



**INDIAN RAILWAY FINANCE CORPORATION LTD.**

(A Government of India Enterprise) (CIN : U65910DL1986GOI026363)  
Regd. Office: Room Nos. 1316 - 1349, 3rd Floor, Hotel The Ashok, Diplomatic Enclave,  
50-B, Chanakyapuri, New Delhi - 110021 Phone - 011 24100385  
E-mail : info@irfc.nic.in, Website : www.irfc.nic.in

No: IRFC/SE/2021-22/15

30<sup>th</sup> June, 2021

<b>National Stock Exchange of India Limited</b> Listing department, Exchange Plaza, Bandra- Kurla Complex, Bandra (E) Mumbai- 400 051	<b>BSE Limited</b> Listing Dept / Dept of Corporate Services, PJ Towers, Dalal Street, Mumbai -400 001
<b>Scrip Symbol: IRFC</b>	<b>Scrip Code: 543257</b>


**Sub: Intimation of Investor Presentation**

Sir/ Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the copy of 'Investor Presentation' on the Financial Results for Q4/ FY21.

This is submitted for your information and record.

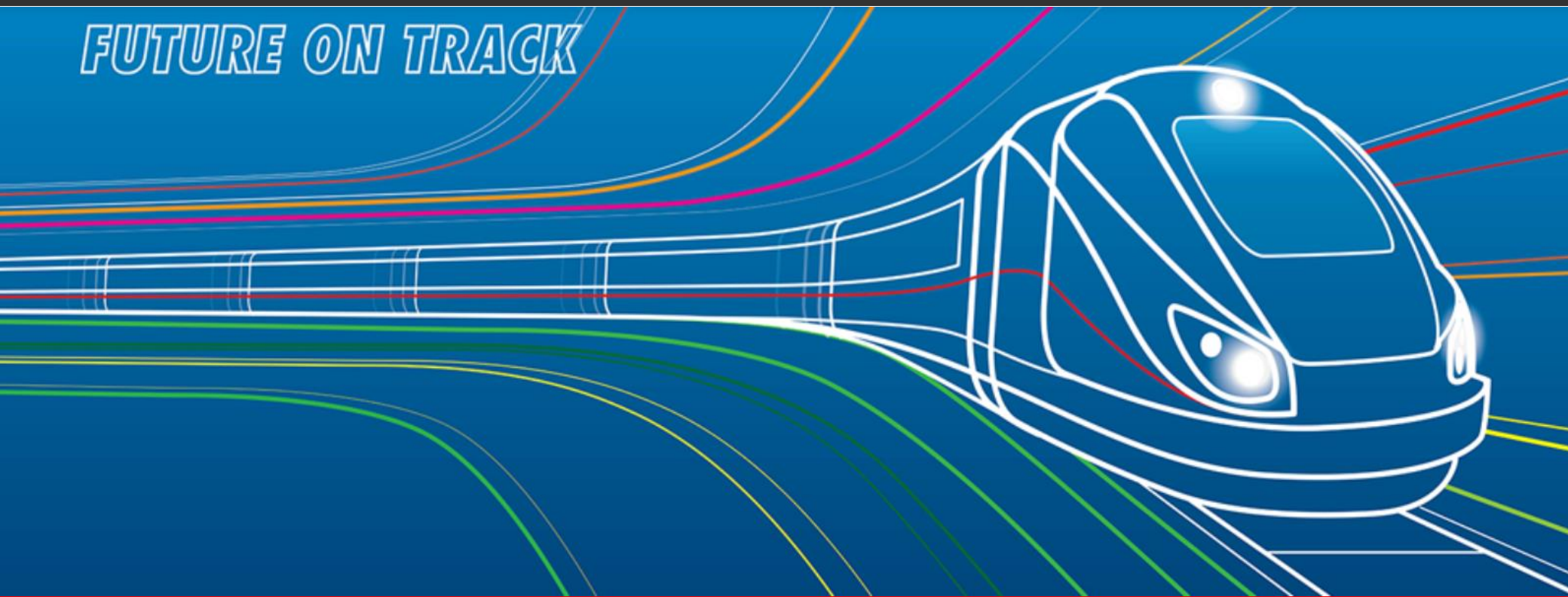
Thanking You,  
For Indian Railway Finance Corporation Limited

  
(Vijay Babulal Shirode)  
Company Secretary & Compliance Officer



Encl: As Above

**FUTURE ON TRACK**



**Indian Railway Finance Corporation Limited**

**Investor's Presentation- FY 2020-21**

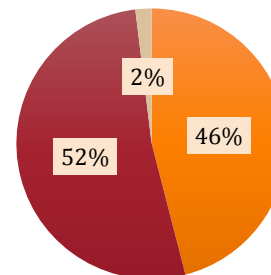
**30<sup>th</sup> June 2021**

# Company Overview

## Company Profile

- IRFC is registered with RBI as a Systemically Important NBFC-ND-IFC, majorly owned by the GoI, acting through Ministry of Railways (MoR)
- 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 GoI
  - Lending to other entities under MoR

