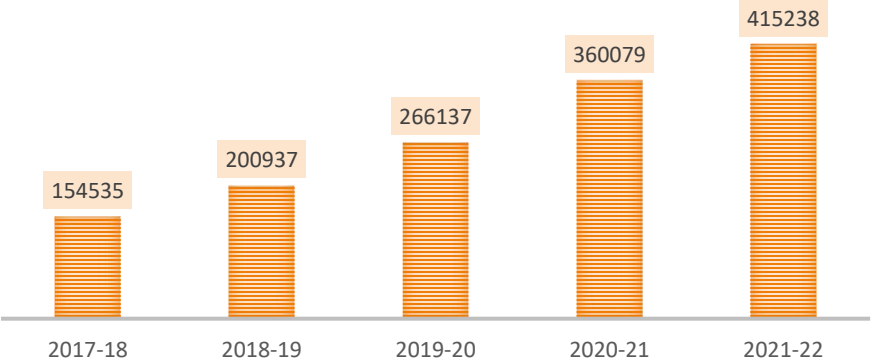


Source: National Infrastructure Pipeline , Report of the Task force , Department of Economic affairs , Ministry of Finance , GoI – Volume I



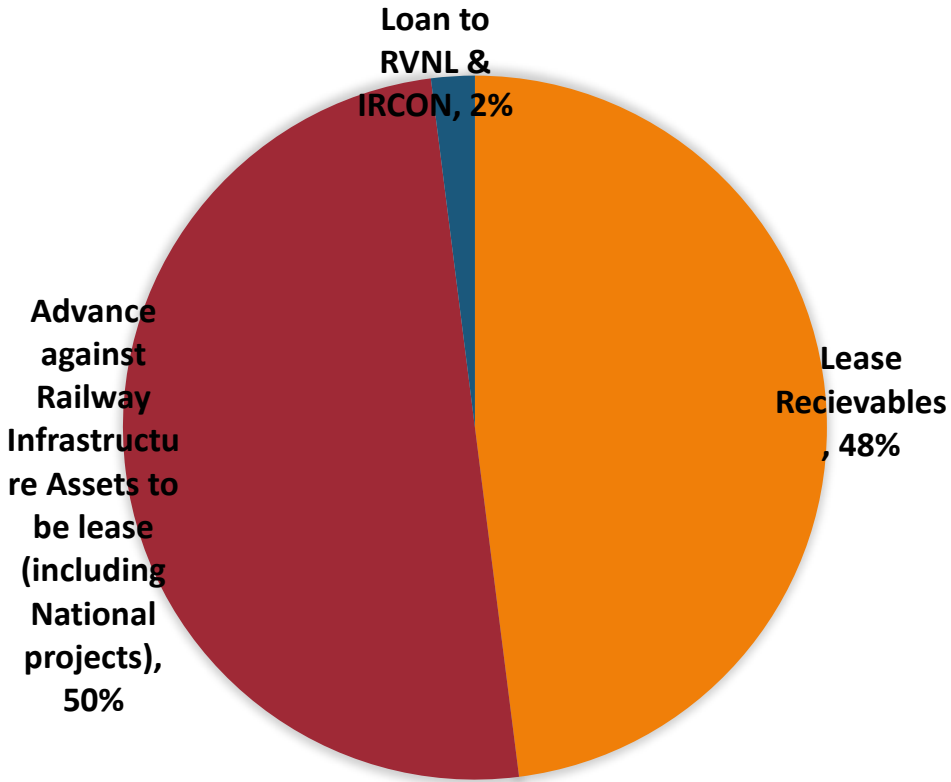
# Strategic role in financing growth of Indian Railways

