



**Indian Railway Finance Corporation Limited**

**On Track for Nation Building**

August 2025

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A photograph of a yellow and red electric locomotive pulling a train of green and white freight cars on a railway track. The scene is set during sunset or sunrise, with a warm, golden light. The train is moving towards the viewer. In the background, there are trees and railway signal lights. A semi-transparent grey banner is overlaid across the middle of the image, containing the section header.

## 1. Overview of IRFC

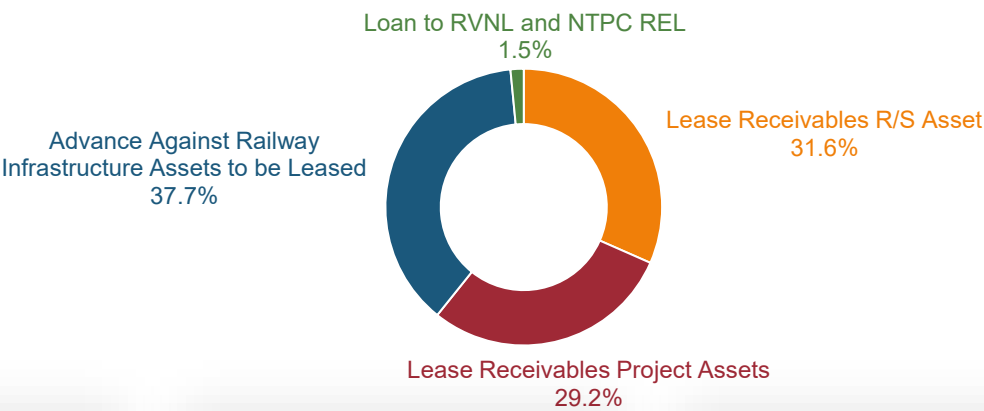
# Snapshot of the Company

## Company Overview

- IRFC is registered with RBI as a systemically important NBFC-ND-IFC, Majorly owned by the Government of India (GoI) acting through Ministry of Railways (MoR)
- It is the dedicated market borrowing arm for the Indian Railways
- Primary business includes:
  - Financing the acquisition of rolling stock assets
  - Leasing of railway infrastructure assets and national projects of the GoI
  - Lending to other entities under the MoR
- Company has initiated a focused diversification strategy (IRFC 2.0), for financing projects with forward & backward linkages for Railways

## AUM Break-Up (Q1 FY26)

Minimal credit risk currently: 98.5% of AUM is exposed to MoR



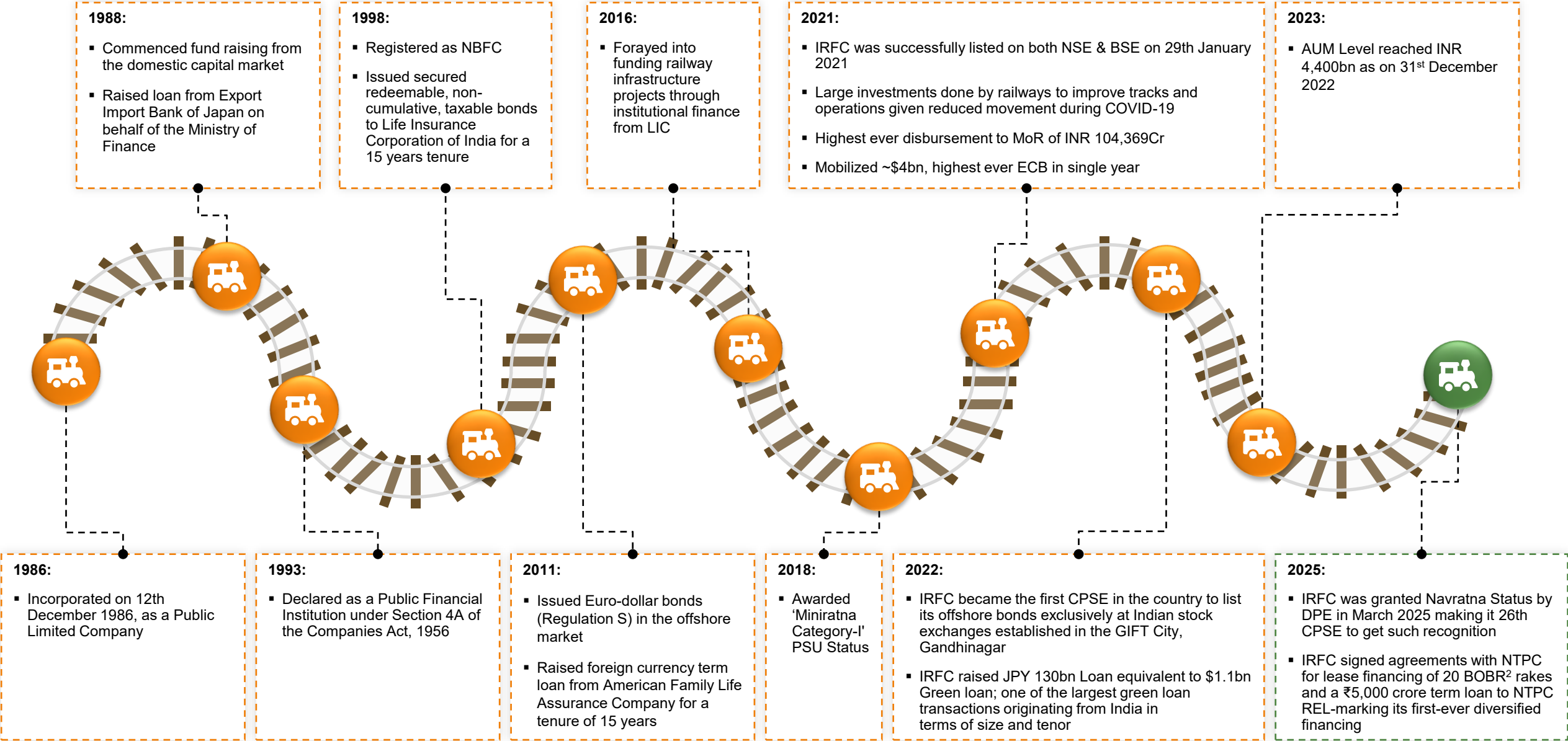
<div>AUM (Q1 FY26)</div> <div></div> <div>INR 4,59,802Cr</div>	<div>Net worth (Q1 FY26)</div> <div></div> <div>INR 54,424Cr</div>	<div>RoE / RoA (Q1 FY26)</div> <div></div> <div>13.28% / 1.45% Annualized</div>	<div>GNPA (Q1 FY26)</div> <div></div> <div>Nil</div>	<div>Tax Liability</div> <div></div> <div>Nil</div>
<div>Total Debt (Q1 FY26)</div> <div></div> <div>INR 4,04,810Cr</div>	<div>NIM (Q1 FY26)</div> <div></div> <div>1.53%</div>	<div>Ratings</div> <div></div> <div>CRISIL AAA   CRISIL A1+ ICRA AAA   ICRA A1+ CARE AAA   CARE A1+</div>	<div>Net Gearing Ratio (Q1 FY26)</div> <div></div> <div>7.44x</div>	<div>CRAR % (Q1 FY26)</div> <div></div> <div>579%</div>