## AUM Break-Up (FY 20-21)



- Lease Recievables from Rolling Stock Assets
- Railway Project Assets (incl. National Projects)
- Loan to Other entities under MoR

### AUM & CAGR (FY 19-21)

INR 3,60,079 crore  
32.6%



### Net worth

INR 35,913.4 crore



### RoE / RoA

13.34% / 1.35%



### GNPA

NIL



### Tax Liability

NIL



### Total Debt

INR 3,23,111 crore



### NIM

1.43%



### Ratings

CRISIL AAA | CRISIL A1+  
ICRA AAA | ICRA A1+  
CARE AAA | CARE A1+

### Net Gearing Ratio

9X

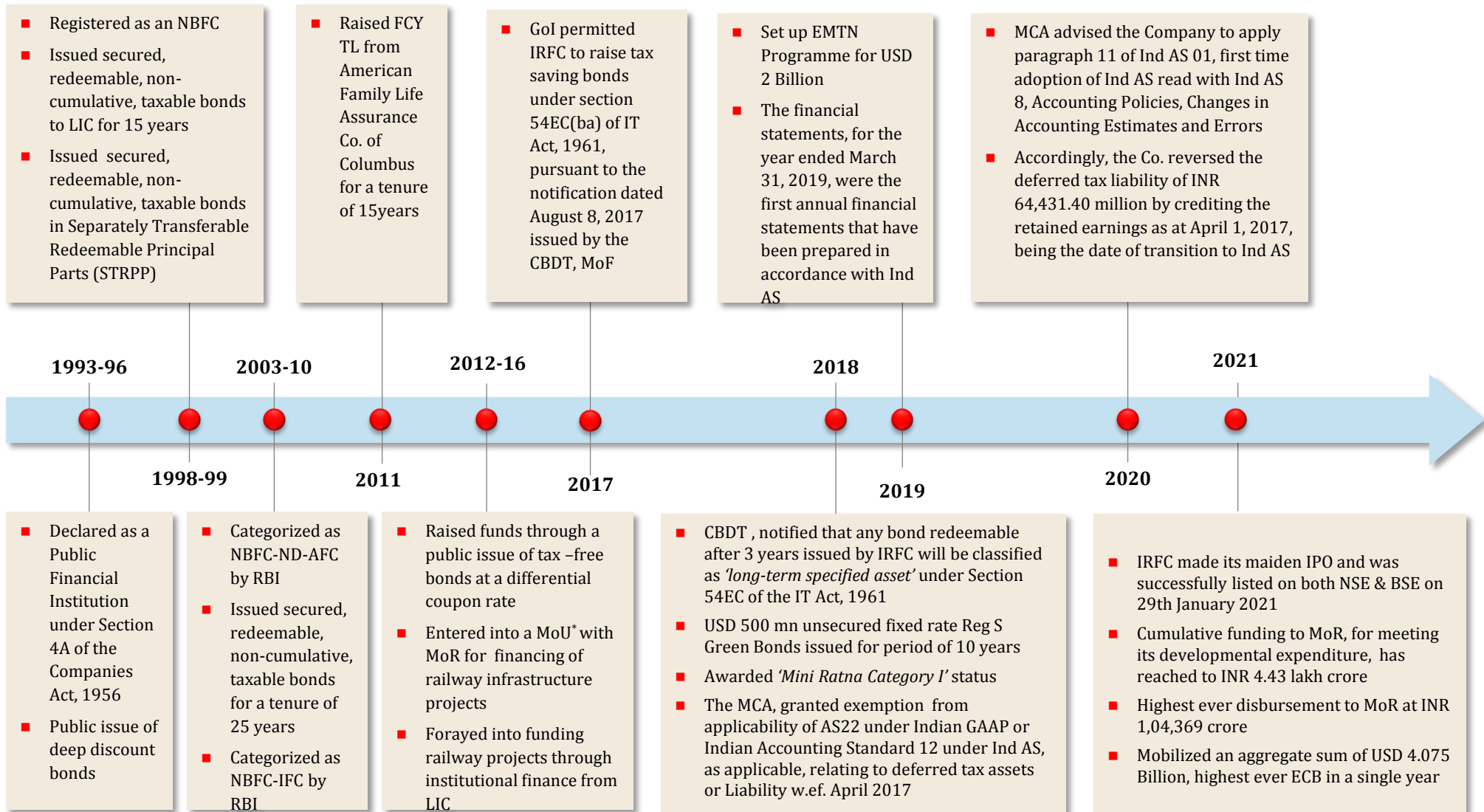


### CRAR %

415.85%



# Growth Journey



# Key Strengths

## 1 Strategic role in growth of Indian Railways

- Dedicated market borrowing arm for the Indian Railways (IR)
- Financed 67.3% of the capital outlay of the IR in FY 20-21
- Highest ever annual disbursement to MoR, at INR 1,04,369 crore during the FY 20- 21

## 2 Competitive Cost of Borrowings

- Highest credit rating for an Indian issuer from ICRA, CRISIL & CARE
- Diversified funding sources of various maturities & currencies, including taxable and tax-free bonds, term loans from banks/FIs, ECB's, internal accruals, asset securitization etc. in addition to equity infusion, from time-to-time