## Assets Under Management

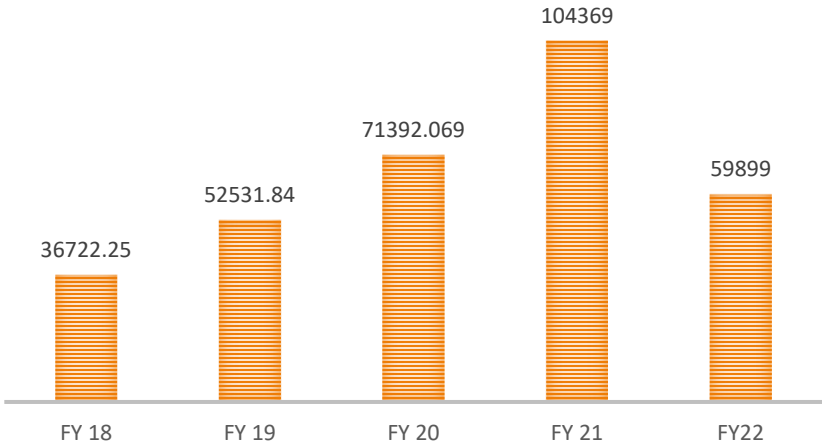


## AUM Break-Up ( FY22)

Minimal credit risk : 98% of AUM is exposure to MoR



## Disbursements

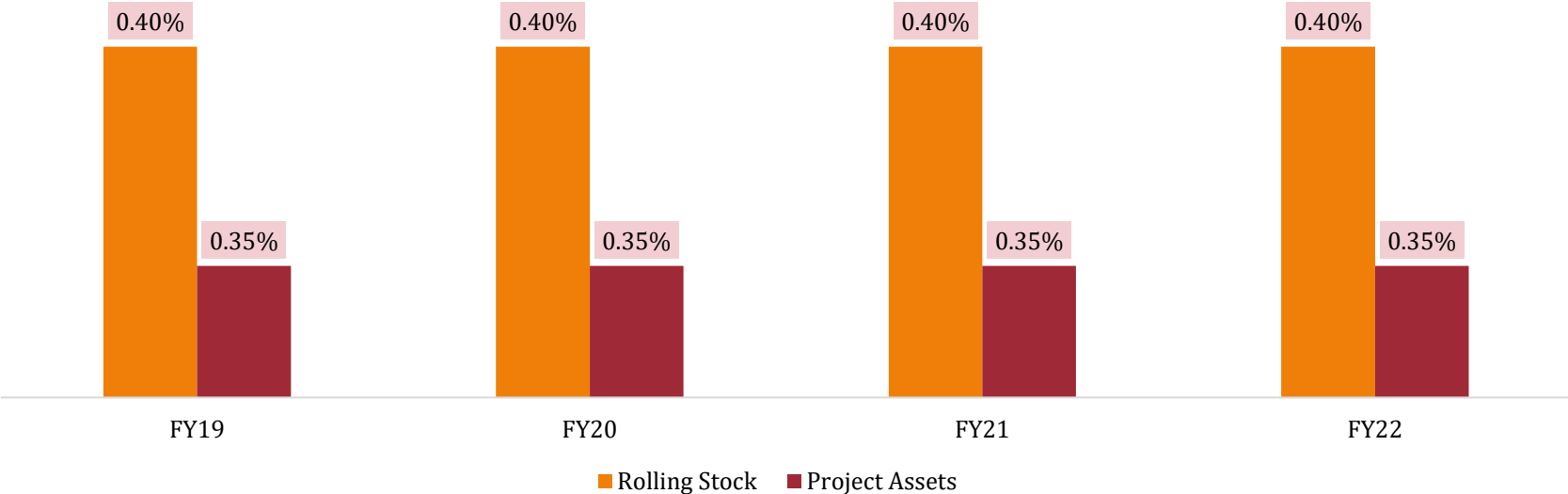


All figures are in INR Crore, unless specified otherwise



# 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 saving in finance cost

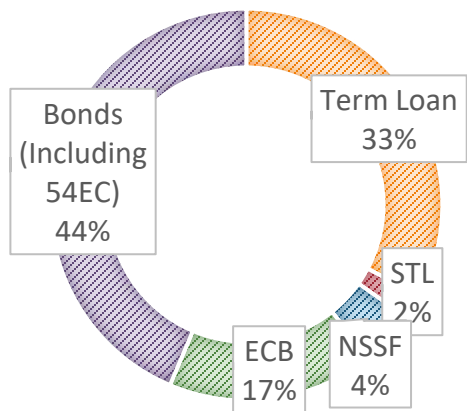
IRFC charges a minimal margin (spread) over its already low-cost of borrowing, to MoR, but still exhibits consistent financial performance, owing to its robust business model



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

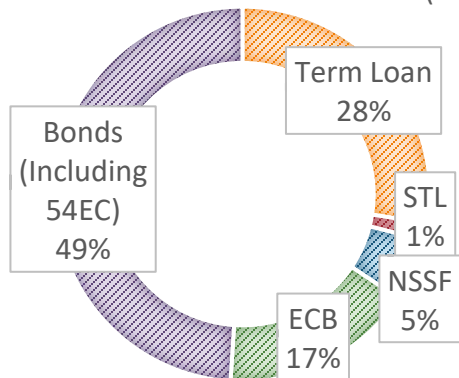
## Borrowing Mix as on 31<sup>st</sup> March 2022

