



इंडियन रेलवे फाईनेन्स कॉरपोरेशन लिमिटेड

(भारत सरकार का उपक्रम) (सी आई एन : L65910DL1986GOI026363)

पंजीकृत कार्यालय : रूम नं. 1316 & 1349, तीसरी मंजिल, दि अशोक, डिप्लोमैटिक एन्क्लेव 50-बी, चाणक्यपुरी, नई दिल्ली-110021

दूरभाष : 011-24100385

INDIAN RAILWAY FINANCE CORPORATION LTD.

(A Government of India Enterprise) (CIN : L65910DL1986GOI026363)

Regd. Office : Room Nos. 1316 – 1349, 3rd Floor, The Ashok, Diplomatic Enclave:- 50-B, Chanakyapuri, New Delhi-110021

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No: IRFC/SE/2022-23/24

16th August 2022

| | |
|---|--|
| National Stock Exchange of India Limited Listing department, Exchange Plaza, Bandra- Kurla Complex, Bandra (E) Mumbai- 400 051 Scrip Symbol: IRFC | BSE Limited Listing Dept / Dept of Corporate Services, PJ Towers, Dalal Street, Mumbai -400 001 Scrip Code: 543257 |
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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 Un- Audited Financial Results for Q1/FY23.

This is submitted for your information and record.