Note: All numbers are as on 30th June 2025





# IRFC's Evolution – Moving From Strength to Strength



Note: <sup>1</sup> HORCL refers to Haryana Orbital Rail Corporation Limited; <sup>2</sup> BOBR refers to Bogie Open Bottom Rapid Discharge hopper wagon













## 2. Articulating the IRFC Story

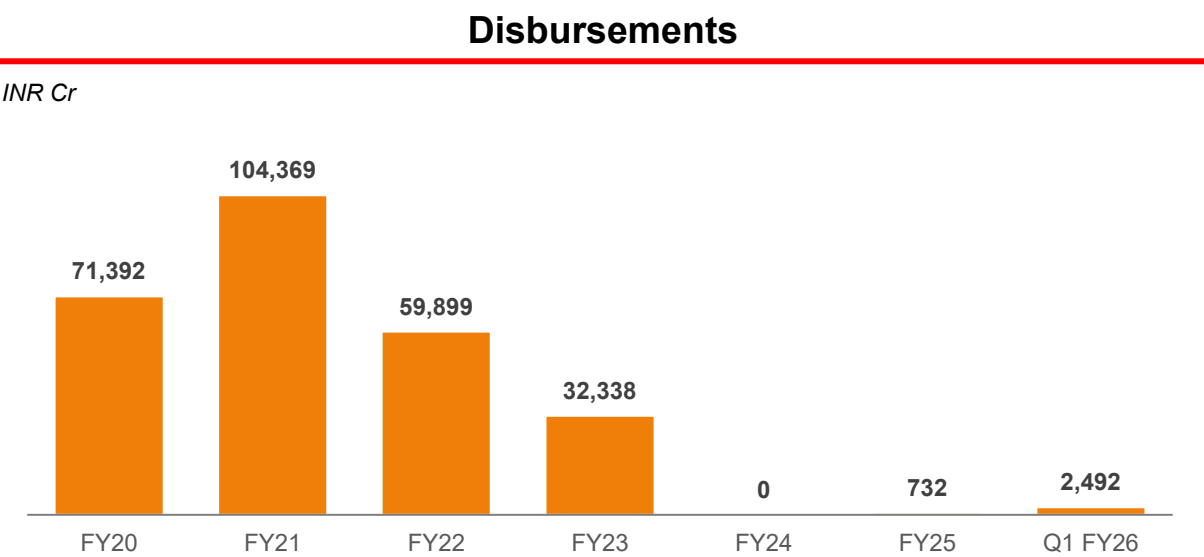
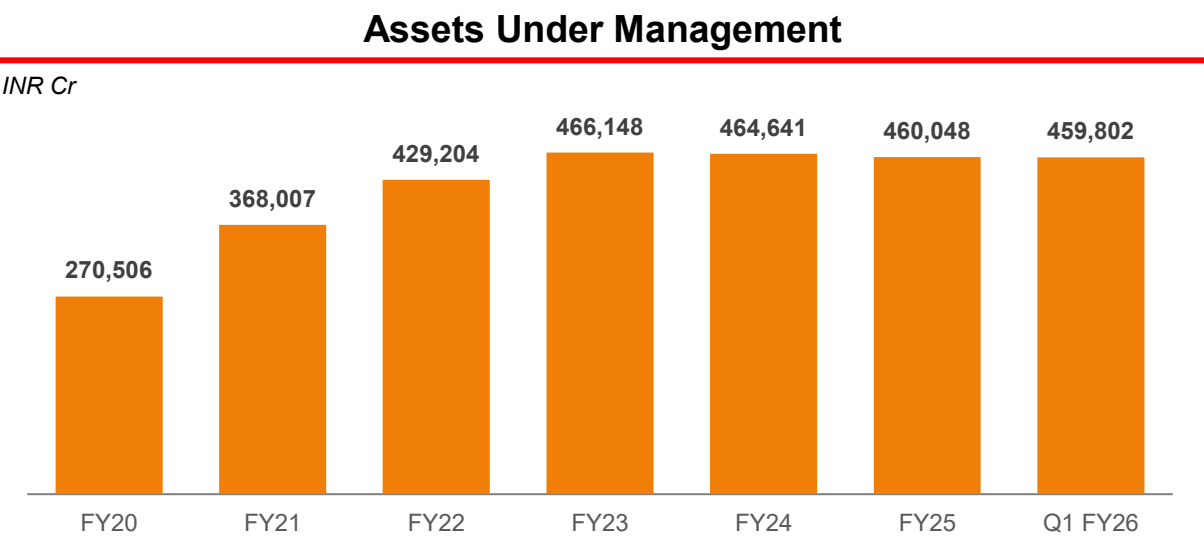