Term Loan STL NSSF ECB Bonds (Including 54EC)



## Borrowing Mix as on 31<sup>st</sup> March 2021

Term Loan STL NSSF ECB Bonds (Including 54EC)



| Particulars (31 <sup>st</sup> March 2022) | Rating     | Outlook  |
|---|------------|----------|
| <b>Domestic:</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>International **</b>                   |            |          |
| Moody's                                   | Baa3       | Stable   |
| Standard and Poor's                       | BBB-       | Stable   |
| Fitch                                     | BBB-       | Negative |
| Japanese Credit Rating Agency             | BBB+       | Stable   |

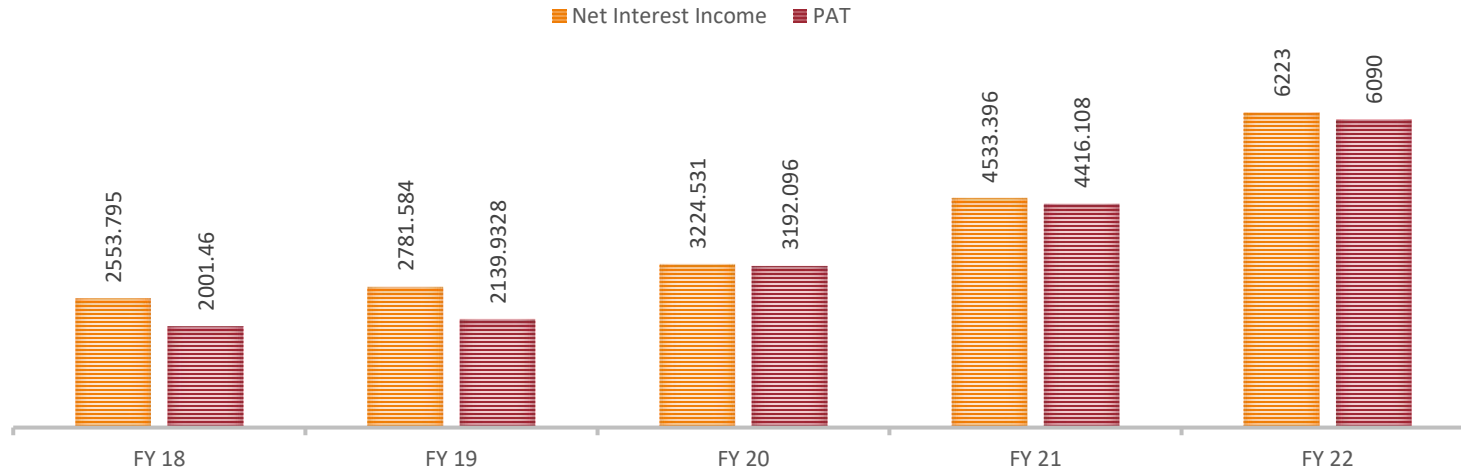
*Diversified sources of funding, credit ratings and strategic relationship with the MoR, have enabled IRFC to keep costs of borrowing competitive*