Thanking You,
For Indian Railway Finance Corporation Limited


(Vijay Babulal Shirode)
Company Secretary & Compliance Officer

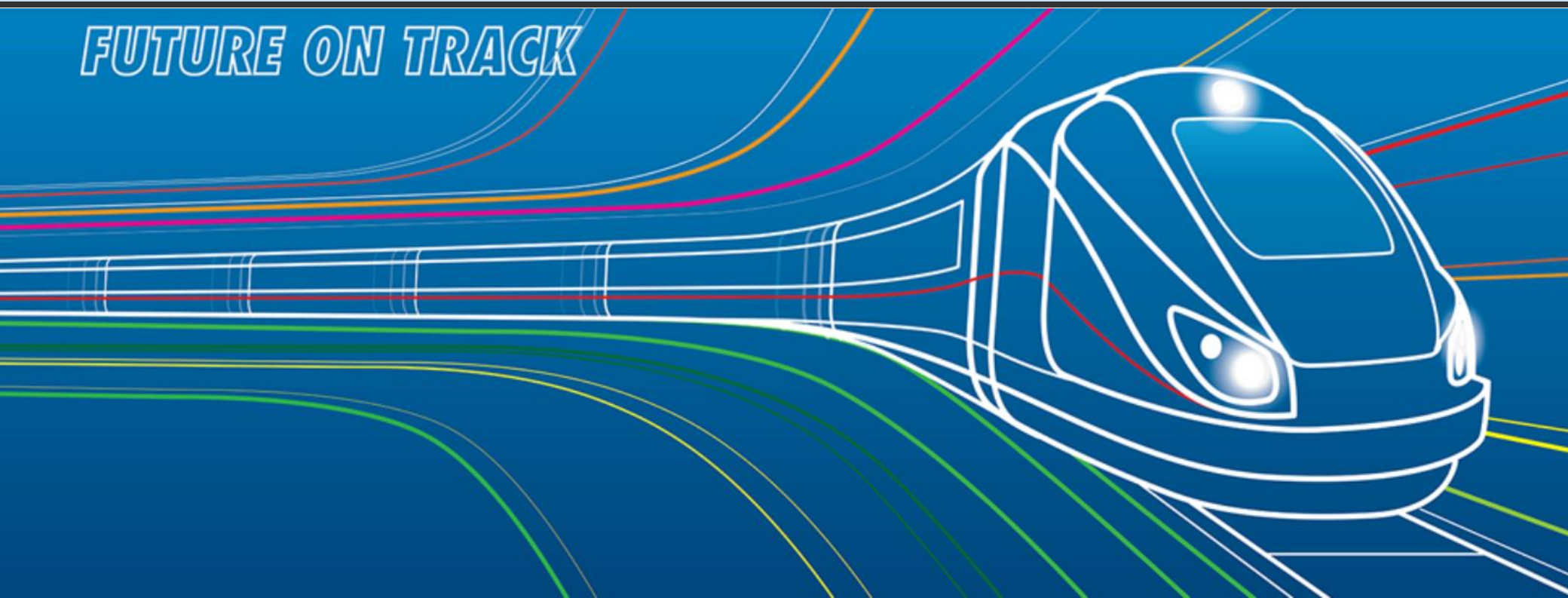


Enclosure: As above





FUTURE ON TRACK



Indian Railway Finance Corporation Limited

For quarter ended: 30th June 2022

16th August 2022

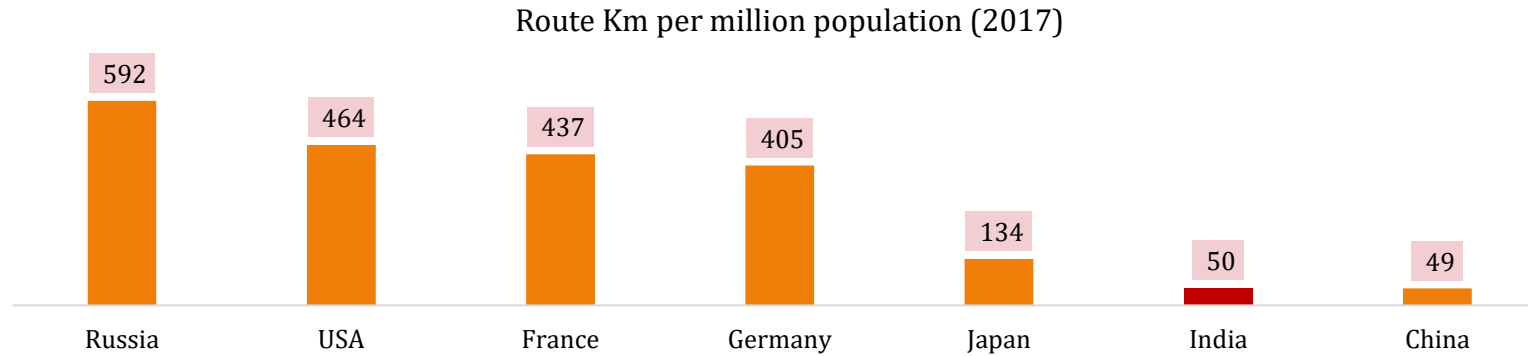
Key Strengths

| | | | |
|---|---|--|--|
| 1 | Strategic role in growth of Indian Railways | AUM CAGR (FY19-Q1-23) 27 % | <ul style="list-style-type: none"> Dedicated market borrowing arm for the Indian Railways (IR) AUM has grown at 15.13% quarter on quarter basis and stands at INR 4,32,474 crore |