## 3 Low risk, Cost -Plus business model

- Strategic relationship with the MoR enables us to maintain a low risk profile (NIL GNPA)
- Cost-Plus Standard Lease Agreements with MoR
- Expenses incurred w.r.t any foreign currency/ interest hedging costs and/ or losses (and gains, if any) as well as are built into the weighted average cost of borrowing

## 4 Strong Asset-Liability Management

- 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 Profit grew at a CAGR of 31.5% from FY 18-19 to FY 20-21
- Low overheads, administrative costs and high operational efficiency

## 6 Experienced Senior Management team

- Industry knowledge and experience of the senior management enables development and implementation of a consistent business plan; and maintaining consistent business growth over the years



# IRFC is a Systemically Important NBFC-ND-IFC and enjoys certain regulatory exemptions

## Asset classification norms

- IRFC is exempted from the RBI's asset classification norms to the extent of its direct exposure on the sovereign- MoR
- However, company follows the asset classification norms as provided by the RBI for loans/ leases/ advances to entities other than MoR

## Provisioning norms

- IRFC is exempted from the RBI's provisioning norms to the extent of its direct exposure on the sovereign- MoR
- However, company follows provisioning norms as provided by the RBI for loans/ leases/ advances to entities other than MoR

## Exposure norms

- IRFC is exempted from the RBI's exposure norms to the extent of its direct exposure on the sovereign- MoR

## Credit Concentration norms

- IRFC was granted exemption by the RBI from credit concentration norms to the extent of 100% of their owned funds for their exposure to Railway entities in which the ownership of the State/Central Government is minimum 51%

## Minimum Alternate Tax

- IRFC is outside the scope of section 115JB of the Income Tax Act, 1961 and accordingly, is not required to pay 'minimum alternate tax' with effect from Fiscal 2020.
- After adoption of Section 115BAA, the taxable income under the normal income tax provision may become NIL and IRFC will be outside the scope and applicability of MAT Provision under section 115JB of Income Tax Act, 1961. Hence, no tax liability may be there w.e.f F.Y 2019-20 on the Company

## Goods and Service Tax

- The GST Council has exempted the services of leasing of assets (rolling stock assets including wagons, coaches, locos) by IRFC to MoR from the levy of Goods & Service Tax (GST) with effect from 1<sup>st</sup> July 2017



## FY 2020-21: Snapshot of Annual Key Financials

Particulars	FY 2018-19*	FY 2019-20*	FY 2020-21*
<b>Revenue from Operations</b>	1,09,87.35	13,421.01	15,770.47
<b>Finance Cost</b>	8,183.06	10,162.66	11,237.05
<b>Net Interest Income</b>	2,781.58	3,224.53	4,533.40
<b>Profit Before Tax</b>	2,755.34	3,192.09	4,416.13
<b>Profit After Tax</b>	2,139.93	3,192.09	4,416.13
<b>Total Comprehensive Income</b>	2,140.09	3,191.54	4,417.60

*All figures are in INR Crore  
\* Audited*



## FY 2020-21: Snapshot of Quarterly Key Financials

Particulars	Q4 FY 20	Q4 FY 21	Growth %
Revenue from Operations	3,202.52	4,454.97	38.98%
Profit before tax	654.66	1,482.55	126.46%
Profit After Tax	654.66	1,482.55	126.46%

*All figures are in INR Crore*





## Quarter wise disbursement

Particulars	FY 19	FY 20	FY 21
Q1	5,666	5,860	8,700
Q2	4,500	11,364	9,865
Q3	5,046	12,139	16,550
Q4	37,268	42,029	69,246
<b>Total Disbursement</b>	<b>52,480</b>	<b>71,392</b>	<b>1,04,370</b>

*All figures are in INR Crore*



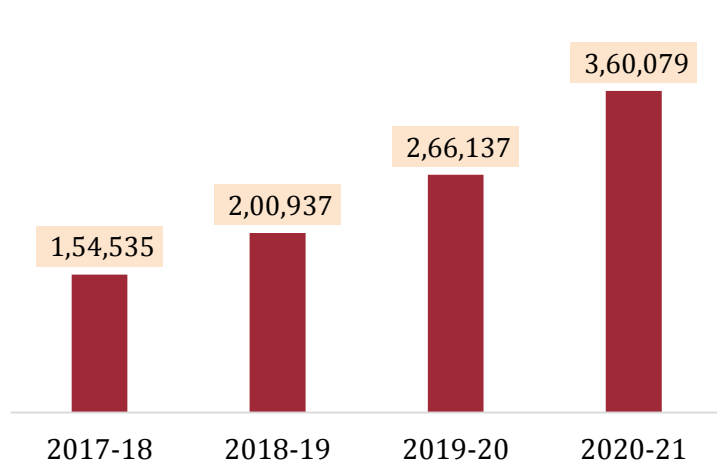
# Key Ratios

Particulars	FY 2020-21
Net Interest Margin	1.43%
Return on Net Worth	13.34%
Interest Coverage Ratio	1.39x
Debt / Equity Ratio	9 x
CRAR	415.85 %