# Key Investment Highlights

1	 <b>Strategic Role in Growth of Indian Railways</b>	<b>AUM CAGR (FY20- Q1 FY26)</b> <b>10.6%</b>	<ul style="list-style-type: none"><li>■ Dedicated market borrowing arm for the Indian Railways</li><li>■ AUM as on 30<sup>th</sup> June 2025 stands at INR 4,59,802Cr</li></ul>
2	 <b>Low Risk, Cost - Plus Business Model</b>	<b>GNPA (Q1 FY26)</b> <b>NIL</b>	<ul style="list-style-type: none"><li>■ Strategic relationship with the MoR enables to maintain a low risk profile</li><li>■ Cost-Plus Standard Lease Agreements with MoR</li><li>■ Consistent spreads on Rolling Stock and Project Assets over last five years</li><li>■ 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</li></ul>
3	 <b>Competitive Cost of Borrowings</b>	<b>Long Term Ratings</b> <b>AAA</b>	<ul style="list-style-type: none"><li>■ Highest credit rating for an Indian Issuer from ICRA, CRISIL &amp; CARE</li><li>■ Diversified funding sources of various maturities &amp; currencies</li><li>■ Competitive cost of borrowing to keep finance cost under check</li></ul>
4	 <b>Strong Asset - Liability Management</b>	<b>Cumulative Gap Over 5 yrs</b> <b>NIL</b>	<ul style="list-style-type: none"><li>■ IRFC borrows on a long-term basis to align with the long-term tenure of the assets financed</li><li>■ MoR is required to provide for any shortfall in funding under the Standard Lease Agreement</li></ul>
5	 <b>Consistent Financial Performance</b>	<b>Net Worth (Q1 FY26)</b> <b>INR 54,424Cr</b>	<ul style="list-style-type: none"><li>■ Profit for Q1 FY26 stood at Rs. 1,746Cr</li><li>■ Revenue from operations in Q1 FY26 grew by 2.21% as compared to Q1 FY25</li><li>■ Low overheads, administrative costs and high operational efficiency</li><li>■ Healthy return ratios – RoA at 1.45% and RoE at 13.28% for Q1 FY26 (Annualised)</li></ul>
6	 <b>Value Creation Drivers</b>	<b>IRFC 2.0</b>	<ul style="list-style-type: none"><li>■ Diversification in business by lending to those with forward and backward linkages to the railways</li></ul>

