



**INDIAN  
RAILWAY  
FINANCE  
CORPORATION**  
(A Government of India Enterprise)

**Future on Track**

**“Indian Railway Finance Corporation (IRFC)  
Q4 FY '25 & FY '25 Earnings Conference Call”**

**April 29, 2025**



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RAILWAY  
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**MANAGEMENT:** **MR. MANOJ KUMAR DUBEY – CHAIRMAN, MANAGING  
DIRECTOR AND CHIEF EXECUTIVE OFFICER – INDIAN  
RAILWAY FINANCE CORPORATION (IRFC)**  
**MS. SHELLY VERMA – DIRECTOR, FINANCE – INDIAN  
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**MR. SUNIL KUMAR GOEL – GROUP GENERAL  
MANAGER (FINANCE) AND CHIEF FINANCIAL OFFICER  
– INDIAN RAILWAY FINANCE CORPORATION (IRFC)**

**MODERATOR:** **MR. PARTH JARIWALA – DAM CAPITAL ADVISORS  
LIMITED**

**Moderator:**

Ladies and gentlemen, good day, and welcome to the Indian Railway Finance Corporation Q4 FY '25 and Full Year FY '25 Earnings Conference Call, hosted by DAM Capital Advisors Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Parth Jariwala from DAM Capital Advisors Limited. Thank you, and over to you, sir.

**Parth Jariwala:**

Thank you. Good morning, everyone. Welcome to the Q4 FY '25 and FY '25 Earnings Call of Indian Railway Finance Corporation Limited. From the management, we have Shri Manoj Kumar Dubey, Chairman, Managing Director and CEO; Ms. Shelly Verma, Director, Finance; Shri Sunil Kumar Goel, GGM Finance and CFO.

I will now hand over the call to the management for their opening remarks. Post which, we can open the floor for Q&A. Over to you, sir.

**Manoj Kumar Dubey:**

Thank you, Mr. Jariwala and a very good morning to all of you. I'm very happy to share our Q4 and annual results of FY '25. We have come out with a very steady number quarter-wise as well as financial year wise. Our profit after tax, our net worth, our EPS, our debt equity ratio all has shown steady improvement. Our Asset Under Management is also very steady at INR4.6 lakh crores.

The exciting thing to talk about is in the last quarter of FY '25, we have changed our business model from one client that is Indian Railway to many who are having linkages with the railway ecosystem. This is an extremely exciting phase, and our key drivers are very low cost overhead and access to cheaper source of funds. We are looking for good quality A-plus assets as our space where we do not find much competition as of now. And these are the space where we are looking forward to having a negligible chance of NPA.

We are becoming lowest in this beating all banks and NBFCs and still making margins of 2x to 3x to what we used to get from Indian Railways. So going forward, we find our platter full with such good quality rated assets. We don't have any exposure to any other entity other than IR. So there's no problem in funding to any quality assets coming to our platter mainly through RFPs or open biddings.

We are also very excited to look at the PPP projects in the Indian Railways. If you look at the budget of this FY, there is announcement that there will be PPP projects coming forward from the railway, and once it materializes, we'll be very happy to look at the requirements by the SPVs.

In this calendar year, including the month of April, we have already done more than INR14,000 crores of loans. And going forward, there are many things in pipelines, which are having refinances opportunities as well as the new loan assets. We believe that IRFC 2.0 is going to have a risk-free and steep growth in business. Company was conferred Navratna status also in FY '24-'25, and we are working forward, cementing our position to be just Maharatna sooner

than later. We also said that the kind of business that we have shown in the last quarter of the last FY, in the first month of this current FY, the momentum is going to be there, and we should end up on a very high note. Thank you.

**Moderator:**

Thank you, sir, we will now begin the question answer session. Anyone who wishes to ask questions may press “\*” and “1” on their touch tone telephone. If you wish to remove yourself from the question que you may press “\*” and “2”. Ladies and Gentlemen, we will wait for a moment while questions assemble. The first question comes from the line of Mohit Jain from Tara Capital Partners. Please go ahead.

**Mohit Jain:**

Sir, I just wanted to know for FY '26, how should we look at our disbursement number as well as, you know, how should we look at the AUM growth? And secondly, sir, I heard that now we'll be moving from one customer today. It used to be only IRFC -- Indian Railways and now we are moving to the other set of customers also. So do our articles and memorandums permit us to go into non-rail link financing also as in like if you want to do other kind of financing, which is not linked to the rail? Is that also -- is that option also available to us, sir?