| 2 | Low risk, Cost -Plus business model | GNPA (Jun-22) NIL | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 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 (Jun-22) INR 42,657.14 Cr | <ul style="list-style-type: none"> Profit growth of 10.63% on Q-o-Q basis for Jun 2022 Revenue from operations grew by 22.83% on Q-o-Q basis for Jun - 22 Low overheads, administrative costs and high operational efficiency Healthy return ratios – RoA at 1.59% and RoE at 14.40% for Jun-22 (annualized) |
| 6 | Enjoys Regulatory Exemptions | Tax Liability NIL | <ul style="list-style-type: none"> 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 |



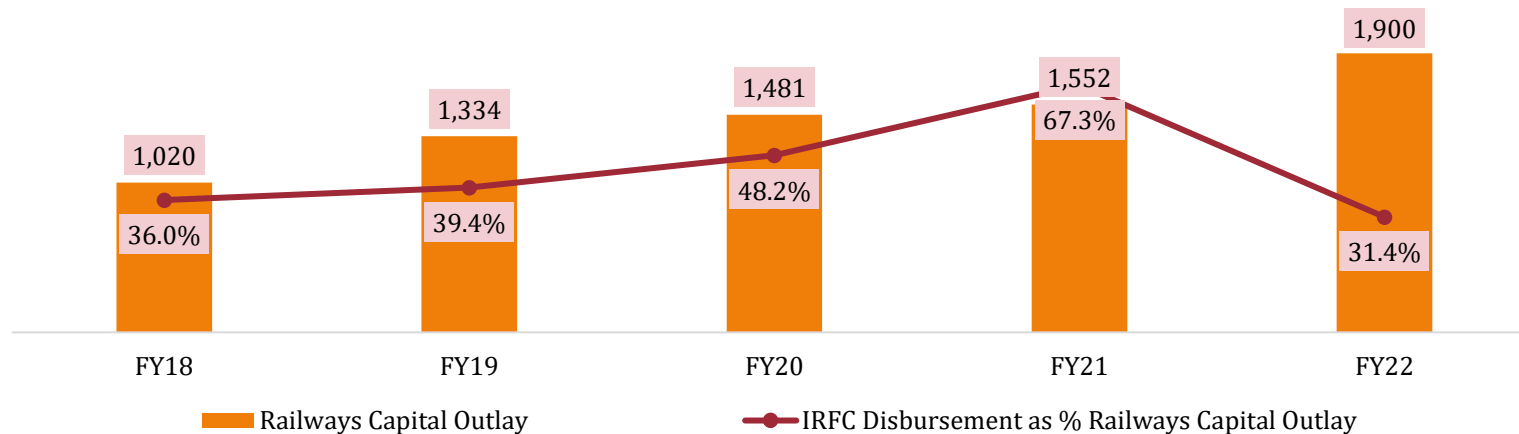
Strategic role in financing growth of Indian Railways