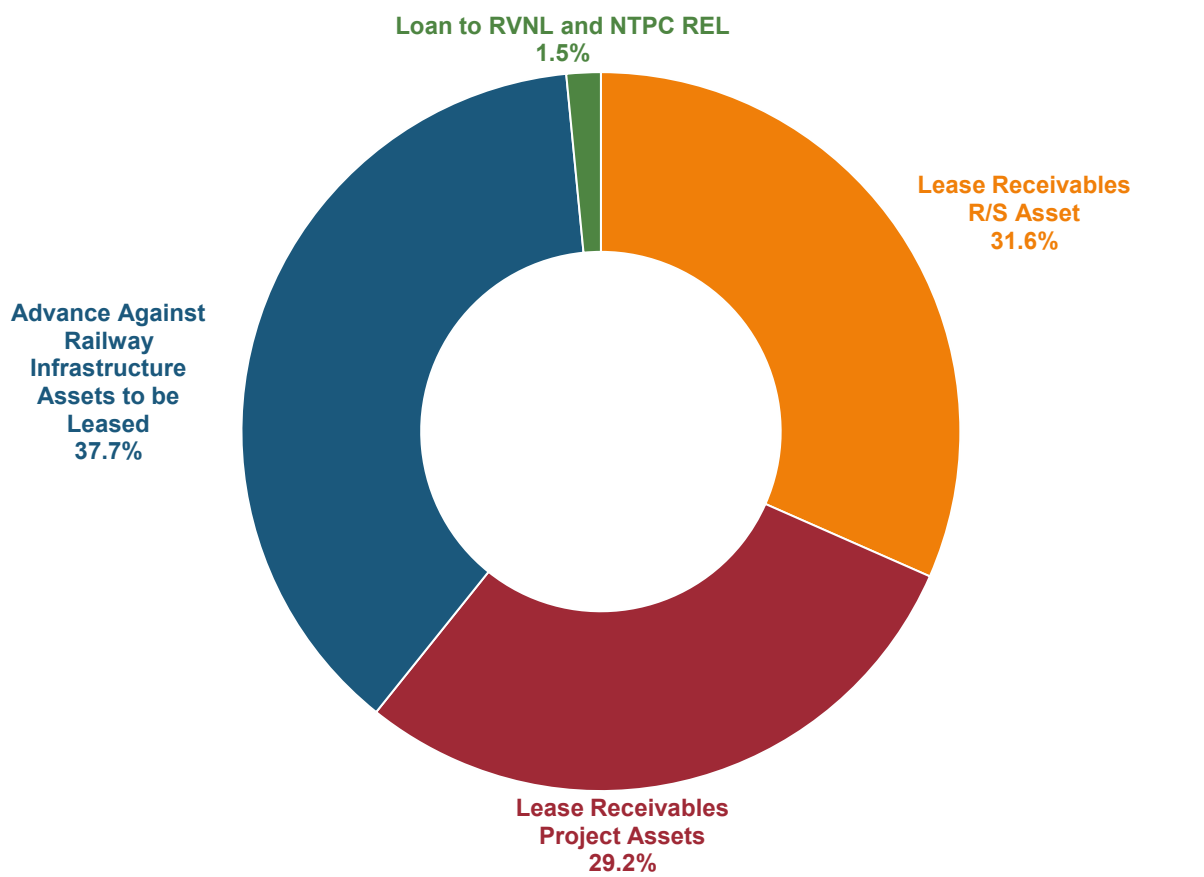


# Strategic Role in Financing Growth of Indian Railways



### AUM Break-Up (Q1 FY26)

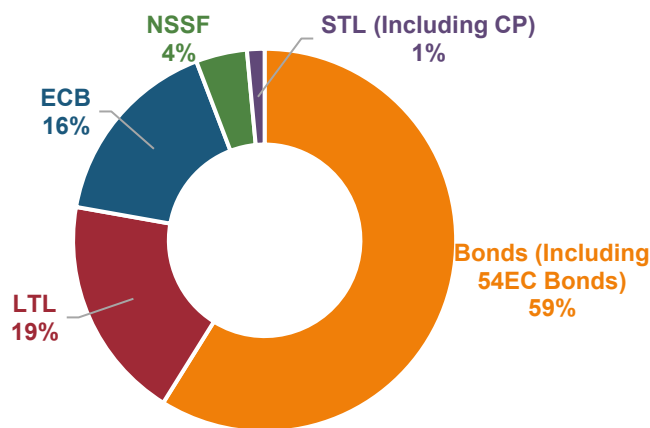
Minimal credit risk currently: 98.5% of AUM is exposed to MoR



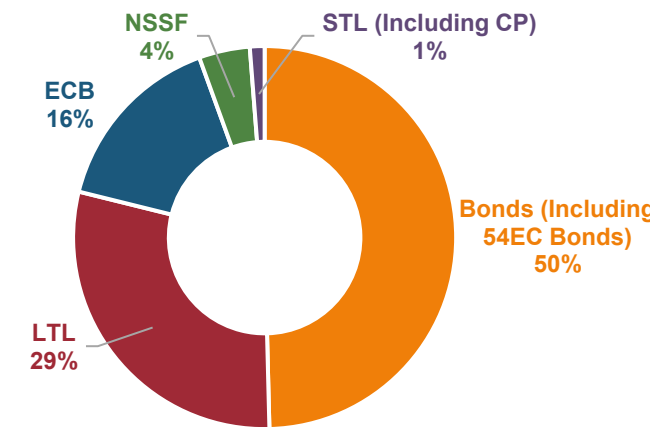


# Competitive Cost Driven by Strong Credit Ratings and Diversified Sources of Funding

Borrowing Mix as on 30<sup>th</sup> June 2025



Borrowing Mix as on 30<sup>th</sup> June 2024



Particulars (30 <sup>th</sup> June 2025)	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 <sup>1</sup>		
Moody’s	Baa3	Stable
Standard and Poor’s	BBB-	Positive
Fitch	BBB-	Stable
Japanese Credit Rating Agency	BBB+	Stable