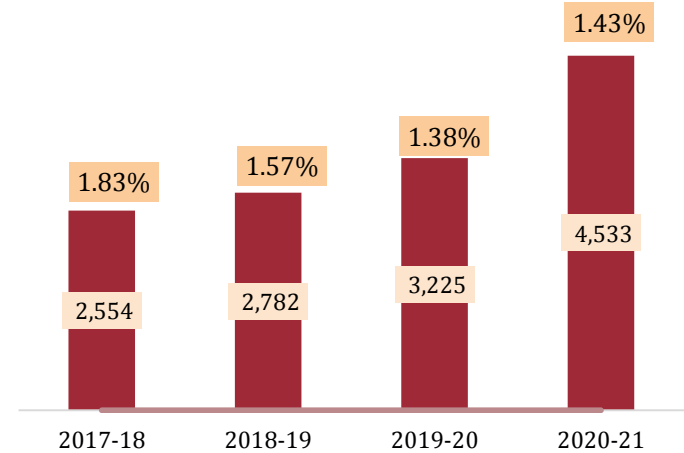


# Consistent Financial Performance

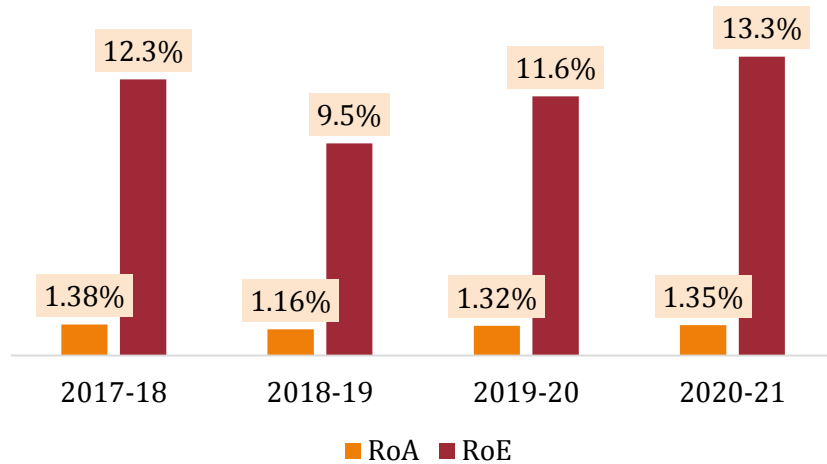
## Assets Under Management



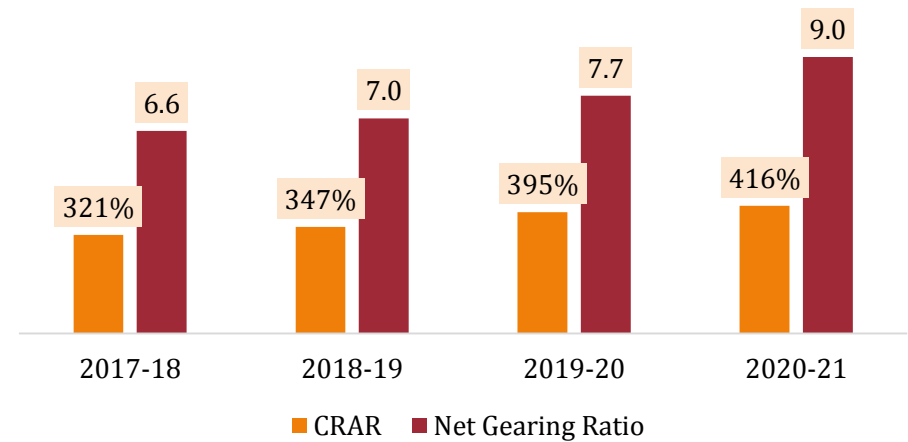
## Net Interest Income (NII) and NIM %



## Return Ratios



## CRAR and Net Gearing Ratio



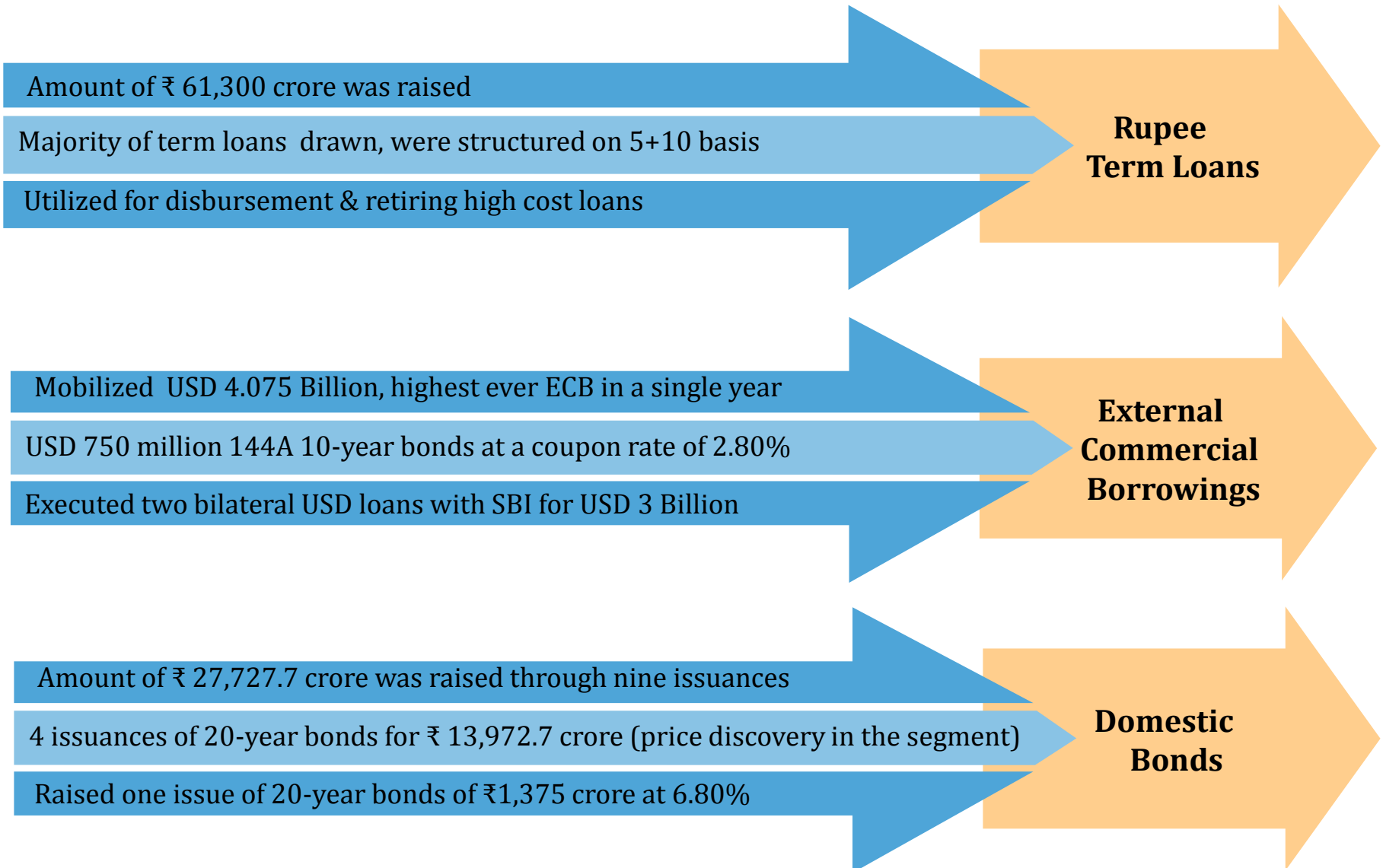
■ RoA ■ RoE

■ CRAR ■ Net Gearing Ratio

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