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

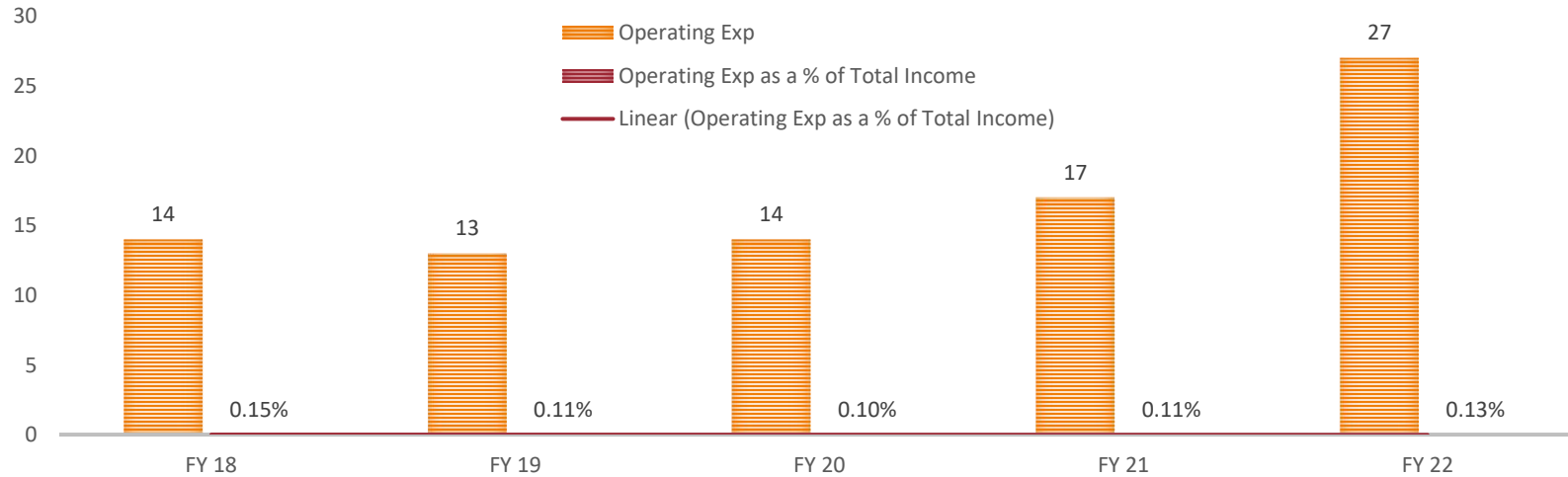


# Consistent Financial Performance

## Net Interest Income & PAT



## Negligible Operating Expenses

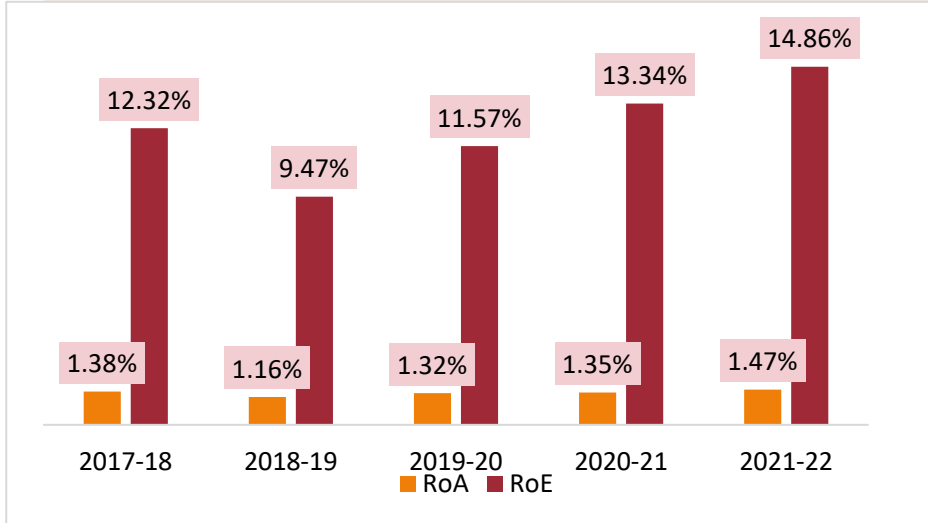


All figures are in INR Crore, unless specified otherwise

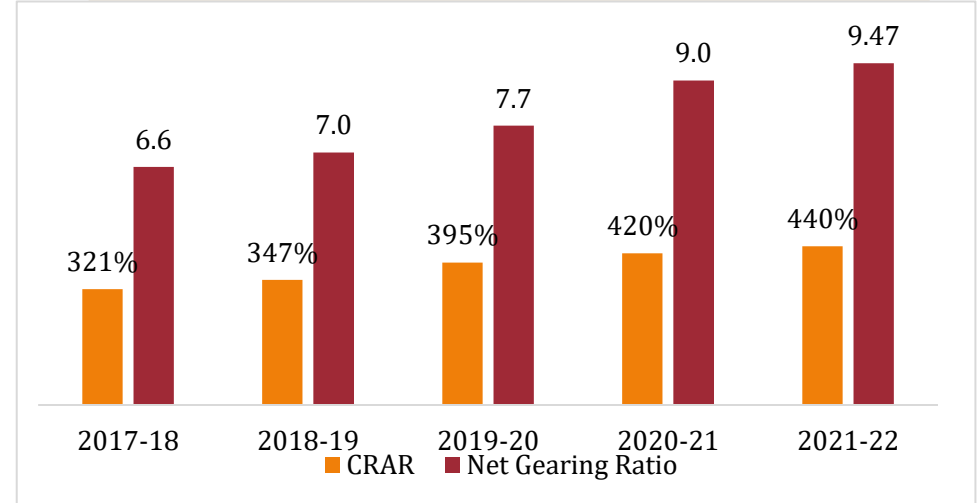


# Consistent Financial Performance

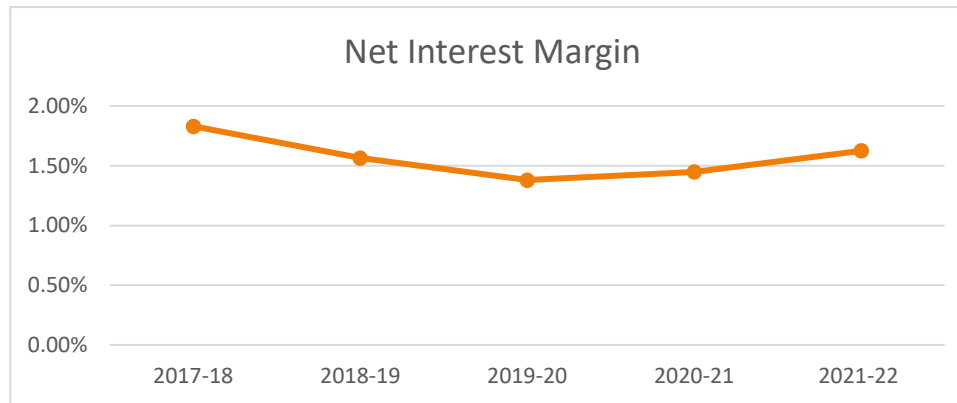
## Return Ratios



## CRAR and Net Gearing Ratio



## Net Interest Margin



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





## Key Ratios- FY 2021-22

| Particulars         | FY 2021-22 |
|---------------------|------------|
| Net Interest Margin | 1.60%      |
| Return on Equity    | 14.86%     |
| Net Gearing Ratio   | 9.47 x     |
| CRAR                | 440%       |
| EPS                 | 4.66       |



## Snapshot of Key Financials

| Particulars                       | Year-Ended                  |             | Year-Ended                  |
|-----------------------------------|-----------------------------|-------------|-----------------------------|
|                                   | 31 <sup>st</sup> March 2022 | Growth in % | 31 <sup>st</sup> March 2021 |
| <b>Revenue from Operations</b>    | 20,298                      | 29%         | 15,770                      |
| <b>Finance Cost</b>               | 14,075                      | 25%         | 11,237                      |
| <b>Net Interest Income</b>        | 6,223                       | 37%         | 4,533                       |
| <b>Profit Before Tax</b>          | 6,090                       | 38%         | 4,416                       |
| <b>Profit After Tax</b>           | 6,090                       | 38%         | 4,416                       |
| <b>Total Comprehensive Income</b> | 6,090                       | 38%         | 4,418                       |

All figures are in INR Crore



## Recent Developments

- Ranked 96<sup>th</sup> in fortune 500 Companies list.
- Raised Green loan - USD 1.1 Bn
- Issued Green Bonds – USD 500 Mn
- Lease Agreement for funding to railway project (EBR-IF) and National Project has been executed for the FY 2015-16 and 2018-19 respectively.





**Thank You**



# Disclaimer

- \* The presentation is prepared based on audited financial statements of IRFC the Year ended 31<sup>st</sup> March 2022.
- \* 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 super ceded.
- \* 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

| (INR Crore)                                      | Year- Ended<br>March 2022 | Year- Ended<br>March 2021 |
|--|---------------------------|---------------------------|
| Revenue from operations                          |                           |                           |