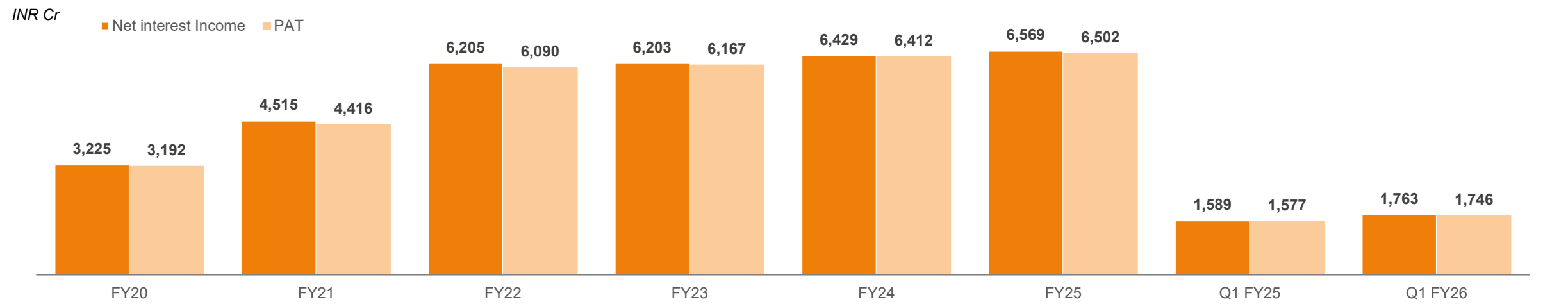
Diversified sources of funding, credit ratings and strategic relationship with the MoR, have enabled IRFC to keep costs of borrowing competitive