Indian Railways is fairly underpenetrated compared to the Global peers



IRFC funding to MoR

INR Bn

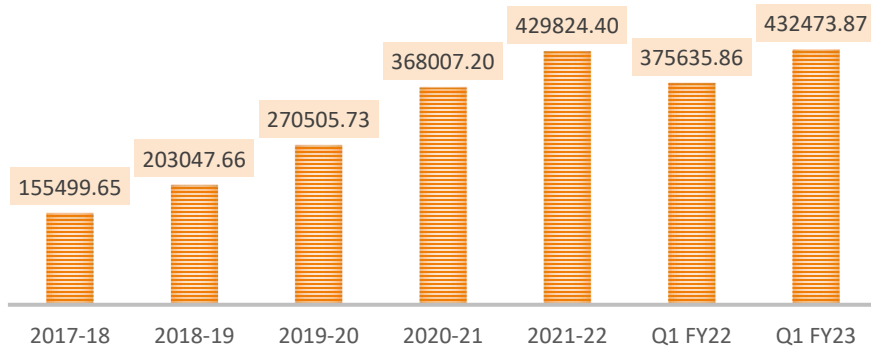


Source: National Infrastructure Pipeline , Report of the Task force , Department of Economic affairs , Ministry of Finance , GoI – Volume I



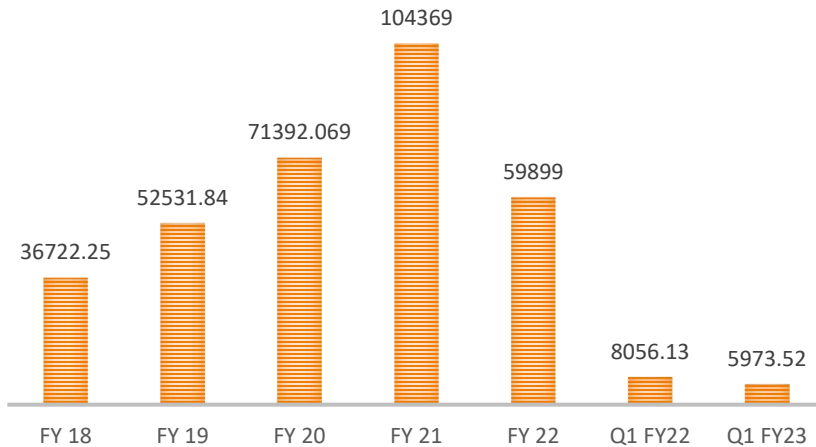
Strategic role in financing growth of Indian Railways