| Interest income                                  | 7,294.67                  | 3,943.66                  |
| Dividend income                                  | 0.99                      | 0.25                      |
| Lease income                                     | 13,003.59                 | 11,826.56                 |
| <b>Total revenue from operations</b>             | <b>20,299.25</b>          | <b>15,770.47</b>          |
| Other income                                     | 2.33                      | 0.39                      |
| <b>Total income</b>                              | <b>20,301.58</b>          | <b>15,770.86</b>          |
| Finance costs                                    | 14074.78                  | 11,237.05                 |
| Impairment on financial instruments              | 0.46                      | 2.72                      |
| Employee benefit expense                         | 10.75                     | 7.85                      |
| Depreciation, amortization and impairment        | 14.02                     | 4.43                      |
| Other expenses                                   | 111.43                    | 102.68                    |
| <b>Total expenses</b>                            | <b>14,211.44</b>          | <b>11,354.73</b>          |
| Profit before exceptional items and tax          | 6,090.15                  | 44,16.13                  |
| Exceptional items                                | -                         | -                         |
| <b>Profit before tax</b>                         | <b>6,090.15</b>           | <b>4,416.13</b>           |
| Tax expense                                      |                           |                           |
| Current tax                                      |                           |                           |
| Deferred tax                                     |                           |                           |
| Adjustment for earlier year                      | 0.32                      |                           |
| <b>Total Tax Expenses</b>                        | <b>0.32</b>               |                           |
| Profit for the period from continuing operations |                           | <b>4,416.13</b>           |
| Profit from discontinued operations              |                           |                           |
| Tax expense of discontinued operations           |                           |                           |
| Profit from discontinued operations (after tax)  |                           |                           |
| <b>Profit for the period</b>                     | <b>6,089.83</b>           | <b>4,416.13</b>           |