**Manoj Kumar Dubey:**

So right now, I'm answering your latter part of the question. We are only limiting ourselves to the MOA, which gives me the legroom for giving loans to anything which is having backward or forward linkages to the railways. Now this particular segment itself is too big to handle right now. As I mentioned in my interview on the TV also today in the morning, the whole business is around INR2.5 lakh crores, including the metro railway.

So you can understand what kind of business is there on the platter. And since that is our core competence and strength to give loans and do appraisal of the railway ecosystem. We believe that as of now, out of this INR2.5 lakh crore, you can put any number what we should do in a year. So this is itself quite a big platter. And this is coming with better margin than what I used to get from the railways.

So that is a real exciting time for us that if we do, say, typically even INR30,000 crores out of INR2.5 lakh crores, it will be akin to INR90,000 crores of what I'm giving to the Indian railways. So this is the answer of your latter part. The first part, in the morning, I've already clarified that my Board has given me the initial sanction of INR60,000 crores of borrowing for this year. And that is a very conservative number that we have started.

In the first 4 months of this FY or if you take only this month, April, we have already done INR5,000 crores loan L1 with NTPC. And since we are participating into all rated quality bids coming out in the market, which is coming the lower. In fact, many are in pipeline also. So we believe that with the linkages with the railway itself, we have our platter full. And the number that I quoted is a conservative number.

We believe that we surely will be achieving it. Maybe the clarity will come in Q2 or Q3, whether we are going to surpass. And if at all, we are going to surpass, what margins and what numbers we are going to surpass. But quarter after quarter, as I have spoken in my 2 last con calls, we are walking the talk. What we set for ourselves in Q3 results, we are already crossed many bridges, and we are moving ahead quicker than what we expected to do. Thank you.

- Mohit Jain:** So do we -- just a follow-up, do we expect our AUM increase next year or again, because of the rundown of the existing loan in spite of the additional disbursement, our AUM will decline?
- Manoj Kumar Dubey:** Listen, the bigger indicator is what kind of disbursement I'm doing. What kind of loan sanctions I'm doing. AUM is a collective output of the both. So of course, if I'm disbursing more, it will have a positive impact on my AUM. AUM is not the important indicator in my business. The important indicator in my business is how much I'm disbursing and how much I'm sanctioning. If I'm doing both, obviously, it will have a very positive impact on the AUM. I will be giving numbers of disbursement and the loan sanctions.
- Mohit Jain:** Understood. And sir, just one follow-up. In terms of -- we bidding for the other projects and so far, we have been successful also in winning them -- cost of the cheap cost of fund and because of which -- the rate which we are able to quote is the lowest that gives us the advantage? Or is there any other advantage that we also have?
- Manoj Kumar Dubey:** Say it again?
- Mohit Jain:** So I'm saying, sir, so far, we have also won four projects. And going forward also, you look more optimistic with INR30,000 crores of a conservative disbursement number. So what enables us in all this winning of the project? Is it just the cheap rate of lending that we quote because of our access to the cheaper fund? Is that the only....
- Manoj Kumar Dubey:** I let my DF answer this to you.
- Shelly Verma:** We have a competitive advantage on many accounts. Rate is definitely one of them and because we have a very low operating cost. You must have seen our operating cost is one of the lowest in the industry, about 0.1 -- we don't have 0.1%, even less than 0.1%. And we have very high capital adequacy ratio. And secondly, we have -- our exposure is absolutely free because till now, we had a single client.
- So whatever new business we want to do, we have the advantage of doing a high ticket exposure, whatever is the requirement we can meet. So all these are the advantages. It's not a one factor, I would say there are multiple factors. We can take high ticket exposure. We are -- our cost definitely will be competitive because of these reasons.
- And we have a very strong turnaround -- very quick turnaround uptime. In fact, you have seen the last quarter itself, we have generated business of INR14,000 crores. So these are -- there are multiple advantages according to us.
- Mohit Jain:** And just one -- rates at which we are giving these loans, the INR14,000 crores, what is the average rate at which we have lent -- we have given the disbursements?
- Manoj Kumar Dubey:** Rate, we don't disclose. But if I make a statement that I'm L1 in a competition where all the banks of the country and all NBFCs are coming. So you can put the number -- by what number we are beating any of the banks and any who is who of NBFCs.
- Moderator:** The next question comes from the line of Abhishek Law from Business Language.