Assets Under Management*



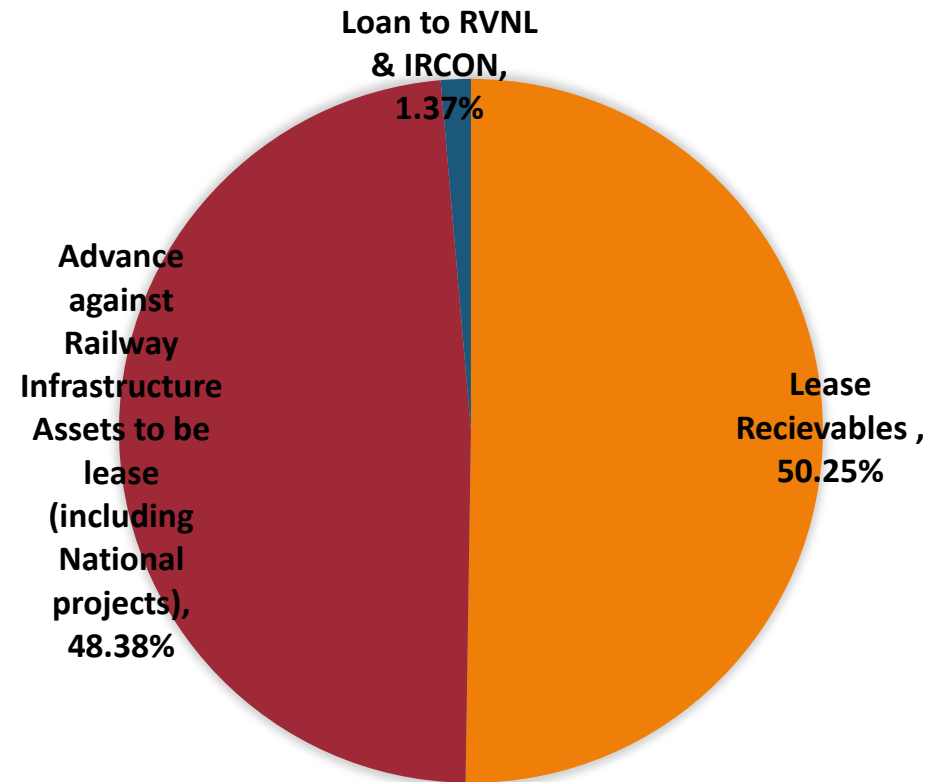
* Figures have been regrouped

Disbursements



AUM Break-Up (Jun-22)

Minimal credit risk : 98.62% of AUM is exposure to MoR

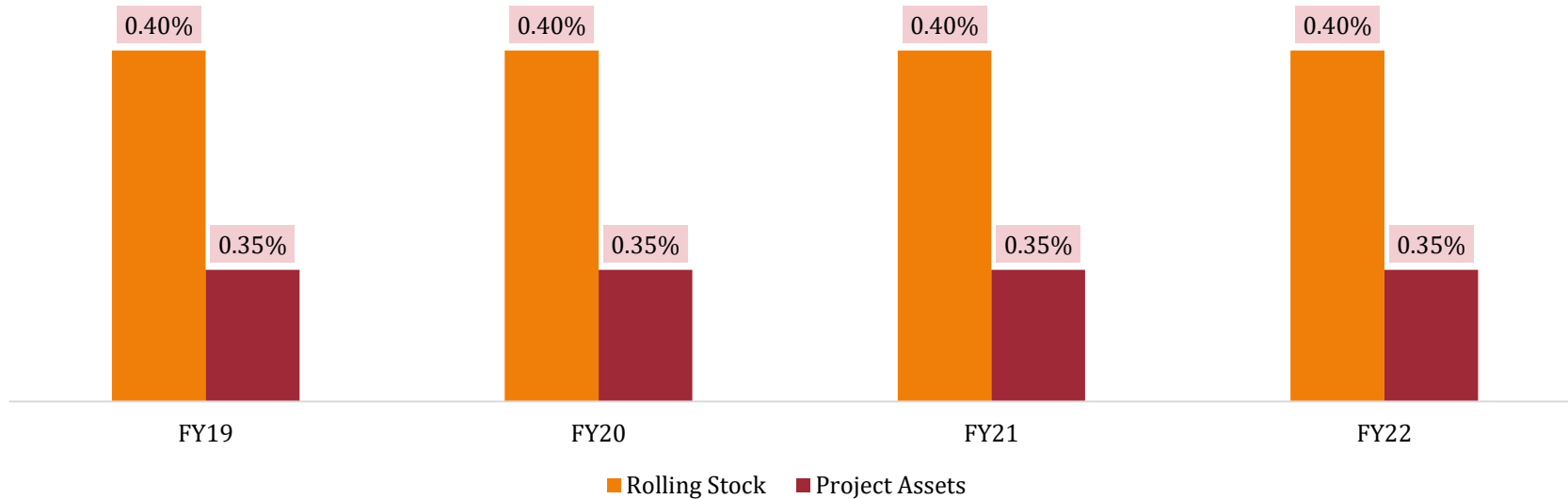


All figures are in INR Crore, unless specified otherwise



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

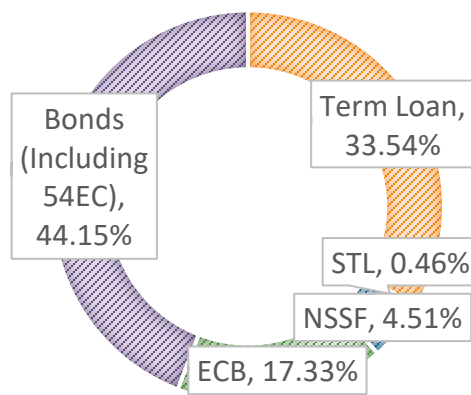
IRFC charges a minimal margin (spread) over its already low-cost of borrowing, to MoR, but still exhibits consistent financial performance, owing to its robust business model