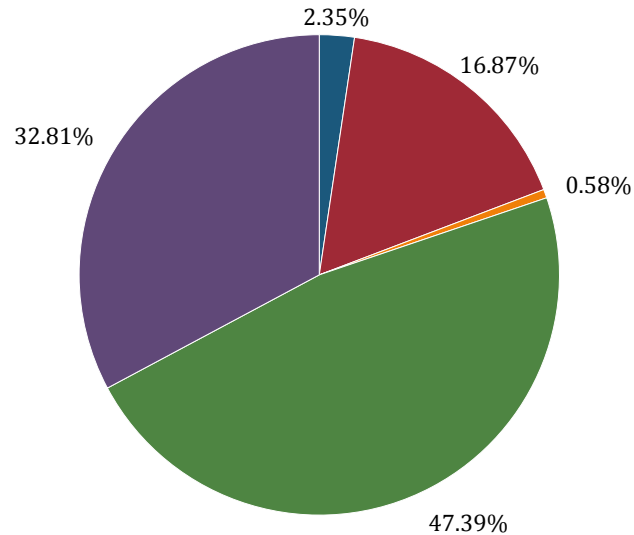
# Borrowing Highlights for FY 2020-21



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

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

Total borrowings as of 31<sup>st</sup> March 2021



- Short Term Loans
- External Commercial Borrowing
- 54EC Bonds
- Domestic Bonds
- Long Term Rupee Term Loan from Bank

Particulars (31 <sup>st</sup> March 2021)	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