Note: <sup>1</sup> At par with India's sovereign ratings

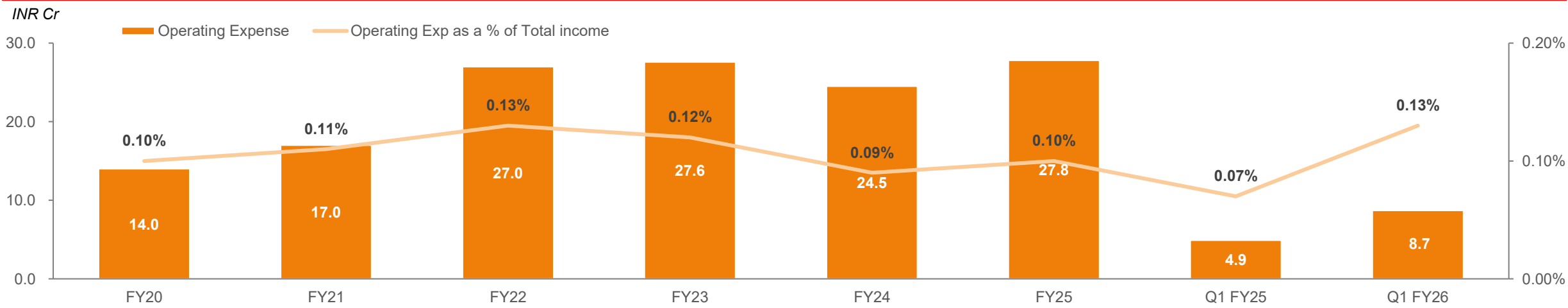


# Consistent Financial Performance

## Net Interest Income & PAT



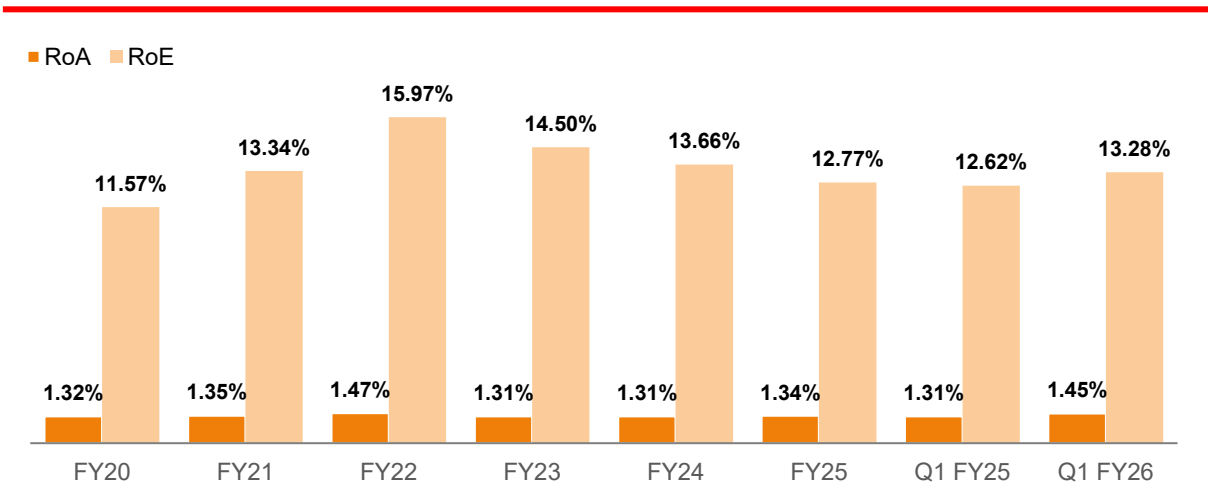
## Negligible Operating Expenses



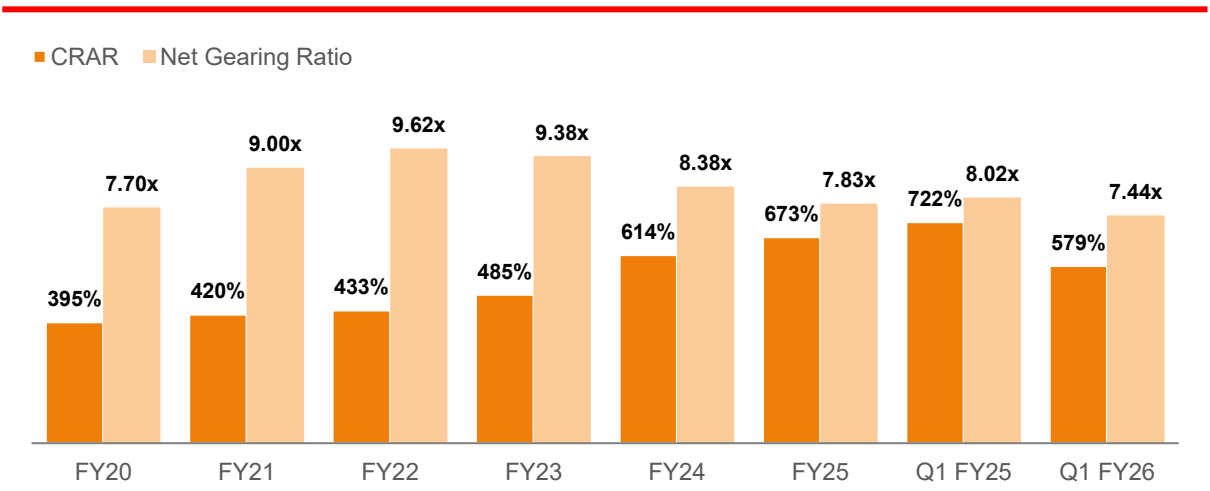


# Consistent Financial Performance

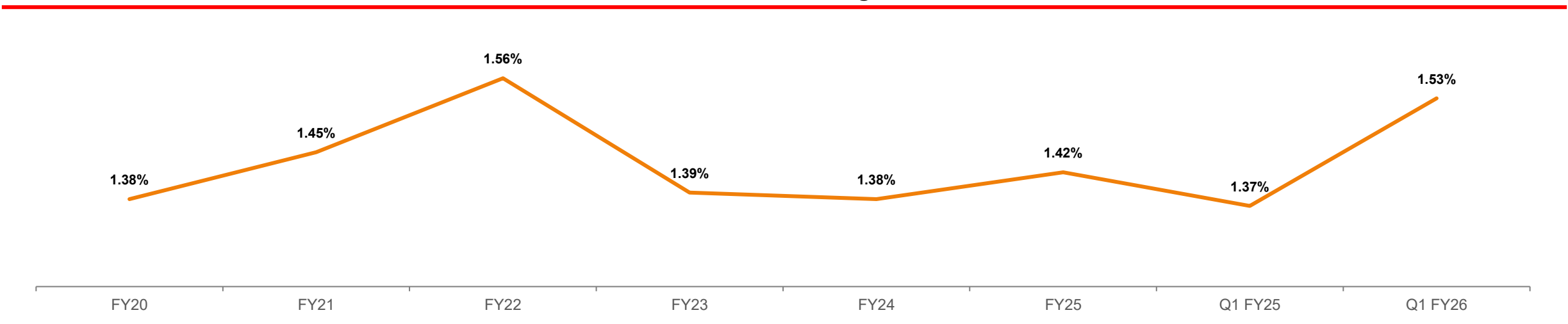
Return Ratios



CRAR and Net Gearing Ratio



Net Interest Margin



# Snapshot of Key Financials

Particulars	Q1 FY26	Q1 FY25	Growth in %	FY25
Revenue from Operations	6,915	6,766	2.2%	27,152
Finance Cost	5,124	5,155	(0.6)%	20,495
Net Interest Income	1,763	1,589	10.9%	6,570
Profit Before Tax	1,746	1,577	10.7%	6,502
Profit After Tax	1,746	1,577	10.7%	6,502
Total Comprehensive Income	1,757	1,589	10.6%	6,486







### 3. Unfolding IRFC 2.0



# Strategic Pivot for Sustained Growth

## Foundational Role



- Established in 1986 as the dedicated **financing arm of MoR**, has **disbursed over INR 550,000Cr**; with an average annual disbursement of **INR 64,000Cr** during FY18-23 to MoR
- Traditionally the company was aligned with MoR capital expenditure requirements

## IRFC 2.0



### Requirement for Realignment

Huge budgetary support implying no disbursement to MoR in FY24 to FY26; **uncertainty** over future MoR financing needs

Presents a **material risk** to IRFC's **long-term financial sustainability, revenue generation, and valuation**, especially as a publicly listed company



### IRFC Response

Initiated a focused **diversification strategy** rooted in its MoA, for financing projects with **forward & backward linkages** for Railways

Embraced a **“Whole-of-Government” approach**, keeping Indian Railways at core

## Strategy

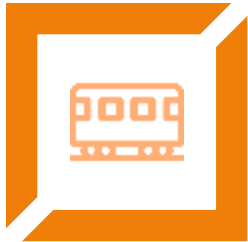
- Expand beyond traditional leasing business to MoR, while staying aligned with core mandate and investing in high quality assets, with railways as it center
  - Transforming from a **single-client** financier to **diversified, infra-focused CPSE**
  - Strategic targeting of **infrastructure entities** within railway ecosystem
  - Navratna status enhances flexibility for responsible expansion into key areas like **Metro, Rapid Rail, Urban Transport and Freight Corridors**
- **Well positioned** as compared to other financial institutions like **Banks** and **NBFCs** who are constrained by **loan size and tenor**