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

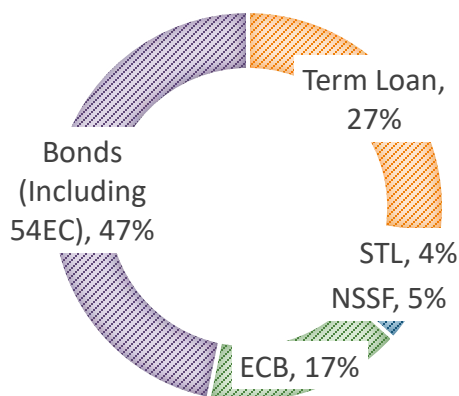
Borrowing Mix as on 30th June 2022

Term Loan STL NSSF ECB Bonds (Including 54EC)



Borrowing Mix as on 30th June 2021

Term Loan STL NSSF ECB Bonds (Including 54EC)



| Particulars (30 th June 2022) | Rating | Outlook |
|--|------------|---------|
| <u>Domestic:</u> | | |
| 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+ | – |
| <u>International **</u> | | |
| Moody's | Baa3 | Stable |
| Standard and Poor's | BBB- | Stable |
| Fitch | BBB- | Stable |
| Japanese Credit Rating Agency | BBB+ | Stable |

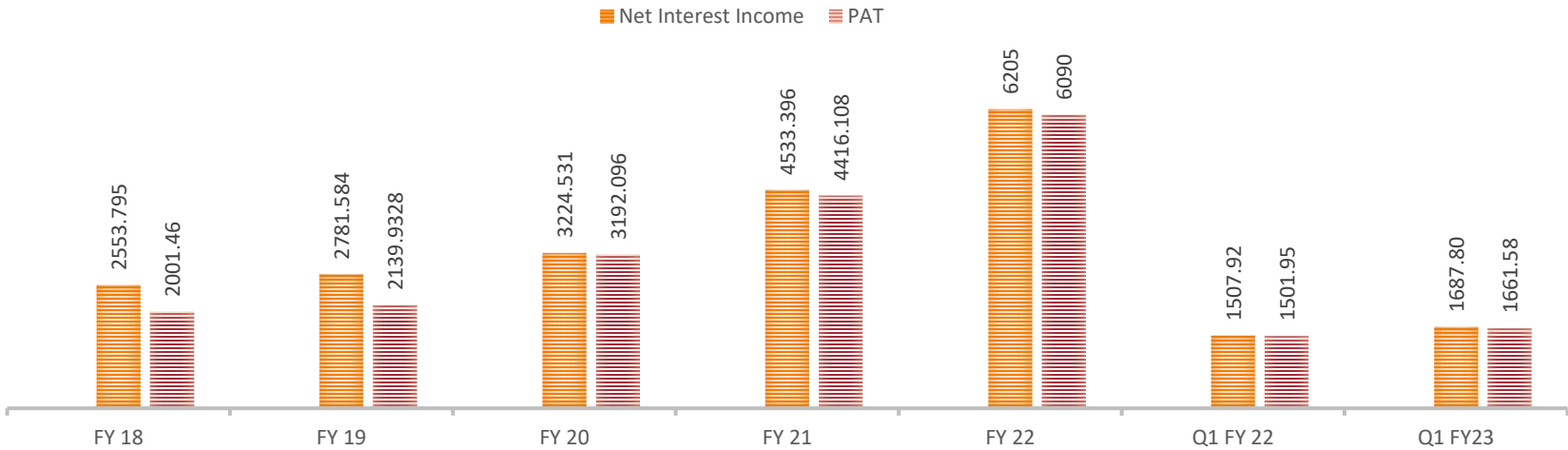
Diversified sources of funding, credit ratings and strategic relationship with the MoR, have enabled IRFC to keep costs of borrowing competitive