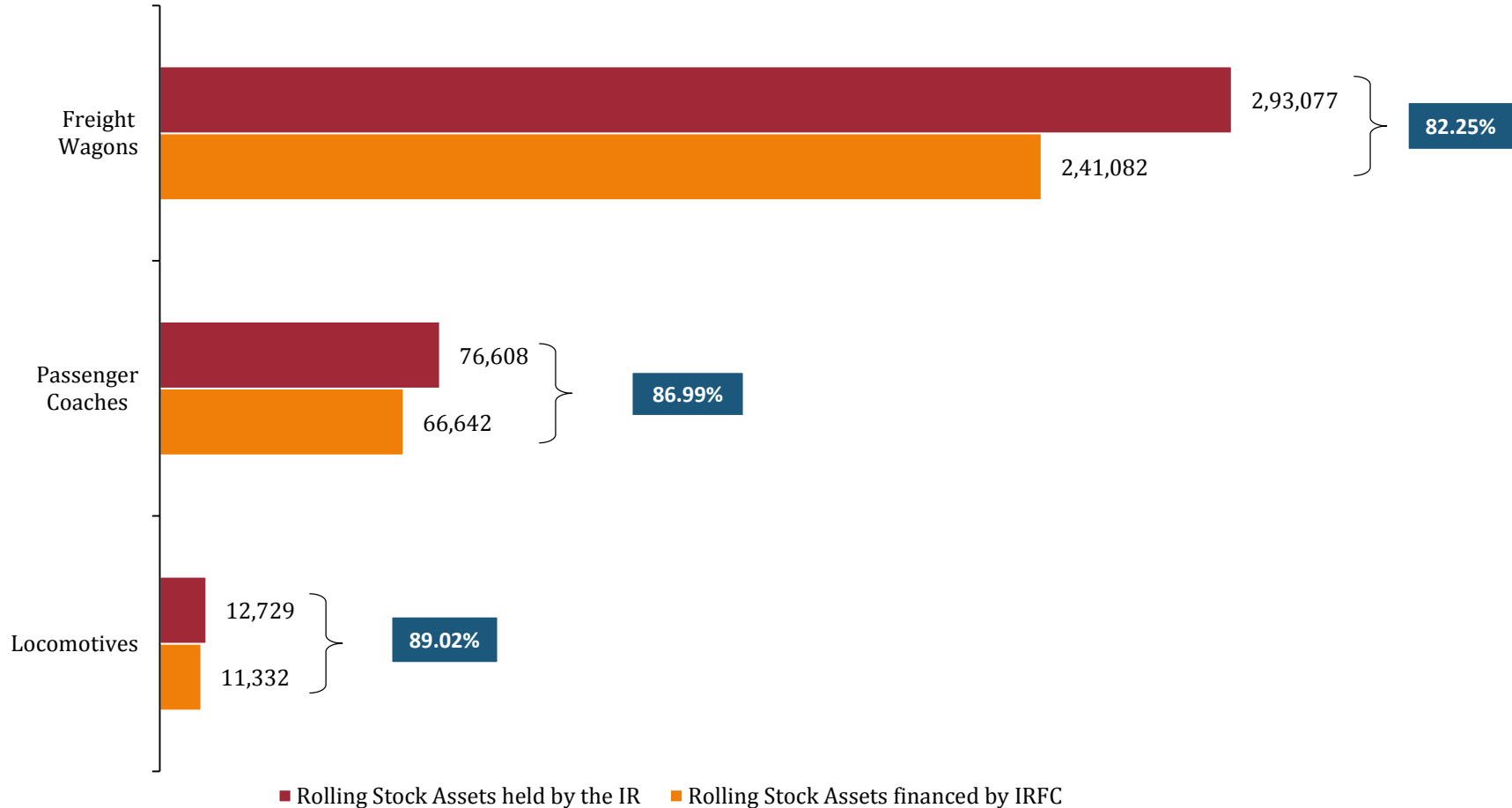
\*\*On par with India's sovereign ratings;



# Strategic role in financing growth of Indian Railways (2/1)

IRFC Share in Indian Railways Rolling Stock as of 31<sup>st</sup> March, 2020

(No. of Units / %)



Source: Ministry of Railways letter dated September 28, 2020 ; Assets financed till March 31<sup>st</sup>, 2019 since commencement of Business

(1) Rolling stock assets includes both powered and unpowered vehicles, for example locomotives, coaches, wagons, trucks, flats, electric multiple units, containers, cranes, trollies of all kinds and other items of rolling stock components as enumerated in the Standard Lease Agreement

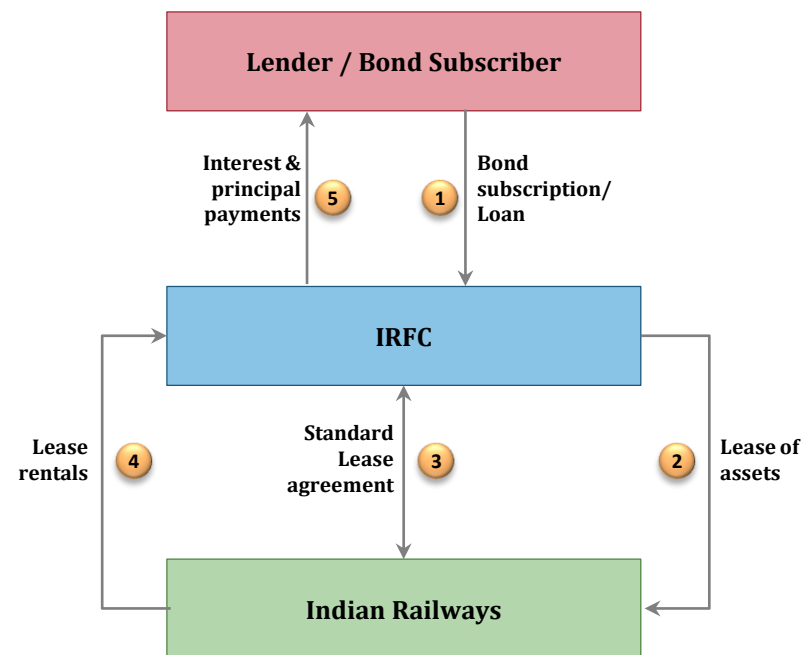
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# Low risk, cost –plus business model (1/2)