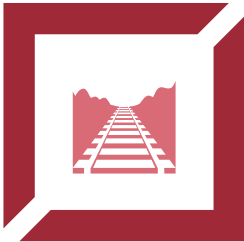


# The Way Forward and Opportunities in Indian Railways

As per charter, company can fund any entity that has backward or forward linkage with Indian Railways



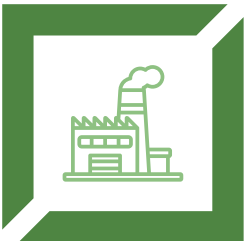
**Rolling Stock Lease**  
To Entities other than MoR



**Funding Railway Infrastructure**  
Through State JV



**Dedicated Freight Lines**  
Of Semi/High Speed Railway Corridors &  
High-Speed Train



**Sector Diversification**  
Power Generation & Transmission, Mining,  
Fuel, Coal, Warehousing, Telecom, Hotels  
and Catering



**Multi-Modal Logistics Parks**  
Diversifying Across Modes of Transport



**Non-conventional sources of Energy**  
Including Renewable Energy for the  
Railway Network

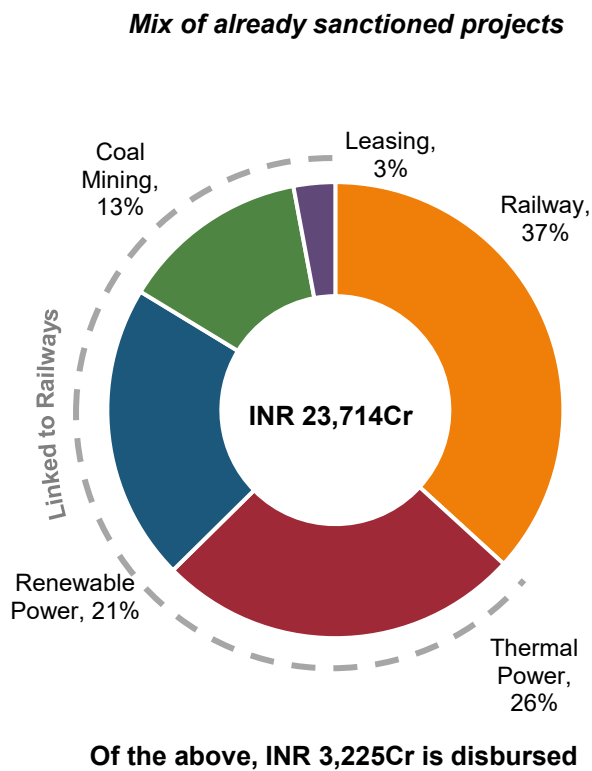
IRFC has already entered into MoUs with RITES, IIFCL, REMCL and MMRDA for strategic collaboration

*Note: RITES - Rail India Technical and Economic Service; IIFCL - India Infrastructure Finance Company Limited; REMCL - Railway Energy Management Company Limited; MMRDA - Mumbai Metropolitan Region Development Authority*



# Robust Pipeline of Diversified Financing Proposals

## Sanctioned Loans



**Railway**

- IRFC has sanctioned loan for **re-financing of INR 2,539Cr** for ASRL, which is a **SPV (majorly owned by RVNL and CONCOR)**
- Re-financing and fresh loans of INR 5,958Cr** sanctioned to CEWRL\* (SPV of SECL, IRCON and CSIDCL)
- Sanctioned **INR 225Cr fresh financing** for SITCO (Rail and Land Development Authority))

**Thermal Power**

- Sanctioned re-financing of INR 1,125Cr in thermal power sector**, to be used for power supply to Indian Railways (BRBCL)
- Fresh financing of INR 5,000Cr to NTPC**, to be used for power supply to Indian Railway

**Renewable Power**

- Fresh financing of INR 5,000Cr** to supply renewable energy to railways (PPA exists between **NTPC Renewables** and Indian Railway); has already **disbursed INR 3,100Cr**

**Coal Mining**

- Won INR 3,167Cr lowest bid** for subsidiary of a CPSE; **sanctioned in Q1 FY26**

**Leasing**

- Lease financing of INR 700Cr for BOBR Rakes**, used for efficient coal transport; has already **disbursed INR 125Cr**

## Future Growth Avenues

### Metro Linked Funding

- Signed MoU with MMRDA to explore **INR 50,000Cr metro-linked funding**
- Company is also in talks with Hyderabad and Bengaluru metros
- Company has also approached MoHUA to support nationwide metro financing

Note: ASRL - Angul Sukinda Railway Limited; RVNL - Rail Vikas Nigam Limited; MMRDA - Mumbai Metropolitan Region Development Authority; MoHUA - Ministry of Housing and Urban Affairs; BOBR - Bogie Open Bottom Rapid Discharge hopper wagon; \* Confirmation from CEWRL still pending