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

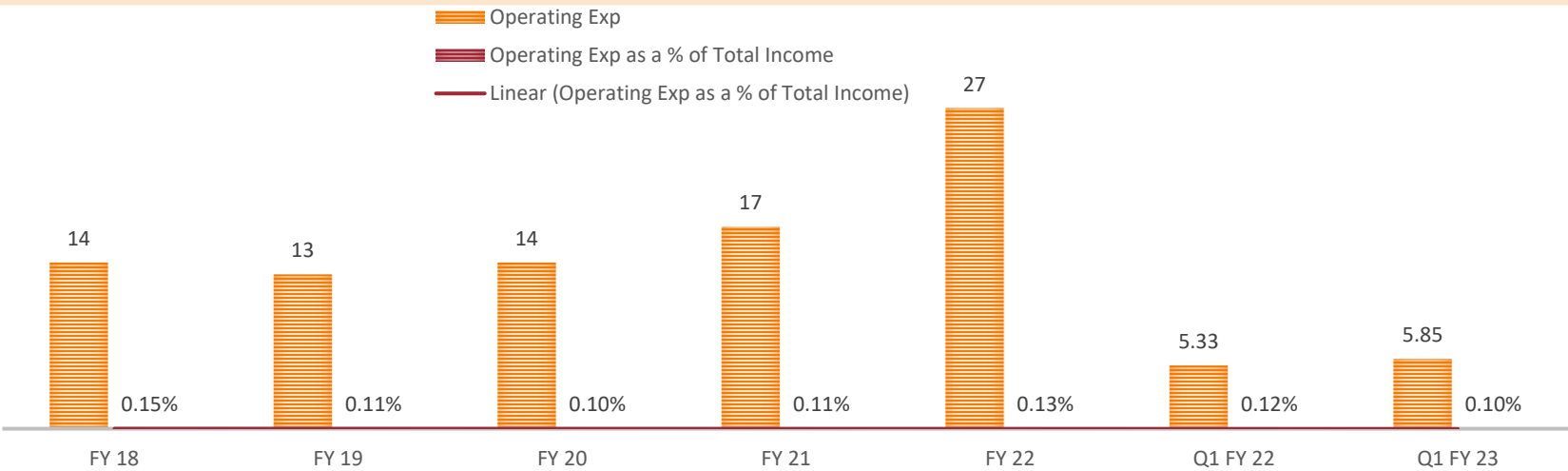


Consistent Financial Performance

Net Interest Income & PAT



Negligible Operating Expenses

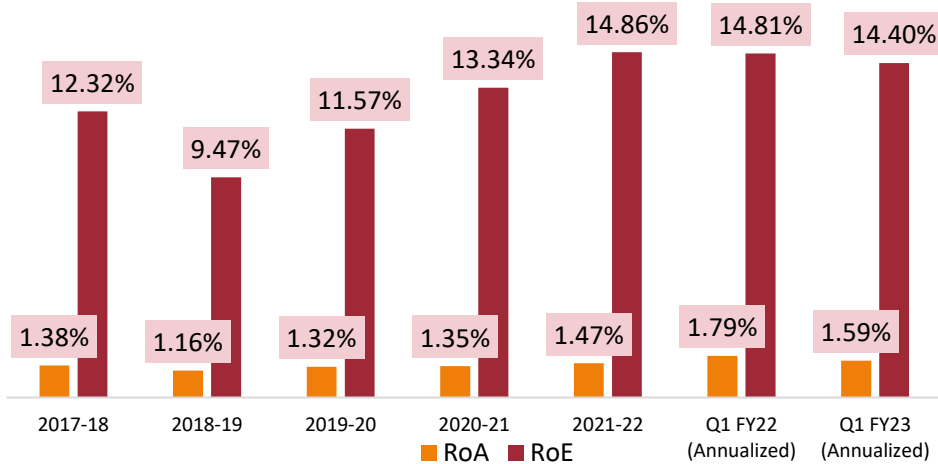


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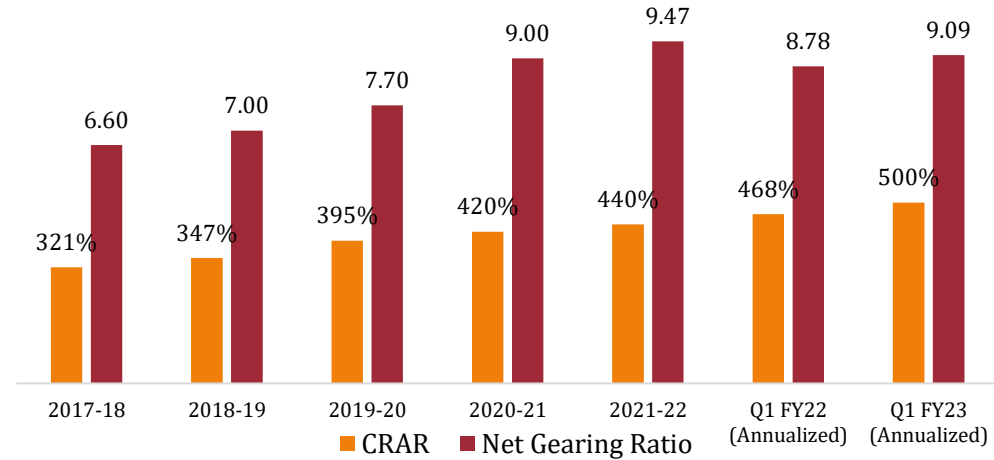


Consistent Financial Performance

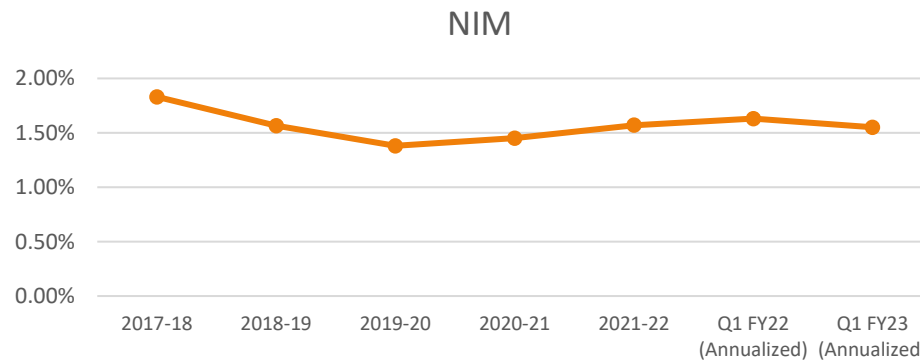
Return Ratios



CRAR and Net Gearing Ratio



Net Interest Margin



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



Key Ratios- FY 2021-22

| Particulars | Q1 FY 2022-23 |
|---|---------------|
| Net Interest Margin (Annualized) | 1.55% |
| Return on Equity (Annualized) | 14.40% |
| Net Gearing Ratio | 9.09 x |
| CRAR | 500.48% |
| EPS (Annualized) | 5.09 |



Snapshot of Key Financials

| Particulars | Quarter ended | | | Year-Ended |
|-----------------------------------|-------------------|-------------------|----------------|--------------------------------|
| | 30th June 2021 | 30th June 2022 | Growth in % | 31 st March 2022 |
| Revenue from Operations | 4581.61 | 5627.47 | 22.83% | 20,298.27 |
| Finance Cost | 3073.49 | 3939.64 | 28.18% | 14,074.78 |
| Net Interest Income | 1507.92 | 1687.80 | 11.92% | 6223.49 |
| Profit Before Tax | 1501.95 | 1661.58 | 10.63% | 6090.15 |
| Profit After Tax | 1501.95 | 1661.58 | 10.63% | 6089.84 |
| Total Comprehensive Income | 1503.11 | 1660.81 | 10.49% | 6089.33 |