## Financing of Rolling Stock Assets

<b>Lease Period</b>	<ul style="list-style-type: none"> <li>30 years (primary period &amp; secondary period of 15 years)</li> <li>During the primary and secondary lease periods, the full value of assets, including interest, has been recovered from the MoR</li> <li>After 30 years, assets are transferred to MoR at nominal price</li> </ul>
<b>Standard Lease Agreement</b>	<ul style="list-style-type: none"> <li>Every year, IRFC enters into a Standard Lease Agreement with MoR</li> <li>Lease rentals include the value of the Rolling Stock Assets leased by IRFC to the MoR in the relevant fiscal year, the weighted average cost of borrowing as well as a certain margin, all in accordance with the terms of the Standard Lease Agreement</li> </ul>
<b>Advance Lease Rentals</b>	<ul style="list-style-type: none"> <li>Arrangement to pay lease rentals in advance by MoR in case of difficulties experienced by IRFC in debt servicing</li> <li>IRFC has never availed such a facility from the MoR till date</li> </ul>
<b>Margin</b>	<ul style="list-style-type: none"> <li>In FY21, IRFC was entitled to a margin of 40 bps over weighted average cost of incremental borrowing</li> </ul>



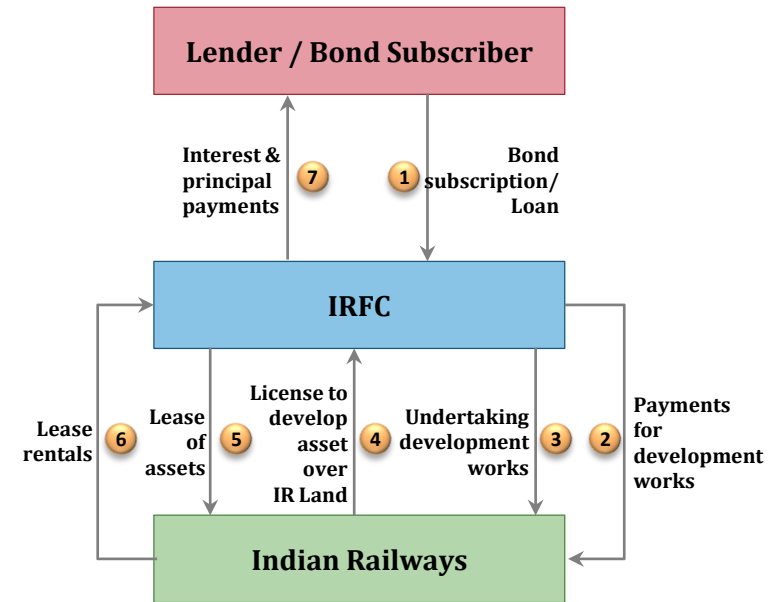
Period	Cost to MoR	Weighted Average Cost of incremental Borrowing to IRFC for financing Rolling Stock Assets	Margin on Incremental Rolling Stock Assets leased
FY2019	8.49%	8.09%	0.40%
FY2020	7.77%	7.37%	0.40%
FY 2021	7.11%	6.71%	0.40%



# Low risk, cost –plus business model (2/2)

## Financing of Project Assets

<b>Standard Lease Agreement</b>	<ul style="list-style-type: none"> <li>IRFC acquired leasehold interest in the project assets under a lease agreement and MoR is required to pay lease rentals.</li> <li>However, IRFC is yet to execute the lease, license and development agency agreements with the MoR (in respect of the projects funding provided by them from FY16 to FY20) as the projects are still being developed and the costs to the MoR have not been completely determined by the MoR</li> </ul>
<b>Margin</b>	<ul style="list-style-type: none"> <li>In FY21, IRFC was entitled to a margin of 35 bps over weighted average cost of borrowing</li> </ul>



Basic terms of loans provided to other PSU entities		RVNL	IRCON
	<b>Date</b>	July 10, 2008 and a supplementary agreement dated March 15, 2013	March 28, 2018
	<b>Tenure</b>	15 years	5 years 15 days
	<b>Initial Moratorium</b>	3 years	1 year
	<b>Instalments</b>	Annual	5 equal instalments commencing from April 15, 2019
	<b>Interest rate</b>	Determined by IRFC on the basis of the annualized weighted average cost of borrowing for the period plus margin.	8.77% (charged on a yearly basis)
<b>Range of Margin</b>	65-88 bps over weighted average cost of borrowing	-	