- Abhishek Law:** Is it possible to go ahead -- sir, this is Abhishek. Is it possible to go ahead with the refinancing bid? How much you're refinancing? What sort of numbers are you looking at and which are these projects you would refinance?
- Manoj Kumar Dubey:** Abhishek, you asked us a very interesting question for us. Refinancing is -- we are looking forward to very excitedly for the fact that the moment I win a bid for refinancing, the disbursement is done instantly. So yes, there are many things in pipelines. I can't tell you the name of the projects or something, but it is very much on that platter.
- Many things are in pipeline. And because our cost of lending is cheapest than anyone else right now in the country, we still believe that by refinancing the projects, we'll be earning much more than what we are earning from the Indian Railways as a margin. So yes, it is there on the platter.
- Moderator:** Does that answer your question, Abhishek?
- Abhishek Law:** Yes. I have a follow-up question, if it's possible. Have you done any refinancing projects as of now in Q4?
- Manoj Kumar Dubey:** Pardon?
- Abhishek Law:** Have you done any refinancing projects in Q4?
- Manoj Kumar Dubey:** Not yet. Not yet. As I said, there are a few in pipelines very actively. But unless it is mutually agreed and unless we have informed exchanges, we are not going to discuss here.
- Moderator:** The next question comes from the line of Kamal Mulchandani from Investec Capital Services.
- Kamal Mulchandani:** Firstly, could you please quantify the cumulative amount of sanctions we have got till date apart from the funding to Indian Railways?
- Manoj Kumar Dubey:** You want to know in totality or in this FY or in the last FY?
- Kamal Mulchandani:** Like I believe from the last year, we are trying to take projects outside of the Indian Railways so cumulative from the last year till date.
- Manoj Kumar Dubey:** I got it. So let's understand the whole gamut. For the last 40 years, we had only single client business that is with the Indian Railways, okay? So only as late as Q3 of last FY, we decided that there is a time to diversify as the loan book with Indian Railways is very high and debt-to-equity ratio also were touching near to 10.
- So as a diversification, this season within the mandate of this company's MOA, we planned in Q3 and we started working actively from Q4, right? So Q4 to now, the numbers we have already flagged. In fact, it is flagged by the Government of India also that we have already mopped up INR14,000 crores as of now. So the answer to your question in factual numbers are INR14,000 crores has already been either won as a bid or the sanction has been done.
- Kamal Mulchandani:** And like disbursement, like when can we expect some disbursement of this amount like in...

- Manoj Kumar Dubey:** In fact, to tell you a fact, the NTPC renew that we did and the BOBR rate that we did already very quick and fast disbursement is on. So what we expect that although there are 2-year period for this disbursement, we expect that most of the disbursement will be done in this FY itself.
- Kamal Mulchandani:** Okay. Understood. And sir, if you could also help us understand what could be the rundown or repayments of the -- in the AUM going forward? Like I just wanted to understand what repayment rate should be built in for next 2 years for FY '26 and FY '27?
- Manoj Kumar Dubey:** Repayment in terms of?
- Unknown Executive:** Rundown of AUM.
- Manoj Kumar Dubey:** Rundown of AUM is very steady. If you know, we have financed to the Indian Railways where it is repayment period is 15 years, okay? So the 15th year, to be precise, if it is 2025, then 2010 loan will come out to be going out of my books, which is in terms of INR10,000 crores per annum.
- Kamal Mulchandani:** Sir roughly INR10,000 crores to INR20,000 crores.
- Manoj Kumar Dubey:** And we'll be doing more than that every year.
- Kamal Mulchandani:** Okay. So for the next 2 years, roughly INR10,000 crores of repayments we should build in?
- Manoj Kumar Dubey:** That's what -- that's correct.
- Moderator:** Ladies and gentlemen, as there are no further questions, I would now like to hand the conference over to the management for the closing comments.
- Manoj Kumar Dubey:** So thank you so much. We are moving ahead with a lot of clarity. And I think we have clarified everything about the road map of the company's business going ahead. And we look forward to capitalize on what we are doing as a new policy of diversification. And we see that going forward, we'll be having very healthy top line and bottom line quarter after quarter. Thank you.
- Moderator:** Thank you, sir. Ladies and gentlemen, on behalf of DAM Capital Advisors Limited, that concludes this conference. You may now disconnect your lines.