All figures are in INR Crore





Thank You



Disclaimer

- * The presentation is prepared based on un-audited financial statements of IRFC the quarter ended 30th June 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) | Quarter Ended 30 th June 2022 | Quarter Ended 30 th June 2021 | Year- Ended March 2022 |
|--|---|---|---------------------------|
| Revenue from operations | | | |
| Interest income | 1698.60 | 1660.14 | 7,294.67 |
| Dividend income | 0 | 0.14 | 0.99 |
| Lease income | 3928.84 | 2921.28 | 13,003.59 |
| Total revenue from operations | 5627.44 | 4581.56 | 20,299.25 |
| Other income | 0.03 | 0.04 | 2.33 |
| Total income | 5627.47 | 4581.60 | 20,301.58 |
| Finance costs | 3939.64 | 3073.49 | 14074.78 |
| Impairment on financial instruments | (4.66) | (2.26) | 0.46 |
| Employee benefit expense | 2.62 | 1.80 | 10.75 |
| Depreciation, amortization and impairment | 3.50 | 3.10 | 14.02 |
| Other expenses | 24.78 | 3.52 | 111.43 |
| Total expenses | 3965.88 | 3079.65 | 14,211.44 |
| Profit before exceptional items and tax | 1661.59 | 1501.95 | 6,090.15 |
| Exceptional items | - | - | - |
| Profit before tax | 1661.59 | 1501.95 | 6,090.15 |
| Tax expense | - | - | - |
| Adjustment for earlier year | - | - | 0.32 |
| Total Tax Expenses | - | - | 0.32 |
| Profit for the period from continuing operations | 1661.59 | 1501.95 | 6,089.83 |
| Profit from discontinued operations | | | |
| Total comprehensive Income | (0.78) | 1.16 | (0.50) |
| Profit from discontinued operations (after tax) | | | |
| Profit for the period | 1660.81 | 1503.11 | 6,089.33 |



Financials – Balance sheet (1/2)

| (INR Crore) | Particulars | Quarter Ended 30 th June, 2022 | Quarter Ended 30 th June, 2021 | As at 31 st March 2022 |
|-------------------------|-----------------------------------|--|--|-----------------------------------|
| ASSETS | | | | |
| Financial assets | | | | |
| | Cash and cash equivalents | 538.79 | 109.40 | 146.49 |
| | Bank balance other than above | 156.44 | 93.04 | 156.88 |
| | Derivative financial instruments | 304.14 | 82.28 | 202.33 |
| | Receivables | | | |
| | - Lease receivables | 2,17,289.34 | 1,68,382.56 | 2,00,692.50 |
| | Loans | 5933.13 | 6625.61 | 6,824.81 |
| | Investments | 8.80 | 12.65 | 10.01 |
| | Other financial assets | 2,12,421.92 | 2,02,278.17 | 2,24,777.92 |
| | Total financial assets | 4,36,652.56 | 3,77,583.71 | 4,32,810.93 |
| | Current tax assets (net) | 637.42 | 930.77 | 637.31 |
| | Property, plant and equipment | 13.73 | 10.96 | 13.89 |
| | Right to use of Assets | 19.44 | 31.39 | 22.43 |
| | Other Intangible assets | 1.66 | 0.03 | 1.65 |
| | Other non-financial assets | 13,658.63 | 7463.16 | 16,494.03 |
| | Total non-financial assets | 14,330.88 | 8436.31 | 17,169.30 |
| | Total Assets | 4,50,983.44 | 3,86,020.02 | 4,49,980.22 |



Financials – Balance sheet (2/2)

| Particulars | Quarter Ended 30 th June, 2022 | Quarter Ended 30 th June, 2021 | As at 31 st March 2022 |
|---|--|--|--------------------------------------|
| LIABILITIES AND EQUITY (INR Crore) | | | |
| LIABILITIES | | | |
| Financial liabilities | | | |
| Derivative financial instruments | 917.30 | 368.79 | 566.93 |
| 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 | 0.40 | 1.00 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 31.45 | 32.70 | 23.57 |
| Debt securities | 1,96,924.22 | 1,75,654.65 | 1,94,174.95 |
| Borrowings (other than debt securities) | 1,90,749.83 | 1,52,692.71 | 1,94,241.66 |
| Lease Liabilities | 20.44 | 31.84 | 23.35 |
| Other financial liabilities | 19,600.00 | 19,659.94 | 19,425.20 |
| Total financial liabilities | 4,08,243.59 | 3,48,441.03 | 4,08,456.67 |
| Non-financial liabilities | | | |
| Current tax liabilities (net) | | | |
| Provisions | 46.63 | 29.01 | 53.57 |
| Deferred tax liabilities (net) | | | |
| Other non-financial liabilities | 36.08 | 133.49 | 473.64 |
| Total non-financial liabilities | 82.71 | 162.50 | 527.21 |
| Total liabilities | 4,08,326.30 | 3,48,603.53 | 4,08,983.88 |
| EQUITY | | | |
| Equity share capital | 13,068.51 | 13,068.51 | 13,068.51 |
| Other equity | 29,588.63 | 24,347.98 | 27,927.83 |
| Total equity | 42,657.14 | 37,416.49 | 40,996.34 |
| Total Liabilities and Equity | 4,50,983.44 | 3,86,020.02 | 4,49,980.22 |