# Financials – P & L Statement

(INR Mn)	FY18	FY19	FY20	FY 21
Revenue from operations				
Interest income	988.57	1,723.07	2,748.00	3,943.64
Dividend income	0.49	0.51	0.59	0.25
Lease income	8,217.91	9,263.77	10,672.43	11,826.56
Total revenue from operations	9,206.97	10,987.35	13,421.02	15,770.45
Other income	0.87	0.00	0.07	0.39
<b>Total income</b>	<b>9,207.84</b>	<b>10,987.36</b>	<b>13,421.09</b>	<b>15,770.84</b>
Expenses	0.00	0.00	0.00	0.00
Finance costs	6,637.59	8,183.06	10,162.66	11,237.05
Impairment on financial instruments	-	27.54	2.14	2.72
Employee benefit expense	5.52	6.25	6.27	7.85
Depreciation, amortization and impairment	0.35	0.42	0.46	4.43
Other expenses	32.44	14.74	57.47	102.68
<b>Total expenses</b>	<b>6,675.90</b>	<b>8,232.01</b>	<b>10,228.99</b>	<b>11,354.73</b>
Profit before exceptional items and tax	2,531.94	2,755.34	3,192.10	4,416.11
Exceptional items	-	-	-	0.00
<b>Profit before tax</b>	<b>2,531.94</b>	<b>2,755.34</b>	<b>3,192.10</b>	<b>4,416.11</b>
Tax expense	0.00	0.00	0.00	0.00
Current tax	530.48	615.41	-	-
Deferred tax	-	-	-	-
<b>Total Tax Expenses</b>	<b>530.48</b>	<b>615.41</b>	<b>-</b>	<b>-</b>
Profit for the period from continuing operations	2,001.46	2,139.93	3,192.10	4,416.11
Profit from discontinued operations	-	-	0.00	0.00
Tax expense of discontinued operations	-	-	0.00	0.00
Profit from discontinued operations (after tax)	-	-	-	-
<b>Profit for the period</b>	<b>2,001.46</b>	<b>2,139.93</b>	<b>3,192.10</b>	<b>4,416.11</b>



## Financials – Balance sheet (1/2)

Particulars	FY18	FY19	FY20	FY 21
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	1.13	3.71	1.38	297.19
Bank balance other than above	98.69	77.36	99.38	161.73
Derivative financial instruments	96.85	46.69-		76.01
Receivables	0.00	0.00	0.00	0.00
- Lease receivables	109471.66	125026.51	148579.80	165568.99
Loans	5237.96	5895.49	6423.37	6969.82
Investments	13.98	13.15	11.51	11.98
Other financial assets	45077.31	73823.94	118274.25	197128.25
<b>Total financial assets</b>	<b>159997.57</b>	<b>204886.84</b>	<b>273389.70</b>	<b>370213.97</b>
Current tax assets (net)	38.85	41.47	630.84	930.33
Property, plant and equipment	11.27	11.23	11.00	45.32
Other Intangible assets	0.03	0.05	0.04	0.04
Other non-financial assets	1403.33	1498.71	1472.54	6826.06
<b>Total non-financial assets</b>	<b>1453.48</b>	<b>1551.45</b>	<b>2114.43</b>	<b>7837.75</b>
<b>Total Assets</b>	<b>161451.04</b>	<b>206438.30</b>	<b>275504.13</b>	<b>378051.72</b>



# Financials – Balance sheet (2/2)

Particulars	FY18	FY19	FY20	FY 21
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
Financial liabilities				
Derivative financial instruments	749.58	310.69	406.515	360.13
Payables	0	0	0	0
- Trade payables	0	0	0	0
(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	0	0	0	0
(i) total outstanding dues of micro enterprises and small enterprises	0.24	0.01	0.05	0.38
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	8.46	12.16	37.70	50.38
Debt securities	110844.24	123597.89	155290.45	178574.79
Borrowings (other than debt securities)	23161.28	50334.78	79086.26	144535.89
Other financial liabilities	5692.83	7299.94	10337.36	17207.69
<b>Total financial liabilities</b>	<b>140456.64</b>	<b>181555.38</b>	<b>245158.35</b>	<b>340729.25</b>
Non-financial liabilities	0	0	0	0
Current tax liabilities (net)	-	-	-	-
Provisions	10.83	11.79	13.80	29.12
Deferred tax liabilities (net)	-	-	-	-
Other non-financial liabilities	659.27	4.82	32.21	1379.96
<b>Total non-financial liabilities</b>	<b>670.11</b>	<b>16.61</b>	<b>46.02</b>	<b>1409.08</b>
<b>Total liabilities</b>	<b>141126.75</b>	<b>181571.99</b>	<b>245204.37</b>	<b>342138.37</b>
<b>EQUITY</b>				
Equity share capital	6526.46	9380.46	11880.46	13068.51
Other equity	13797.82	15485.84	18419.29	22844.88
<b>Total equity</b>	<b>20324.28</b>	<b>24866.29</b>	<b>30299.75</b>	<b>35913.38</b>
<b>Total Liabilities and Equity</b>	<b>161451.04</b>	<b>206438.30</b>	<b>275504.13</b>	<b>378051.72</b>



## DISCLAIMER-1/2

- The presentation is prepared based on audited financial statements of IRFC the financial year 2020-21
- 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 could be constructed as froward 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.



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- 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.
- 
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**Thank You**