## Appendix - Financial Statements



# Profit & Loss Statement

Particulars <i>(All amounts is INR Crore, unless stated otherwise)</i>	Q1FY26	Q1FY25	FY25
<b>Revenue From Operations</b>			
Interest Income	1,497.32	1,819.03	7,719.69
Lease Income	5,403.75	4,946.60	19,432.21
Other Operating Income	14.31	0.05	0.24
<b>Total Revenue from Operations</b>	<b>6,915.38</b>	<b>6,765.68</b>	<b>27,152.14</b>
Dividend Income	-	-	0.72
Other Income	2.86	0.35	3.55
<b>Total Income</b>	<b>6,918.24</b>	<b>6,766.03</b>	<b>27,156.41</b>
<b>Expenses</b>			
Finance Costs	5,124.39	5,154.91	20,495.09
Impairment on Financial Instruments	6.10	(3.63)	0.68
Employee Benefit Expense	3.70	2.62	13.51
Depreciation, Amortization and Impairment	1.33	1.59	5.31
Other Expenses	37.03	33.71	139.82
<b>Total Expenses</b>	<b>5,172.55</b>	<b>5,189.20</b>	<b>20,654.41</b>
<b>Profit Before Exceptional Items and Tax</b>	<b>1,745.69</b>	<b>1,576.83</b>	<b>6,502.00</b>
Exceptional Items	-	-	-
<b>Profit Before Tax</b>	<b>1,745.69</b>	<b>1,576.83</b>	<b>6,502.00</b>
Current Tax	-	-	-
Deferred Tax	-	-	-
Adjustment for Earlier Years	-	-	-
<b>Profit for the Period from Continuing Operations</b>	<b>1,745.69</b>	<b>1,576.83</b>	<b>6,502.00</b>



# Balance Sheet (1/2)

Particulars <i>(All amounts is INR Crore, unless stated otherwise)</i>	As at 30 <sup>th</sup> June 2025	As at 30 <sup>th</sup> June 2024	As at 31 <sup>st</sup> March 2025
<b>Assets</b>			
<b>Financial Assets</b>			
Cash And Cash Equivalents	172.48	23.75	5,680.29
Bank Balance Other Than Cash and Cash Equivalents	468.16	355.70	462.87
Derivative Financial Instruments	370.02	485.93	369.41
Loans:			
Loan to Railway Companies	7,064.48	4,474.39	5,171.59
Lease Receivables	2,79,364.95	2,54,751.39	2,84,688.83
Investments	49.52	65.79	38.18
Other Financial Assets	1,81,561.75	2,09,216.64	1,80,859.04
<b>Total Financial Assets</b>	<b>4,69,051.36</b>	<b>4,69,373.59</b>	<b>4,77,270.21</b>
<b>Non-Financial Assets</b>			
Current Tax Assets (Net)	364.04	358.63	390.21
Property, Plant And Equipment	12.80	14.12	13.80
Right of Use Assets	2.34	5.47	3.13
Intangible assets under development	3.78	3.78	3.78
Other Intangible Assets	0.58	0.98	0.58
Other Non-Financial Assets	11,307.97	11,461.62	11,152.97
<b>Total Non-Financial Assets</b>	<b>11,691.51</b>	<b>11,844.60</b>	<b>11,564.47</b>
<b>Total Assets</b>	<b>4,80,742.87</b>	<b>4,81,218.19</b>	<b>4,88,834.68</b>



## Balance Sheet (2/2)

Particulars <i>(All amounts is INR Crore, unless stated otherwise)</i>	As at 30 <sup>th</sup> June 2025	As at 30 <sup>th</sup> June 2024	As at 31 <sup>st</sup> March 2025
<b>Liabilities and Equity</b>			
<b>Financial Liabilities</b>			
Derivative Financial Instruments	2,595.92	2,222.00	2,230.72
Payables			
Trade payables	-	-	-
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises	-	-	-
Other payables	-	-	-
(i) Total outstanding dues of micro enterprises and small enterprises	0.76	-	1.29
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	7.57	50.51	11.60
Debt Securities	2,61,958.89	2,24,900.70	2,48,831.41
Borrowings (Other Than Debt Securities)	1,42,851.50	1,82,130.36	1,63,297.99
Lease Liabilities	2.48	5.65	3.29
Other Financial Liabilities	18,589.04	20,964.57	20,445.27
<b>Total Financial Liabilities</b>	<b>4,26,006.16</b>	<b>4,30,273.79</b>	<b>4,34,821.57</b>
<b>Non-Financial Liabilities</b>			
Provisions	283.02	162.02	260.17
Other Non-Financial Liabilities	29.73	10.17	1,085.17
<b>Total Non-Financial Liabilities</b>	<b>312.75</b>	<b>172.19</b>	<b>1,345.34</b>
<b>Total Liabilities</b>	<b>4,26,318.91</b>	<b>4,30,445.98</b>	<b>4,36,166.91</b>
<b>Equity</b>			
Equity Share Capital	13,068.51	13,068.51	13,068.51
Other Equity	41,355.45	37,703.70	39,599.26
<b>Total Equity</b>	<b>54,423.96</b>	<b>50,772.21</b>	<b>52,667.77</b>
<b>Total Liabilities And Equity</b>	<b>4,80,742.87</b>	<b>4,81,218.19</b>	<b>4,88,834.68</b>