# Financials – Balance sheet (1/2)

| Particulars                       | As at 31 <sup>st</sup> March 2022 | As at 31 <sup>st</sup> March 2021 |
|-----------------------------------|-----------------------------------|-----------------------------------|
| <b>ASSETS</b>                     |                                   |                                   |
| <b>Financial assets</b>           |                                   |                                   |
| Cash and cash equivalents         | 146.49                            | 297.19                            |
| Bank balance other than above     | 156.88                            | 161.73                            |
| Derivative financial instruments  | 202.33                            | 76.01                             |
| Receivables                       |                                   |                                   |
| - Lease receivables               | 2,00,692.50                       | 1,65,568.99                       |
| Loans                             | 6,824.81                          | 6,969.81                          |
| Investments                       | 10.01                             | 11.98                             |
| Other financial assets            | 2,24,777.92                       | 1,97,128.25                       |
| <b>Total financial assets</b>     | <b>4,32,810.93</b>                | <b>3,70,213.97</b>                |
| Current tax assets (net)          | 637.31                            | 933.38                            |
| Property, plant and equipment     | 13.89                             | 10.95                             |
| Right to use of Assets            | 22.43                             | 34.37                             |
| Other Intangible assets           | 1.65                              | 0.04                              |
| Other non-financial assets        | 16,494.03                         | 6,859.00                          |
| <b>Total non-financial assets</b> | <b>17,169.30</b>                  | <b>7,837.74</b>                   |
| <b>Total Assets</b>               | <b>4,49,980.22</b>                | <b>3,80,481.52</b>                |



# Financials – Balance sheet (2/2)

| Particulars   | As at 31 <sup>st</sup> March 2022 | As at 31 <sup>st</sup> March 2021 |
|---|-----------------------------------|-----------------------------------|
| <b>LIABILITIES AND EQUITY</b>   |                                   |                                   |
| <b>LIABILITIES</b>  |                                   |                                   |
| Financial liabilities   |                                   |                                   |
| Derivative financial instruments  | 566.93                            | 360.13                            |
| 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                       | 1.00                              | 0.38                              |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 23.57                             | 50.38                             |
| Debt securities   | 1,94,174.95                       | 1,78,574.79                       |
| Borrowings (other than debt securities)   | 1,94,241.66                       | 1,44,535.89                       |
| Lease Liabilities   | 23.35                             | 34.59                             |
| Other financial liabilities   | 19,425.20                         | 19,602.90                         |
| <b>Total financial liabilities</b>  | <b>4,08,456.67</b>                | <b>3,43,159.06</b>                |
| Non-financial liabilities   |                                   |                                   |
| Current tax liabilities (net)   |                                   |                                   |
| Provisions  | 53.57                             | 29.12                             |
| Deferred tax liabilities (net)  |                                   |                                   |
| Other non-financial liabilities   | 473.64                            | 1,379.96                          |
| <b>Total non-financial liabilities</b>  | <b>527.21</b>                     | <b>1,409.08</b>                   |
| <b>Total liabilities</b>  | <b>4,08,983.88</b>                | <b>3,44,568.14</b>                |
| <b>EQUITY</b>   |                                   |                                   |
| Equity share capital  | 13,068.51                         | 13,068.51                         |
| Other equity  | 27,927.83                         | 22,844.88                         |
| <b>Total equity</b>   | <b>40,996.34</b>                  | <b>35,913.38</b>                  |
| <b>Total Liabilities and Equity</b>   | <b>4,49,980.22</b>                | <b>3,80,481.52</b>                |

